



IDEX ASA

Prospectus in connection with the admission to trading on Oslo Axess of 27,196,064 new shares issued in a private placement resolved on 9 November 2012

THIS PROSPECTUS IS COMPRISED OF THE FOLLOWING PARTS AND
APPENDIX

PART I: SUMMARY NOTE

PART II: SHARE REGISTRATION DOCUMENT WITH APPENDICES

PART III: SHARE SECURITIES NOTE

DATE: 11 DECEMBER 2012

IMPORTANT NOTICE

This Summary (which in combination with the Share Registration Documents and Securities Note are referred to as the "Prospectus") has been prepared in connection with the application for admission to listing on Oslo Axess of 27,196,064 new shares, which were issued in a private placement resolved by the Board of Directors of IDEX on 9 November 2012, pursuant to an authorization by the Annual General Meeting dated 15 May 2012. This Prospectus has been prepared solely in the English language. The Prospectus has been reviewed and approved by Finanstilsynet pursuant to Section 7-7 of the Norwegian Securities Trading Act.

The information in the Prospectus is updated as of the date hereof, but may be subject to change, completion and amendment without notice. Any new material information and any material inaccuracy that might have an effect on the assessment of the shares arising after the date of publication of this Prospectus and prior to the listing will be published and announced as a supplement to this Prospectus in accordance with Section 7-15 of the Securities Trading Act. Without limiting the manner in which the Company may choose to make public announcements, and subject to the Company's obligations under applicable law, announcements in relation to the matters described in this Prospectus will be considered to have been made once they have been received by Oslo Børs and distributed through its information system.

The distribution of this Prospectus may be restricted by law in certain jurisdictions. The Company requires persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

This Prospectus does not constitute an offer to subscribe for shares in the Company.

The content of this Prospectus are not to be construed as legal, business, financial or tax advice. Each prospective investor should consult its own legal advisor, business advisor, financial advisor or tax advisor as to legal, business, financial and tax advice.

Any dispute regarding the Prospectus shall be governed by Norwegian law and Norwegian courts alone shall have jurisdiction in matters relevant hereto.

Investing in shares involves risks. Please refer to Section 1.17 of this Summary, Section 1 of the Share Registration Document and Section 2 of the Share Securities Notes for a description of certain risk factors.



PART I: SUMMARY NOTE

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1 Summary

This summary should be read as an introduction to the Prospectus (comprising the Summary Note, the Share Registration Document and the Share Securities Note) and any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor, including the documents incorporated by reference and the risks of investing in the Company as set out in "Risk Factors". Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might under the applicable national legislation of the Member States have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability will attach to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the Summary misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

The capitalised terms used in the Summary are defined in Section 9 of the Share Registration Document.

This Prospectus has been prepared in accordance with Section 7-3 of the Securities Trading Act. The Prospectus has been prepared in connection with the admission to trading on Oslo Axess of 27,196,067 shares in IDEX, which were issued through a share capital increase resolved by the Board on 9 November 2012, and which, together with other share issues over the preceding 12 months, amount to more than 10 percent of the number of IDEX shares already listed on Oslo Axess.

1.1 Brief description of the Company

IDEX is a Norwegian technology research and development company which was incorporated on 24 July 1996 with organization number NO 976 846 923. IDEX is a public limited liability company (Norwegian: allmennaksjeselskap). The Company's shares have been listed on Oslo Axess since 12 March 2010.

The IDEX Group comprises the parent company IDEX ASA ("IDEX") at Fornebu, Norway and the wholly-owned US subsidiary IDEX Holding Company, Inc., which, in turn, wholly owns IDEX America, Inc., the US operating company. The two US subsidiaries have been dormant since the end of 2010 and will be dissolved before year-end 2012.

1.2 Business Description

IDEX is a Norwegian company specializing in fingerprint biometrics authentication technology, products and solutions, and a leading provider of intellectual property (IP) required to implement small-sized, high performance, low-cost biometric systems. The current activity of IDEX is focused on the development, industrialization and commercialization of the SmartFinger products targeted for biometric cards, mobile peripherals and a variety of other biometrically enabled devices.

IDEX has developed and offers the award-winning SmartFinger Film polymer technology, which facilitates IDEX's thin and flexible swipe fingerprint sensors.

The SmartFinger platform is available to customers as sensor and authentication solutions ready to be designed into products and applications as well as under an IP licensing scheme.

IDEX believes that tier-one industrial players such as original equipment manufacturers, semiconductor companies or manufacturing companies will become the major suppliers of fingerprint sensors in mass markets. The mobile handset and other major original equipment manufacturers ("OEMs"), as well as the card industry, will prefer to build on their supplier partnerships with vendors with mass volume capability, distribution channels and product support.

To take a part in these markets IDEX continues to offer partnerships with semiconductor and manufacturing companies based on the SmartFinger technology and IP.

The high biometric performance, ease of integration, and usability of the SmartFinger sensors are features that put IDEX in a strong position to provide sensors directly to medium-volume/larger-margin products. This opportunity will be facilitated by IDEX's own supply-chain or by supply and distribution through IDEX's licensing, turn-key manufacturing partners and distribution partners.

IDEX's success and ability to compete is dependant upon proper protection of its core technology. One of the strengths of the Company is its intellectual property rights. Currently IDEX holds granted patents in a total of 18 patent families and three pending. Moreover, IDEX retains an exclusive worldwide license to the basic fingerprint technology developed by SINTEF. This patent relates to the capacitive stripe scanner.

1.3 Business status

IDEX has in the past few years focused at offering complete fingerprint hardware and authentication software solutions ready to be embedded into biometrically enabled devices. Such fingerprint system-on-device adds security in safe and simple way, and has opened the market for early adopters of biometric cards, mobile peripherals and a variety of other portable devices.

In the first half of 2011 IDEX initiated production ramp-up of the new, polymer based, thin and bendable, SmartFinger Film sensor. Throughout 2011 high quality sensors were manufactured and delivered to customer's demonstrators, product prototypes and pilots. IDEX did, however, face challenges in order to establish qualified, cost efficient, volume manufacturing of the polymer part, the substrate, of the SmartFinger sensor. From the beginning of 2012 the Company considered it necessary to focus at securing alternative, reliable manufacturers with higher volume capabilities. Sensor prototypes based on substrates from a new polymer vendor was successfully completed.

IDEX is now targeting at delivering the first commercial batches of sensors in the second quarter, and volumes from second half, of 2013. The Company is also in the progress of partner discussions with major global manufacturers. The recent development in the area of polymer electronics opens new opportunities for implementing next generations SmartFinger sensors in a wide range of materials.

During 2011 IDEX entered into several Cooperation Agreements aimed at designing SmartFinger Film sensors into customer's biometric cards and devices. Several of these projects have resulted in product prototypes and demonstrators presented to the market, and the first sensors orders were received in the second quarter of 2012.

On 9 November 2012 IDEX announced the first commercial volume agreement with a European OEM partner for SmartFinger sensor and software. IDEX SmartFinger fingerprint sensor and accompanying software will be incorporated in a luggage lock and substitute the key. The commercial agreement

defines specific volumes to be delivered from the second quarter of 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.

IDEX's distribution strategy is based on a partnership agreement with Future Electronics.

IDEX participates in the eGo project with twelve European R&D and industrial partners, such as Gemalto, STMicroelectronics, Precise Biometrics and Atos Worldline. eGo is part of and funded via the EUREKA programme CATRENE (Cluster for Application and Technology Research in Europe on Nano Electronics). IDEX and its partner UINT have received funding from EU and national governments for developing a biometric smartcard for contactless payment applications.

In February 2012 IDEX appointed Pareto Securities AS as financial advisor to assist in evaluating potential strategic industry partners in order to fully exploit the potential of IDEX's SmartFinger technology and products in the fast expanding global market for biometric ID and data protection.

After Apple submitted a bid for a fingerprint biometrics and mobile security firm, the market interest for fingerprint sensors has risen drastically. IDEX has since the summer of 2012 gained significant traction in the market place and received enquiries from several top-tier industrial players, who have expressed great interest in IDEX's patented SmartFinger technology.

1.4 Vision, Mission and Outlook

Slogan

IDEX – The ID of You

Secure, Safe and Simple ID

Vision

A vast amount of new services and businesses will become enabled by biometric authentication;

- using connected, portable biometric devices carrying biometric information and a person's credentials
- empowering bring your own device transactions, mobile payments, near field communication, cloud services, access control and much more
-

IDEX's vision: Connectivity anytime and any place for anything empowered by biometric authentication at every device you own.

Outlook

The Company's main goals for 2012-13 are:

1. Establish and qualify products and supply-chain in order to deliver SmartFinger sensors and authentication solutions in volumes for embedded solutions.
2. Deliver sensors and solutions to customers in volumes from the second half of 2013.
3. Establish partnerships with major manufacturers.
4. Establish strategic partnerships with tier-one industrial players in order to enter the mass market application such as mobile handsets, pads, tabs, lap-tops and cards.

1.5 Business Model and Strategy

The Company's business plan is to invent, develop and deliver unique and cutting-edge fingerprint authentication technology and products. As an IP provider IDEX has a strong focus on developing and maintaining IP via an exhaustive portfolio of patents, designs and implementations.

IDEX operates with a dual business model:

1. Licensing IPR to high volume manufacturers as well as original equipment manufacturers.
2. Supply of fingerprint sensors and authentication solutions under the IDEX label through outsourcing and partnerships.

1.6 Directors, Senior Management and Employees

Board of Directors

The current Board is comprised of Morten Opstad (Chairman), Jon Ola Frankplads, Hanne Høvding, Joan Frost Urstad and Harald Voigt.

Management and employees

IDEX's executive management is comprised of Ralph W. Bernstein (Managing Director/CEO and CTO) and Erling Svela (Finance Director/CFO).

As of the date of this Prospectus, the IDEX group has ten employees, of which two work part time. All the employees are employed by IDEX ASA. IDEX supplements its employed staff by outsourced services and contracted specialists.

1.7 Advisors

Advokatfirma Ræder DA in Oslo, Norway serves as IDEX's legal advisor.

1.8 Statutory Auditors

IDEX's auditor is Ernst & Young AS, Dronning Eufemias gate 6, NO-0191 Oslo, Norway.

1.9 Documents on Display

The Articles of Association of the Company, the audited consolidated financial statements under IFRS for the Group and IDEX for 2009, 2010 and 2011, and the unaudited consolidated interim third quarter 2012 financial statements under IFRS for the Group, are attached as appendices to Part II of this Prospectus.

The following documents may be inspected during usual business hours at the offices of Advokatfirma Ræder DA, Henrik Ibsens gate 100, P.O. Box 2944 Solli, NO-0230 Oslo, Norway.

- (a) the Memorandum of incorporation and Articles of Association of IDEX;
- (b) audited financial statements for 2009, 2010 and 2011 for the Group and for IDEX;
and
- (c) unaudited interim financial statements for third quarter 2012 for the Group.

The above documents will be available for inspection for the life of this Prospectus. There are no reports, letters, valuations or statements prepared by any expert at the Company's request which are referred to in the Prospectus.

1.10 Share Capital, Shareholders and Articles of Association

IDEX has a share capital of NOK 46,421,914.50, divided into 309,479,430 shares, each is fully paid and has a par value of NOK 0.15.

As of the date of this Share Registration Document¹, IDEX has a total of 1,160 registered shareholders, 1,109 of them Norwegian and 51 foreign. As of the same date the Norwegian shareholders held 76 per cent of the issued and outstanding shares in the Company, while foreign shareholders held 24 per cent of the shares. Members of the Board, management and staff, including ongoing contractors, hold a total of 7 per cent of the shares. The Company's largest shareholder is A. S. Holding A/S, holding about 25 per cent of the issued and outstanding shares.

The top 20 registered shareholders with the largest shareholdings as of the date of this Prospectus² are listed in the table below:

Name	Number of shares	Per cent
A. S. Holding A/S	77 225 875	25.0
Charles Street International Ltd	37 107 236	12.0
Colargol Invest AS	17 500 318	5.7
Euroclear Bank S.A./N.V. (nominee)	16 997 966	5.5
MP Pensjon	7 500 000	2.4
Storebrand Vekst	7 385 514	2.4
Hedger Management SA	6 000 000	1.9
Lars Frithjof Rønne	5 700 000	1.8
Sven Christian Rønne	4 760 953	1.5
Marc O'Polo Norge AS	4 613 148	1.5
Six Sis AG (nominee)	4 513 073	1.5
Big Top Holding AS	3 500 000	1.1
Stålhe Invest AS	3 257 282	1.1
Harald Voigt	3 115 443	1.0
Jens Andre Henriksen	3 070 000	1.0
Jon Ola Frankplads	3 014 200	1.0
Marit Høvding	2 947 342	1.0
Simen Falck Engelstad	2 487 788	0.8
Lupum AS	2 284 696	0.7
Egge Gård AS	2 156 550	0.7
Total	215 137 384	69.5

Since 12 March 2010, the Company's shares have been traded on Oslo Axess. The Company's shares are not listed on any other stock exchange, regulated market or other equivalent markets and no such other listing is sought or contemplated.

The Company's share register is operated by VPS and the Company's registrar is DNB Bank ASA Securities Services, Dronning Eufemias gate 30, NO-0191 Oslo, Norway. The securities number (ISIN number) for the Company's shares is NO 000 307 0609.

The Company's Articles of Association are included as Appendix 1 to the Share Registration Document. The Company's purpose according to Section 2 of the Articles of Association is "... to deliver computer-based identification systems and other related activities." The Articles of Association provide that the Board shall have at least three and a maximum of seven members.

¹ The information is based on current VPS data and the subscription list for the Private Placement.

² The information is based on current VPS data and the subscription list for the Private Placement.

1.11 The Private Placement

A total of 27,196,064 shares at a subscription price of NOK 0.75 per share were issued to certain investors, including existing shareholders as well as new investors, on 9 November 2012 by the Board, pursuant to an authorization from the Annual General Meeting dated 15 May 2012. These new shares were registered in the Company Registry on 5 December 2012 and will be issued in the VPS on or about 11 December 2012. The subscription price per share was NOK 0.75, which was paid to the Company before the date of this prospectus. The subscription price was determined based on a book building process.

The Private Placement has been undertaken in order to strengthen the Group's liquidity and equity situation.

IDEX received after deduction of costs and expenses net proceeds of about NOK 18.9 million from the Private Placement. In addition to strengthen the Group's liquidity, equity and financial position, the proceeds will be applied to secure necessary working capital for the business and technological development and commercialization for the Company's technology.

1.12 Dilution

The per share dilution of ownership as a result of the Private Placement is 9.6 per cent.

1.13 Summary of Operating and Financial Information for the Group

The parent company IDEX ASA was established in 1996. The IDEX Group was formed in January 2007 when IDEX established its US subsidiary group. The Group's operations and financial results and status have been presented in the audited annual reports for each year and as of the interim report for the fourth quarter of 2003, also in the unaudited interim reports.

IDEX applied the Norwegian Accounting Act and the Norwegian Accounting Standards ("NGAAP") until and including the annual financial statements for 2004. The transition from NGAAP to IFRS reduced the net equity at 31 December 2004 by NOK 1.3 million. The Group's consolidated financial statements has been prepared in accordance with IFRS since the Group was established in 2007.

Between 30 September 2012 and the date of this Share Registration Document, there has not been any substantial events which has any noticeable impact on the result in the period 1 January-30 September 2012 or the value of the Group's assets and liabilities at 30 September 2012. The Group operates at a loss in the fourth quarter of 2012, in line with the ongoing level in the preceding three quarters of 2012. In the fourth quarter of 2012, the Company raised about NOK 18.9 million in new equity and working capital (net after expenses) through a Private Placement.

The Group operates in one business sector, fingerprint imaging and recognition technology. The parent and subsidiaries are managed as one unified entity. There are no distinguishable business segments or geographical segments, and IDEX has not implemented segment reporting under IFRS.

Profit and loss statements

Condensed consolidated profit and loss statements NOK 1,000	1 July	1 July	1 January	1 January	1 January	1 January	1 January
	-30 September 2012 (unaudited)	-30 September 2011 (unaudited)	-30 September 2012 (unaudited)	-30 September 2011 (unaudited)	-31 December 2011 (audited)	-31 December 2010 (audited)	-31 December 2009 (audited)
Sales and services revenue	455	64	1 026	80	99	66	3
Other operating revenue	890	482	2 413	482	1 224	77	65
Payroll expenses	(4 356)	(3 663)	(14 706)	(12 789)	(17 696)	(13 739)	(12 006)
Research and development expenses	(2 372)	(4 303)	(9 685)	(11 094)	(13 481)	(6 278)	(4 989)
Other operating expenses	(2 347)	(1 906)	(7 644)	(5 552)	(7 632)	(7 912)	(8 296)
Depreciation	(78)	(61)	(236)	(173)	(245)	(134)	(43)
Operating profit (loss), EBIT	(7 808)	(9 387)	(28 832)	(29 046)	(37 731)	(27 920)	(25 266)
Net financial items	32	108	141	242	376	(8)	(2 319)
Profit (loss) before income tax	(7 776)	(9 279)	(28 691)	(28 804)	(37 355)	(27 928)	(27 585)
Income tax expense	-	-	-	-	-	-	-
Profit (loss) for the period	(7 776)	(9 279)	(28 691)	(28 804)	(37 355)	(27 928)	(27 585)
Time-weighted basic number of shares	282 283 386	252 023 137	276 914 718	232 484 419	242 434 609	195 543 310	135 609 947
Profit (Loss) per share basic and diluted (kr,øre)	NOK (0.03)	NOK (0.04)	NOK (0.10)	NOK (0.12)	NOK (0.15)	NOK (0.14)	NOK (0.20)
Average number of employees in the period	14	11	14	10	11	9	9

The Group has to date earned insignificant revenue from customers on its technology and IP or products and services. Other operating revenue includes project-specific government research and development grants and similar grants that represent revenue and are not classified as cost reductions. In 2012 IDEX earned revenue amounting to NOK 1.0 million from a feasibility study commissioned and paid by a significant firm in the biometric industry.

The principal part of the operational expenses are, firstly, staff costs and associated costs of laboratories and premises and, secondly, expenses related to research and development ("R&D") performed by contractors on site or purchased from various companies and institutions. IDEX operates share-based incentive schemes in the form of revolving incentive subscription rights plans resolved by the annual general meetings in the respective years. The major part of the R&D expenses have related to development of the SmartFinger Film sensor technology and product. Costs of obtaining and maintaining patents are also included in the R&D costs. Research and development costs have been expensed. 2011 and the first half of 2012 were periods of increased activity related to production trials and pilot production runs and also the development of a new version of IDEX's ASIC. In 2009 and 2010, IDEX incurred costs related to the application for listing at Oslo Axess. In 2011 and 2012, sales and marketing activities were stepped up, and IDEX has in 2012 operated a project to identify and attract an industrial partner.

Compared to the operating expenses, only moderate investments in R&D equipment, IT and offices have been made in the period. Consequently, the depreciation has amounted to a small amount.

A convertible financial loan was converted into shares in the Company in 2010. Otherwise, the Company has been funded by equity and supplier credits.

Balance sheets

Condensed consolidated balance sheets NOK 1,000	30 September 2012 (unaudited)	30 September 2011 (unaudited)	31 December 2011 (audited)	31 December 2010 (audited)	31 December 2009 (audited)
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	703	792	939	632	409
Other long-term receivables	325	319	325	319	313
Total long-term assets	1 028	1 111	1 264	951	722
<u>Current assets</u>					
Trade and other receivables	2 754	2 511	3 523	1 922	3 330
Cash and bank deposits	5 683	29 180	21 462	12 649	5 286
Total current assets	8 437	31 691	24 985	14 571	8 616
TOTAL ASSETS	9 465	32 802	26 249	15 522	9 338
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	42 343	40 794	40 794	32 240	17 712
Share premium reserve	71 625	63 418	63 429	29 274	-
Other paid-in capital	11 098	6 268	7 409	3 000	-
Other equity	(120 958)	(83 715)	(92 266)	(54 911)	(25 903)
Total equity	4 108	26 765	19 366	9 603	(8 191)
<u>Current liabilities</u>					
Financial debt	-	-	-	-	11 954
Trade and other payables	5 357	6 037	6 883	5 919	5 575
Total liabilities	5 357	6 037	6 883	5 919	17 529
TOTAL EQUITY AND LIABILITIES	9 465	32 802	26 249	15 522	9 338

The assets are essentially comprised of cash, receivables and prepayments and a smaller amount of tangible fixed assets. There are no contingent assets in the balance sheet. The equity and liabilities are comprised of shareholders' equity and trade and other short-term payables and accruals, except for the financial debt which was settled in 2010. There are no contingent liabilities in the balance sheet.

There are no intangible assets in the Group's balance sheet. The Group has not acquired goodwill. Development costs, the patent portfolio costs and other intellectual property related costs have been expensed. A possible deferred tax asset from tax loss carryforwards has not been recognized.

The tangible assets are primarily office upgrades and IT and office equipment which depreciate over 3-5 years. The long-term receivable is a leasehold deposit in an escrow account.

Trade and other receivables are for a large part made up by the receivable from Skattefunn, which is received in the fourth quarter of the year after it has been earned.

The cash position is commented in the section Cash flow statements below.

The ongoing losses in the years reported in this Prospectus have been charged to equity, and the equity was negative at year-end in 2009. Equity has been replenished by share issues in every year covered in the years reported in this Prospectus. The notional equity injection from share-based remuneration (incentive subscription rights to employees) and the convertible debt have been added to equity. The net equity amounted to less than half the share capital at year ends of 2010 and 2011 as well as at 30 September 2012. Additional equity was raised in the fourth quarter of 2012, as set out in Section 1.11 above.

The financial debt in 2009 was a convertible loan, and conversion took place in 2010. IDEX does not have financial debt.

Trade and other payables include also personnel-related and other expense accruals.

Cash flow statements

Condensed consolidated cash flow statements NOK 1,000	1 July -30 September 2012 (unaudited)	1 July -30 September 2011 (unaudited)	1 January -30 September 2012 (unaudited)	1 January -30 September 2011 (unaudited)	1 January -31 December 2011 (audited)	1 January -31 December 2010 (audited)	1 January -31 December 2009 (audited)
CASH FLOWS FROM OPERATIONS							
Cash generated (consumed) by operations incl working capital	(6 375)	(10 584)	(25 673)	(26 061)	(33 685)	(22 993)	(22 791)
Interest paid	-	-	-	-	-	(174)	(1 287)
Net cash from (used on) operating activities	(6 375)	(10 584)	(25 673)	(26 061)	(33 685)	(23 167)	(24 078)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of property, plant and equipment	-	-	-	(333)	(552)	(357)	(420)
Change in long-term receivables	-	-	-	-	(7)	(6)	507
Interest received	30	111	150	226	348	221	116
Net cash from (used on) investment activities	30	111	150	(107)	(211)	(142)	203
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from shares issue	(19)	11 586	9 744	42 699	42 709	30 672	25 137
Paid-in, not registered capital	-	(176)	-	-	-	-	-
Net cash from financing activities	(19)	11 410	9 744	42 699	42 709	30 672	25 137
Net change in cash and bank deposits	(6 364)	937	(15 779)	16 531	8 813	7 363	1 262
Cash and bank deposits at the beginning of the period	12 047	28 243	21 462	12 649	12 649	5 286	4 024
CASH AND BANK DEPOSITS AT THE END OF THE PERIOD	5 683	29 180	5 683	29 180	21 462	12 649	5 286

The Group does not have any bank overdraft facilities or credit lines.

The operational cash flows have been negative because revenue has been small and inadequate to cover the cash operating expenses.

The cash interest payments in 2009 and 2010 relate to the financial debt, and differ from the reported interest cost because of the convertible feature of the financial loan. The loan was settled by conversion to shares in 2010.

Major shareholders have been consistently supportive over the years, and IDEX has been able to obtain funding from the shareholders. Several share issues have been conducted in the period, by several private placements to new and existing shareholders, as well as employees. A Private Placement has been conducted in the fourth quarter of 2012.

Prospects

IDEX is seeking a strategic partnership with major industrial players, and expects interesting progress in this regard during the next quarters. In order to cement a potential strategic alliance IDEX may be willing to offer a suitable partner an equity stake in IDEX through a capital injection.

The market for fingerprint technology is strong, and IDEX aims to capitalise 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 and is ready to take advantage of the expected growth in demand. Products with IDEX's sensor technology are expected to be on the market in 2013. Beyond the present period, meaning 12 months after the date of this Prospectus, IDEX may or may not be in need of obtaining additional working capital. The need, if any, will depend partly on the financial results during the 12 months, but more on the technical and commercial achievements made in the 12 months and the business at that time.

1.14 Working Capital

IDEX is of the opinion that its working capital as at the date of this Prospectus is sufficient for its present requirements.

1.15 Capitalisation and indebtedness of the Group

After the interim report as at 30 September 2012 was published, the Group's business and operations have progressed as planned.

The board resolved on 8 November 2012 to carry out a private placement of up to 27.2 million shares, with final quantity and price per share to be established by book building. The book building was completed on 8 November 2012 and the board resolved on 9 November 2012 to issue a total of 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. Subscription for the new shares has taken place and the subscription amount has been paid in.

Consolidated debt and shareholders' equity on 30 November 2012 and 30 September 2012

[tabell byttet uten sporing]

NOK 1,000	30 November 2012 (unaudited)	30 September 2012 (unaudited)
Total Current debt:	3 756	5 357
Guaranteed	-	-
Secured	-	-
Unguaranteed/ Unsecured	3 756	5 357
Total Non-Current debt (excluding current portion of long-term debt)	-	-
Guaranteed	-	-
Secured	-	-
Unguaranteed/ Unsecured	-	-
Shareholders' equity	19 266	4 108
a. share capital	46 392	42 343
b. Legal Reserve	86 493	71 625
c. Other Reserves	(113 619)	(109 860)
Total debt and shareholders' equity	23 022	9 465

The unsecured current debt consists of accounts payable and accrued expenses. IDEX does not have any credit lines.

The numbers as at 30 November 2012 above include NOK 18,947 thousand in new equity and working capital (net after expenses) raised in the Private Placement.

The Group does not have any financial debt, but a net positive cash position amounting to NOK x,yza thousand. The Group has no other indirect or contingent financial indebtedness, and neither had or has any plan to raise additional financial debt.

1.16 Related Party Transactions

Morten Opstad, Chairman of the Board, is partner in Advokatfirma Ræder DA, which serves as outside legal counsel to IDEX. The legal services rendered by Advokatfirma Ræder DA are to a large degree performed by other lawyers than Mr. Opstad. Advokatfirma Ræder DA assisted IDEX in connection with the Private Placement and with preparation of the instant Prospectus.

Frost Urstad AS, represented by board member Joan Frost Urstad, performed a minor, specific assignment beyond board duty in the first quarter of 2012. There are no ongoing assignments or commitments for future assignments with any of the board members.

Lupum AS, which is a shareholder in IDEX and is controlled by Kristian Wiermyhr who is also a shareholder in IDEX, currently provides services performed by Kristian Wiermyhr to the Company. The service agreement ends without notice on 31 January 2013. 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 book building and placement of shares on 8-9 November 2012 was managed by Kristian Wiermyhr. According to the service agreement with Lupum AS, Lupum AS shall receive a commission on funds raised in equity issues in IDEX where Kristian Wiermyhr has facilitated and procured such investment. The commission will amount to NOK 454 thousand.

The following table sets forth the number of shares and independent subscription rights held or controlled by the members of the Board and management as of the date of this Prospectus (including shares and independent subscription rights owned by such persons' close associates, as that term is defined in the Securities Trading Act):

	Number of shares	Number of incentive subscription rights
Morten Opstad	6 559 725	0
Jon Ola Frankplads	3 912 432	0
Hanne Høvdig	293 477	29 675
Joan Frost Urstad	304 580	59314
Harald Voigt	3 115 443	59 314
Ralph W. Bernstein	334 638	2 713 963
Erling Svela	0	706 666

There is a Marketing Agreement in place between IDEX and IDEX America, Inc; whereby IDEX America, Inc. serves as a marketing services provider in North America. IDEX pays IDEX America, Inc. an amount equal to IDEX America, Inc.'s total operating costs connected to such services. Commencing at such time as IDEX generates income from customer contracts, a mark-up of 5 per cent shall be added to these costs. IDEX America, Inc. has been dormant since 2010 and will be dissolved by the end of 2012.

There are no other related party transactions than those described above.

1.17 Summary of Risk Factors

Readers of this Prospectus should carefully consider all of the information contained herein, and in particular the following factors, which may affect some or all of the Company's activities. This list is not exhaustive. The actual results of the Company could differ materially from those anticipated as a consequence of many factors, including the summary of risk factors described below and risks described elsewhere in this Prospectus:

- *IDEX's business is difficult to evaluate because the Company has a limited operating history*
- *IDEX has a history of losses and the Company expects future losses*
- *IDEX may have a difficulty developing relationships with key customers*
- *IDEX's business plan depends heavily on revenues from technology, commercial acceptance of which remains unproven*
- *IDEX will not be successful unless the Company manages to generate recurring revenue and grow its business*
- *IDEX may need additional capital, which, if obtainable, could dilute the ownership interest of investors*
- *IDEX's markets are highly competitive*
- *IDEX's markets are undergoing rapid technological change, and the Company's future success will depend on its ability to meet the changing needs of the industry*
- *IDEX depends substantially on highly qualified managerial, sales and technical personnel who are difficult to hire and retain*
- *IDEX faces risks of international expansion and operating in multiple jurisdictions*
- *IDEX faces risks relating to potential acquisitions of complementary companies, products or technologies*
- *IDEX's business and prospects will suffer if the market for fingerprint recognition technology does not develop as the Company expects*
- *IDEX is highly dependent on IP and the Company's methods of protecting its IP may not be adequate*
- *IDEX faces risks of claims for IP infringement*
- *IDEX may become subject to burdensome government regulations affecting the industry, which could adversely affect the Company's business*
- *If IDEX incurs substantial losses, the Company could be liquidated, and its share price would fall*
- *Anti-takeover provisions under Norwegian law may delay or prevent a change in control, even if it would benefit shareholders*
- *IDEX expects that its shareholders may suffer a dilution of their shareholding*
- *IDEX's quarterly operating results will likely be volatile and not a reliable indicator of the Company's future performance*
- *IDEX may not be able to earn the planned revenue or, if needed, to raise sufficient working capital to fund its operations until its business generates positive cash flow*
- *Price volatility of publicly traded securities*

The materialisation of any of these or other risk factors could have a material adverse effect on the Company's business, operating results or financial condition.

1.18 Costs related to the Private Placement

The estimated transaction costs directly attributable to the Private Placement, which are for the account of the Company, are about NOK 1.450 thousand excluding VAT.

In addition to the costs above, the Company will also be responsible for certain other minor costs incurred, such as the costs of printing and distributing the Prospectus.



PART II: SHARE REGISTRATION DOCUMENT

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1 Risk Factors

Readers of this Share Registration Document should carefully consider all of the information contained herein, and in particular the following factors, which may affect some or all of the Company's activities, and which may make an investment in the Company's shares one of high risk. The actual results of the Company could differ materially from those anticipated as a result of many factors, including the risks described below. If any of the following risks actually occur, the Company's business, financial condition and operating results could be materially and adversely affected.

1.1 Risks Related to the Company's Financial Condition and Business Model

IDEX's business is difficult to evaluate because the Company has a limited operating history.

IDEX has a limited commercial operating history even though the Company was founded in 1996. Only recently, the Company entered a commercial phase of its business operations. Because of its limited commercial operating history, it is difficult to evaluate the Company's business and prospects. IDEX's revenue and income-producing potential is unproven and the Company's business model and strategy continue to evolve. IDEX has earned only insignificant revenues. Future revenues are contingent upon several factors described further in this Share Registration Document. An investor in the Company's shares must evaluate the prospects based on limited operating and financial information while considering the risks and difficulties frequently encountered by early stage companies in new and rapidly changing markets.

IDEX's quarterly operating results will likely be volatile and not a reliable indicator of the Company's future performance.

The Company's revenues and operating results may in the future vary significantly from quarter to quarter due to a number of factors, including:

- demand for the Company's technology;
- timing of the closing of major contracts; and
- delays in introducing new technology.

IDEX expects that quarterly revenues may be volatile as the Company develops new technology and obtains new customers in the future. The volume and timing of commercial agreements are difficult to predict because the market for the Company's technology is not mature and the sales cycle may vary substantially from customer to customer. IDEX believes that quarter-to-quarter comparisons of its operating results are not likely to be a good indication of the Company's future performance. As a consequence, in future quarters, the Company's operating results might be below the expectations of public market analysts and investors, which again might cause the prices of the Company's shares to fall.

IDEX has a history of losses, the Company expects future losses.

IDEX has not achieved profitability. IDEX will need to gain significant revenues to achieve and maintain profitability. Failure to do so would further increase the level of the Company's losses. If IDEX does achieve profitability, the Company cannot be certain that it can sustain or increase profitability on a quarterly or annual basis in the future.

Revenues from the Company's business depend among other things on market factors, which are beyond IDEX's control.

IDEX may have a difficulty developing relationships with key customers.

IDEX's strategy is to set up strategic alliances for completing a value chain excelling in the fingerprint recognition technology. The Company's business depends extensively on these relationships. Because IDEX's agreements with these third parties do not provide the Company with exclusive rights and the Company expects future agreements to be similar, the Company's competitors may seek to establish relationships with these same partners, which could adversely impact the relationships with IDEX's existing and prospective partners. IDEX may not be able to establish or maintain these relationships or renew them on terms, which are as financially attractive.

IDEX's plan to seek additional relationships in the future may be difficult to implement, since many of the Company's competitors may already have established strategic relationships. Consequently, the Company's efforts may not be successful.

IDEX's business plan depends heavily on revenues from technology, commercial acceptance of which remains unproven.

IDEX's future growth depends on the commercial success of its technology. It is not certain that IDEX's target customers will choose the Company's technology for technical, cost, support or commercial reasons. Many of IDEX's target customers may have established successful businesses using other technologies and may find it difficult or unattractive to switch to IDEX's technology. If IDEX's target customers do not widely adopt and purchase the Company's technology, the future growth will be limited.

IDEX will not be successful unless the Company manages to generate recurring revenue and grow its business.

IDEX has not achieved any ongoing revenue stream from licensees whether in the form of license payments or royalties.

IDEX might need to hire additional employees and expand both its research and development and sales and marketing divisions in order to achieve the Company's business plan. Any such future growth will place a significant strain on IDEX's management systems and resources. IDEX will need to improve its financial and managerial controls and reporting systems and procedures, and expand, train and manage its work force worldwide. The Company may not be successful if it fails to manage any of these aspects of its growth.

IDEX may need additional capital, which, if obtainable, could dilute the ownership interest of investors.

IDEX may need additional capital to fund its business. Since IDEX was founded in 1996, the Company has experienced negative cash flow from operations and investments and expects to experience significant negative cash flow from operations in the future. IDEX may also need to make additional investments in equipment and/or technology. IDEX may need to raise additional funds through the issuance of equity, equity-related or convertible debt securities. IDEX cannot be certain that additional financing will be available to the Company on acceptable terms when required, or at all. The Company's ability to enter the capital market and raise additional funds may be difficult.

1.2 Risks Related to the Company's Markets

IDEX's markets are highly competitive.

IDEX competes in markets that are new, highly fragmented, rapidly changing and expected to be highly competitive. The Company expects to experience increased competition from current and

potential competitors, some of which may be better established and have significantly greater financial, technical, marketing and distribution resources.

IDEX addresses the following market segments: Laptop computers, mobile phones and PDAs as well as embedded solutions such as access control hand-held ID terminals, ID cards and bank cards. Additional market segments are likely to appear in the future and will be addressed as and when they are identified. The Company's international competitors include, among others, companies such as AuthenTec, Inc., Fingerprint Cards and Validus Sensors Inc. In the future, IDEX may encounter competition from other larger, well-established and well-financed entities that may continue to acquire, invest in or form joint ventures with providers of fingerprint recognition technology, and existing providers may elect to consolidate. IDEX's competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements than the Company can. Consolidation among companies operating in the business, due to current market conditions or otherwise may reduce the number of prospective customers. IDEX's position in the existing markets could be eroded rapidly by product or technology enhancements or the development of new, superior products and technology by competitors. Also, current and potential competitors may have greater name recognition and more extensive customer bases. Increased competition could result in price reductions, fewer customer orders, reduced gross margins and lower market prices of IDEX's shares.

IDEX's markets are undergoing rapid technological change, and the Company's future success will depend on its ability to meet the changing needs of the industry.

For the Company's business to survive and grow, IDEX must continue to enhance and improve the technology to address the customers' changing needs. If new industry standards and practices emerge, the existing technology may become obsolete. IDEX's future success will depend on its ability to:

- develop and license new technologies that address the increasingly sophisticated and varied needs of prospective customers, and
- respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis.

Developing technology entails significant technical and business risks and substantial costs. IDEX may use new technologies ineffectively, or the Company may fail to adapt its technology to user requirements or emerging industry standards. Industry standards may not be established and, if they become established, the Company may not be able to conform to these new standards in a timely fashion or maintain a competitive position in the market. If IDEX faces material delays in introducing new technology and enhancements, the Company may fail to attract new customers.

IDEX depends substantially on highly qualified managerial, sales and technical personnel who are difficult to hire and retain.

IDEX's future success depends on the continued services of the Company's executive officers and key personnel.

Because IDEX's technology is very complex, the Company may be required to hire and maintain a sophisticated sales force with a working knowledge of the technology and industry.

IDEX may not be able to hire or retain the kind and number of managerial, sales and technical personnel necessary for future success. The Company will need to devote considerable resources to ensure that it retains its employees in the face of a highly competitive market for talented

personnel. If IDEX fails to attract and retain the skilled employees required, this could harm the Company's business and hamper future expansion of its sales and support operations.

IDEX faces risks of international expansion and operating in multiple jurisdictions.

IDEX has limited experience operating outside Norway. The Company plans to expand its customer base internationally. Key customers may require IDEX to provide worldwide service and support. The Company may expand its operations internationally and enter additional markets, which will require significant management attention. Any such expansion may strain existing management resources and cause the Company to mismanage aspects of its business.

IDEX's international operations are also subject to other inherent risks, including:

- unexpected changes in regulatory requirements,
- reduced protection for IPR in some countries or delays and costs of achieving IP protection, and
- potentially adverse tax consequences.

IDEX faces risks relating to potential acquisitions of complementary companies, products or technologies.

As part of the business strategy going forward, IDEX will review joint ventures, strategic relationships and acquisition prospects that the Company expects to complement the existing business. IDEX's growth may be impaired if the Company fails to identify or finance opportunities to expand its operations.

IDEX has very limited experience in investing in or acquiring complementary companies, products or technologies. The Company may not realize the anticipated benefits of these investments or acquisitions, and these transactions could be detrimental to its business. If IDEX acquires a business, the Company could have a difficulty assimilating its personnel and operations, or the key personnel of the acquired business may decide not to work for the Company. IDEX could also have a difficulty assimilating acquired technology or products into its operations. These difficulties could disrupt ongoing business, distract management and employees and increase expenses.

IDEX's business and prospects will suffer if the market for fingerprint recognition technology does not develop as the Company expects.

IDEX develops fingerprint recognition technology. The prospects of the technology may to a high degree depend on the development and utilization of the Company's existing technology and if not successful this might cause reduced or delayed revenue and allow for competing technologies to evolve.

1.3 Risks Related to Legal and Regulatory Matters

IDEX is highly dependent on IP and the Company's methods of protecting its IP may not be adequate.

IDEX's business and business strategy are tied to the Company's technology. IDEX relies on a combination of patent and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect the Company's IPR.

As of the date of this Share Registration Document, IDEX holds granted patents in a total of 18 patent families and three pending. Moreover, IDEX retains an exclusive worldwide license to the basic fingerprint technology developed by SINTEF relating to the AC capacitive swipe sensor.

Generally, IDEX cannot be certain that the Company will be able to obtain patent protection on the key components of its technology or that the Company will be able to obtain patents in key jurisdictions such as the United States or EU. IDEX cannot give assurances that the Company will develop new products or technologies that are patentable, that any issued patent will provide the Company with any competitive advantages or will not be challenged by third parties, or that the patents of others will not impair the Company's ability to do business.

IDEX cannot guarantee that the applicable governmental authorities will approve any of the trademark applications of the Company. Even if the applications are approved, third parties may seek to oppose or challenge these registrations. A failure to obtain trademark registrations in jurisdictions outside Norway could limit IDEX's ability to use the Company's trademarks and impede its marketing efforts in those jurisdictions.

Despite IDEX's efforts to protect the Company's IPR, unauthorized parties may attempt to copy or obtain and use the Company's technology. Policing unauthorized use of IDEX's technology is difficult, and there can be no assurance that the steps taken by the Company will prevent misappropriation of its technology.

IDEX cannot give assurances that the Company's measures for preserving the secrecy of its trade secrets and confidential information are sufficient to prevent others from obtaining that information.

IDEX generally requires its employees, consultants and corporate partners to sign confidentiality and non-disclosure agreements prohibiting them from disclosing any of the Company's trade secrets. The Company's employment agreements and consulting agreements also contain confidentiality undertakings, as well as non-compete provisions, which prohibit employees and consultants from competing against the Company for one or two years, as the case may be, after termination of the employment/consultancy.

Despite the Company's efforts to preserve the secrecy of its trade secrets and confidential information, the Company may not have adequate remedies to preserve its trade secrets or to compensate the Company fully for its loss if employees, consultants or corporate partners breach confidentiality agreements with the Company. IDEX cannot give assurances that the Company's trade secrets will provide any competitive advantage, as they may become known to or be independently developed by competitors, regardless of the success of any measures IDEX may take to try to preserve their confidentiality.

IDEX faces risks of claims for IP infringement.

Substantial litigation about IP exists in the industry. IDEX's competitors or other persons may have already obtained or may in the future obtain patents relating to one or more aspects of the Company's technology. If IDEX is sued for patent infringement, the Company may be forced to incur substantial costs in defending itself. If litigation were to result in a judgment that IDEX infringed a valid and enforceable patent, a court may order the Company to pay substantial damages to the owner of the patent and to stop using any infringing technology or products. This could cause a significant disruption in IDEX's business and force the Company to incur substantial costs to develop and implement alternative, non-infringing technology or products, or to obtain a license from the patent owner. This could also lead IDEX's licensees and customers to bring warranty claims against the Company. IDEX cannot give assurance that the Company would be able to develop non-infringing alternatives at a reasonable cost that would be commercially acceptable, or that the Company would be able to obtain a license from any patent owner on commercially reasonable terms, if at all.

IDEX may become subject to burdensome government regulations affecting the industry, which could adversely affect the Company's business.

The laws and regulations applicable to the industry and IDEX's business are evolving and could increase the costs of doing business or otherwise affect the Company's business. There can be no assurance that new legislation will not impose significant additional costs on IDEX's business or subject the Company to additional liabilities. IDEX may be subject to claims that its operations violate these laws.

If IDEX incurs substantial losses, the Company could be liquidated, and its share price would fall.

IDEX is incorporated in Norway. Under the PLCA, if the losses reduce the market value of the equity to an amount less than half of the share capital, or the market value of the equity becomes inadequate compared to the risks and the extent of the activities of the business, the Board would be obligated by law to convene a general shareholders' meeting. If the share capital is reduced by more than 50 %, but the Board believes that the equity is adequate, they do not have to propose any specific measures, such as recapitalization. However, if the Board believes that the equity is inadequate, and the Board is unable to find a basis for proposing any immediate specific measures, or these measures cannot be completed, then the Board must propose to liquidate the Company.

IDEX expects to incur losses that will reduce the Company's share premium fund. If reductions in the Company's share capital are substantial, they could ultimately result in liquidation or bankruptcy, which would result in a fall in the prices of the Company's shares. If IDEX was liquidated or subject to bankruptcy, the Company's shares would be redeemed in exchange for the proceeds, if any, from the liquidation or bankruptcy proceedings.

Anti-takeover provisions under Norwegian law may delay or prevent a change in control, even if it would benefit shareholders.

The Securities Trading Act requires any person or entity, or persons or entities acting in concert, that acquires more than one-third of the voting rights of a Norwegian company listed on Oslo Børs (hereunder Oslo Axess) to make a general offer to acquire the whole of the outstanding capital stock of that company, with repeated obligations upon reaching thresholds of 40 % and 50 %. The offering price per share must at least equal the highest price paid by the bidder in the six-month period before the date the mandatory offer obligation was triggered. The mandatory bid must be backed by a bank guarantee covering settlement of the offer. A shareholder who fails to make the required offer must within four weeks dispose of sufficient shares so that the obligation no longer applies. Otherwise, Oslo Børs may cause the shares exceeding the statutory threshold to be disposed of by enforced sale.

Shareholders may suffer a dilution of their shareholding

IDEX has commitments to issue additional shares upon exercise of outstanding independent subscription rights, which have been issued to several of the Company's executive officers, directors and key employees under the Company's share-based incentive schemes.

2 Statements

STATEMENT OF RESPONSIBILITY FOR THE SHARE REGISTRATION DOCUMENT

The Share Registration Document has been prepared by the Board of Directors and the management in IDEX ASA ("IDEX").

The board of directors of IDEX accepts responsibility for the information contained in this Share Registration Document. Having taken all reasonable care to ensure that such is the case, the information contained in this Share Registration Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

IDEX ASA
Fornebu, 11 December 2012

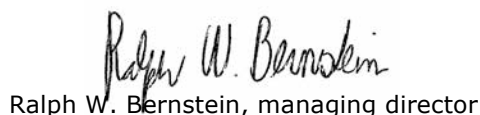

Morten Opstad, Chairman


Jon Ola Frankplads, Board member


Hanne Høvdning, Board member


Joan Frost Urstad, Board member


Harald Voigt, Board member


Ralph W. Bernstein, managing director

STATEMENT REGARDING THIRD PARTY INFORMATION

The information in this Share Registration Document that has been sourced from third parties has been accurately reproduced and as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

IDEX ASA
Fornebu, 11 December 2012

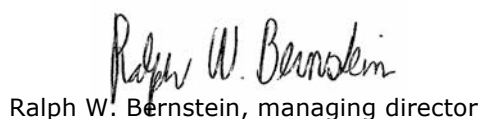

Morten Opstad, Chairman


Jon Ola Frankplads, Board member


Hanne Høvdning, Board member


Joan Frost Urstad, Board member


Harald Voigt, Board member


Ralph W. Bernstein, managing director

3 The Company and its business

3.1 Incorporation, Registered Office and Registration Number

IDEX is a Norwegian public limited company incorporated under the PLCA. The Company was incorporated on 24 July 1996.

IDEX has its registered address at Rolfsbuktveien 17, NO-1364 Fornebu, Norway. The organisation number of IDEX is NO 976 846 923. The Company can be reached on telephone +47 67 83 91 19, fax +47 67 83 91 12.

IDEX has a wholly owned US subsidiary, IDEX Holding Company, Inc., a US holding company incorporated in the State of Delaware. The holding company, in turn, wholly owns a US operating company, IDEX America, Inc., also incorporated in the State of Delaware. IDEX Holding Company, Inc. and IDEX America, Inc. both maintain their principal place of business at 1 Blackfield Drive in Tiburon, California. The two US entities do not have any operations or employees or significant actual or contingent assets or liabilities, and have been dormant since the end of 2010. Both entities will be dissolved by the end of 2012.

3.2 Business overview

IDEX specializes in fingerprint biometrics authentication technology, products and solutions. IDEX has since 1996 been a pioneering company in the field of miniaturized capacitive fingerprint sensors, and a leading provider of intellectual property ("IP") essential to small sized, high performance, low-cost biometric systems.

IDEX has developed and offers the award-winning SmartFinger Film polymer technology, which facilitates IDEX's thin and flexible swipe fingerprint sensors. The SmartFinger Film sensors are compliant with ISO standard form factors for use in identity and smart cards, and can also be employed in a variety of other applications.

The Company provides hardware and software fingerprint solutions suitable for embedding into products in order to add safe and simple security to those products. The SmartFinger platform is a full-featured, biometric authentication solution, which enables on-device fingerprint enrolment, template storage and verification.

IDEX's SmartFinger technology platform is protected by multiple patent families, covering most of the relevant areas like sensing principles, miniaturized hardware implementations and image processing algorithms.

The current activity of IDEX is focused on the development, industrialization and commercialization of the SmartFinger products targeted at biometric cards, mobile handsets, tablets and other peripherals and a variety of other biometrically enabled devices.

For the avoidance of doubt, it should be noted that IDEX as yet has not delivered the SmartFinger sensor in commercial quantities. The Group has to date earned insignificant revenue from customers on its technology and IP or products and services. In the second and third quarters of

2012 IDEX earned revenue amounting to a total of NOK 1.0 million from a feasibility study commissioned and paid by a significant firm in the biometric industry.

The SmartFinger platform is available to customers as sensor and authentication product solutions ready for designing into products and applications, and also under an IP licensing scheme.

3.3 Vision, Mission, Progress and Goals

Slogans

- IDEX – The ID of You
- Secure, Safe and Simple ID

Vision

Connectivity any time and any place for anything
empowered by
Biometric authentication on every device you own.

Mission

IDEX invents, develops and delivers best-in-class fingerprint biometric IP, technology, products and solutions.

Progress

IDEX has in the last few years built capability to offer complete fingerprint hardware and authentication software solutions ready to be embedded into biometrically enabled devices. Such fingerprint system-on-device units add security in a safe and simple way, and has opened the market adoption of the SmartFinger technology in biometric cards, mobile handsets, tablets and other peripherals and a variety of other portable devices.

IDEX has developed the SmartFinger Secure Processor (“SSP”). The SSP is a complete embedded authentication software solution preinstalled on a standard microcontroller for integration with various applications and end-user products or to realize stand-alone biometric authentication modules.

In order to enable simple design-in of the SmartFinger technology to end-user products IDEX provides evaluation and development kits for both PC application and embedded systems.

Manufacturing

In the first half of 2011 IDEX initiated production ramp-up of the SmartFinger Film sensor family. Throughout 2011 high-quality sensors were manufactured and delivered to customers for demonstrators, product prototypes and pilots. IDEX did, however, encounter obstacles to obtaining qualified, cost efficient, volume manufacturing of the polymer substrate of the SmartFinger sensor. Since the beginning of 2012 the Company has evaluated alternative manufacturers with higher volume capabilities. Sensor prototypes based on substrates from a second polymer vendor was successfully completed in the third quarter of 2012. IDEX is now targeting delivery of the first commercial batches of sensors in the second quarter of 2013, and volume deliveries in the second half of 2013. The Company is also conducting partnership discussions with major global manufacturers.

Customers and partner projects

During 2011 IDEX entered into several cooperation agreements aimed at designing SmartFinger Film sensors into customers' biometric cards and devices. Several of these projects have resulted in product prototypes and demonstrators presented to the market, and the first sensor orders were received in the second quarter of 2012.

On 8 November 2012 IDEX announced the first commercial volume agreement for SmartFinger sensor and software with a European OEM partner. IDEX SmartFinger fingerprint sensor and accompanying software will be incorporated in a luggage lock and substitute the key. The commercial agreement defines specific volumes to be delivered from the second quarter of 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.

IDEX's distribution strategy includes a partnership with Future Electronics, a world-class leader and innovator in the distribution and marketing of semiconductors and passive, interconnect and electro-mechanical components. The two companies work jointly to incorporate the IDEX SmartFinger Film fingerprint sensor and biometric algorithms into a fingerprint-based biometric authentication solution targeting the access control and embedded market segments.

IDEX participates in the eGo project with twelve European R&D and industrial partners, such as Gemalto, STMicroelectronics, Precise Biometrics and Atos Worldline. eGo is part of the EUREKA programme CATRENE (Cluster for Application and Technology Research in Europe on Nano Electronics). IDEX and its partner UINT conduct a project aimed at developing a biometric smartcard for contactless payment applications, which project is funded by EU and national governments.

Strategic partner opportunities

In February 2012 IDEX appointed Pareto Securities AS as financial advisor to assist in evaluating potential strategic industry partners in order to fully exploit the potential of IDEX's SmartFinger technology and products in the fast expanding global market for biometric ID and data protection.

After Apple in July 2012 submitted a bid for a fingerprint biometrics and mobile security company, the industry's interest for fingerprint sensor technology has risen drastically. IDEX has received enquiries from several top-tier industrial players who have expressed interest in IDEX's patented SmartFinger technology.

Awards

In April 2009 The Frost & Sullivan "2009 Global Swipe Sensor Product Differentiation Innovation of the Year Award" was presented to IDEX for its SmartFinger swipe sensor. The award is in recognition of IDEX's successful initiative in improving the innovative SmartFinger swipe sensor, by further enhancing its technology that combines fingerprint imaging, authentication and navigation capabilities in the same module.

On 6 December 2010 IDEX was awarded a winner's prize for its patented SmartFinger Film fingerprint sensor technology in the Identification and ID Card category at the prestigious SESAMES Awards ceremony at the Cartes & IDentification exhibition in Paris, France. There were more than 100 nominees in ten categories.

Outlook and goals

IDEX is seeking a strategic partnership with major industrial players, and expects interesting progress in this regard during the next quarters. In order to cement a potential strategic alliance IDEX may be willing to offer a suitable partner an equity stake in IDEX through a capital injection.

The market for fingerprint technology is strong, and IDEX, aims to capitalise 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 and is ready to take advantage of the expected growth in demand. Products with IDEX's sensor technology are expected to be on the market in 2013.

Main goals for 2013

1. Establish and qualify products and the supply chain in order to deliver SmartFinger sensors and authentication solutions in volumes for embedded application.
2. Deliver sensors and solutions to customers in volumes in the second half of 2013.
3. Establish partnerships with one or more major manufacturers.
4. Establish strategic partnerships with first-tier industrial players in order to enter the mass market applications such as mobile handsets, tablet devices, laptop computers and cards.

3.4 History in brief

Following its incorporation in 1996, the Company's initial business plan was to develop an optical, biometric solution for access control applications. During the work, the first results of an alternative technology for low cost fingerprint sensors began to emerge. The results were so promising that all efforts and resources went into the development of the first version of the patented capacitive swipe sensor, which provides the SmartFinger technology; the basis for IDEX's business and products. In the past few years IDEX has expanded its technology platform to include polymer based fingerprint sensors as well as embedded authentication software solutions.

The following is a brief overview of significant milestones in the Company's history:

- 1996** IDEX was founded to develop and commercialize unique hardware and software for biometric identification by use of fingerprint.
- 1997** IDEX enters into a partnership with SINTEF and the basic swipe fingerprint sensor patents were filed.
- 1999** A desk top model was produced to demonstrate the technology.
- 1999** Trades in the IDEX share reported on the Norwegian Over the Counter market.
- 2000** IDEX secures patent protection in the navigation and pointer feature of the technology.
- 2001** IDEX enters into a license agreement with STMicroelectronics. An exclusive patent license agreement (inbound) with SINTEF was entered into.
- 2006** In 2006 the program for a complete redesign of the SmartFinger was initiated.

- 2007** In October 2007, IDEX reached a settlement with STMicroelectronics and UPEK, Inc. in connection with the dispute over patent infringement on IDEX patents. UPEK, Inc. paid a one-off settlement amount to IDEX and a cross-license was entered at the same time. The license agreement with STMicroelectronics, which was entered in 2001, was terminated.
- 2008** The SmartFinger IX 10-4 silicon swipe sensor is released and development kits are available to customers.
- 2009** Development of the new SmartFinger Film sensor technology was initiated.
- 2009** IDEX receives the 2009 Frost & Sullivan Global Swipe Sensor Product Differentiation Innovation of the Year Award.
- 2009** IDEX enters into a strategic manufacturing partnership with Ionics EMS.
- 2010** IDEX was listed at the Oslo Axess market place on the Oslo Børs (Oslo Stock Exchange).
- 2010** SmartFinger Film polymer sensor presented to the market.
- 2010** The first biometric card with SmartFinger Film on-board was demonstrated.
- 2010** IDEX was granted government support for its activities in the eGo project with Gemalto as the lead partner.
- 2010** IDEX receives the SESAMES award.
- 2011** The first batch of SmartFinger Film sensors delivered to a customer.
- 2011** Cooperation agreements with 10 customers and partners entered into.
- 2011** IDEX and its partner UINT receives funding from EU and national governments for developing a biometric smartcard for contactless payment applications.
- 2012** The first commercial volume order for sensors and software received.

3.5 Business Model and Strategy

IDEX operates a dual business model:

1. Supply of SmartFinger fingerprint sensors, authentication solutions and modules under the IDEX label, targeted at selected markets through manufacturing outsourcing and partnerships.
2. Offering strategic partnerships and IP licensing with first-tier original equipment manufacturers, semiconductor companies and manufacturers in order to enter mass market applications.

The SmartFinger platform is available to customers as sensor and authentication product solutions ready for designing into products and applications, and also under an IP licensing scheme.

IDEX believes that first-tier original equipment manufacturers (“OEMs”), semiconductor companies or contract manufacturing companies will become the major suppliers of fingerprint sensors in mass markets. IDEX continues to seek partnerships with semiconductor and manufacturing companies based on the SmartFinger technology and other IDEX IP.

IDEX also offers sensors directly to medium-volume products, on which a higher margin may be earned. This opportunity will be exploited by IDEX’s own supply-chain or by supply and distribution through IDEX’s manufacturing and distribution partners.

In addition to IDEX there are to the Company’s knowledge 3-4 companies world-wide offering supplying swipe sensor devices. IDEX’s goal is to become a significant actor in this market.

3.6 Technology and products

Biometrics includes methods for uniquely recognizing humans based upon one or more intrinsic physical or behavioural traits. Various biometric modalities can be used for both identification and authentication applications. Commercialised solutions include: face, fingerprint, hand geometry, keystroke dynamics, hand vein, iris, retinal pattern, signature, voice print, facial thermograms, odour, DNA, gait, and ear recognition. Fingerprint sensing is the most widely adopted biometric technique, due to its ease of use, high performance and low-cost implementation.

SmartFinger sensor

IDEX’s current polymer swipe sensor product is a small, thin, and bendable fingerprint sensor for personal authentication applications in small portable devices such as ISO smart cards, security tokens, and handsets. The SmartFinger sensor offers high biometric performance and is easily integrated in customers’ products. SmartFinger is a single line sensor utilizing IDEX’s patented real time image reconstruction algorithm to generate high quality images at various swipe speeds and skew angles. In addition, SmartFinger has an excellent dynamic range for wet and dry finger captures. These features combined greatly increase usability and reduce false acceptance rates.

IDEX’s SmartFinger technology platform supports a wide range of solutions for safe, secure, and simple biometric authentication. The technology includes both hardware and software building blocks enabling design solutions for ultrathin, bendable sensors for ISO card applications to highly integrated custom designs for mobile handsets. The biometric software suite is modular and scalable from the smallest footprint required to run on secure smartcard platforms to high-end mobile handset processors.

A key element of IDEX’s solution is the separation of the finger swipe interface strip from the electronic measurement circuit used to capture the features of the fingerprint. Hence, a variety of robust, low-cost materials can be used for the sensor array while the silicon measurement circuit can be shrunk to an absolute minimum and sit protected inside the device. With state-of-the-art multilayer production processes IDEX can provide custom sensor designs with unique image quality, and made from virtually any solid material.

The measurement principle of the IDEX sensor is based on varying capacitive coupling scheme. This is by far the most widely used principle in the industry, whether utilized for small swipe sensors or larger area (touch) sensors. A varying voltage is transmitted through the finger and picked up by electrodes in the sensor surface. The signal level through the finger varies whether

the signal is measured from a ridge or from a valley of the fingerprint. The variations in the measured signal provide the data required to reconstruct the two-dimensional fingerprint image.

This impedance measurement principle may be used in ultra-small swipe sensors for portable consumer applications such as ID and banking cards. Large-area touch sensors for government applications using the same principle may also be built, by involving interconnects, multi-layer processing technology and multiplexing techniques.

SmartFinger software

Accompanying the IDEX SmartFinger sensor hardware is an extensive modular software portfolio offering fingerprint enrolment and authentication as well as navigation and tapping (mouse click) functionality. The suite supports ISO templates as well as match on card, through IDEX proprietary algorithms or third party applications.

The SmartFinger technology is available to Original Equipment Manufacturers and integrators. The SmartFinger fingerprint sensor is available bundled with a pre compiled biometric library for integration into a customer's selected microcontroller. Alternatively the IDEX SmartFinger Secure Processor, a pre-programmed, full biometric system-on-chip is available. The SSP comes ready to use with standard interfaces such as USB, I2C, and UART along with a fully documented API.

SmartFinger development kits

In order to enable simple design-in of the SmartFinger technology to end-user products IDEX offers evaluation and development kits both for PC and products with embedded biometric systems.

The IDEX SmartFinger PC Evaluation Kit can be used to demonstrate the capabilities of the IDEX SmartFinger Fingerprint Sensor, the Image Reconstruction as well as authentication software package. The evaluation kit also comes with a Software Development Kit enabling customers to develop their own biometric Windows applications.

The embedded development kits enable qualified customers to develop fingerprint authentication solutions or add fingerprint authentication to existing products. IDEX's biometric algorithms run on an external controller, performing the functions of real-time image reconstruction, feature extraction, and matching. Software libraries for imaging, enrolment and verification are available for ARM7 and Cortex M3 cores and have already been compiled for controllers supplied by Atmel, NXP, Freescale and STMicroelectronics.

Support

In order to help customers to seamlessly implement technical solutions and integrate IDEX's sensors, the Company offers an extensive range of services and engineering support:

- Technology transfer and joint developments with partners.
- Customization of SmartFinger sensors.
- Hardware and software development kits and reference designs for evaluation and integration purposes.
- Technical engineering support for customer product solutions.

The sample products sold to customers in the period from 2009 to date has included different versions of SmartFinger Film sensors bundled with IDEX's embedded software to be integrated into customer's prototype and pilot products. In some cases the software was pre-programmed onto ready-to-use microcontrollers.

In addition IDEX has shipped evaluation and development kits to customers for assess the capability of IDEX's sensor technology and in order to design SmartFinger sensors and software into their products.

3.7 Intellectual Property Rights (IPR)

IDEX is a pioneer in miniaturized capacitive fingerprint sensing technology and controls several of the earliest, fundamental patents required to implement miniaturized fingerprint swipe sensors. IDEX's IP rights cover complete biometric systems ranging from measurement principle, algorithms, sensor design, and system solutions. The Company maintains a broad technology patent portfolio approved in a wide range of countries. Several patent filings are currently under review. IDEX's success and ability to compete is dependent upon proper protection of its core technology.

In 2007, IDEX entered into a settlement with STMicroelectronics and UPEK in connection with an IP related dispute. UPEK paid a one-off settlement amount to IDEX, and a cross-license on the relevant patents was entered into at the same time.

IDEX holds registrations to the trademarks "IDEX" and "SmartFinger" and to the IDEX logo. The Company has registered and owns the following Internet domain names: index.no and smartfinger.no.

The Company continues to evaluate the registration of additional service marks, trademarks and Internet domain names as appropriate.

Currently IDEX holds granted patents in a total of 18 patent families and three pending. Moreover, IDEX retains an exclusive worldwide license to the basic fingerprint technology developed by SINTEF. This patent relates to the AC capacitive swipe sensor. A summary of the most relevant patents are given below. To lawfully realize (manufacture and sell) SmartFinger products and other products making use of the patented principles, IDEX's and/or its licensees are dependent on possessing the right to use one or more of the following patents.

Line scanner

Assignee: SINTEF

Priority date: 16 June, 1997

Description: AC capacitive linear sensor.

PCT Abstract

Method and apparatus for the measuring of structures in a fingerprint or the like, comprising the measuring of chosen characteristics of the surface of the fingerprint, e.g. by measuring capacitance or resistivity, using a sensor array comprising a plurality of sensors, being positioned in contact with, or close to, a portion of the surface.

The characteristics is measured in at least one line of measuring points along an elongated portion of the surface at given intervals of time, the sensor array being an essentially one-dimensional array, moving the surface in relation to the sensor array in a direction perpendicular to the sensor array, so that the measurements are performed at different, or partially overlapping, portions of the surface, combining the measurements of the measured portions

of the surface to provide a segmented, two-dimensional representation of said characteristics of the surface.

Norwegian patent: 304766
US patent: 7,110,577
US continuation I: 7,054,471
US continuation II: 7,333,639
EPO patent: EP 0 988 614B1.
EPO divisional patent: EP 1 304 646B1.
Japanese patent: 4051093

Substrate

Priority date: 9 June, 2000

Description: Finger print sensor with substrate vias.

PCT Abstract

The invention relates to a sensor chip, especially for measuring structures in a finger surface, comprising an electronic chip of a per se known type being provided with a number of sensor electrodes for capacitance measurements, the chip being positioned on an electrically insulating substrate being provided with a number of openings through which electrical conductors are provided, the ends of said conductors constituting a sensor array for capacitance measurements so that the sensor array is positioned on a first side of said substrate and the electronic chip is positioned on the other side of the substrate.

Norwegian patent: 315017
US patent: 7,251,351
US continuation: 7,848,550
EPO patent: EP 1 303 828 B1
Japanese patent: 4708671

Measurement system

Priority date: 9 June, 2000.

Description: Measurement system for AC capacitive scanner.

PCT Abstract

This invention relates to a system for measuring patterns in a surface, especially in finger surfaces, the system comprising a number of sensor electrodes being provided with an electrically insulating material over which the surface is to be moved, and at least one stimulation electrode for providing a varying current or voltage between the stimulation electrode and the number of sensors through the surface, in which the sensor electrodes constitutes an essentially linear array,

- that the stimulation electrode is positioned separately from the array of sensor electrodes,
- that the system comprises a generator coupled to the stimulation electrode for applying a current or voltage with a varying amplitude or phase to the surface, and
- that the system comprises a measuring unit coupled to the sensor electrodes for, during the application of the current or voltage, measuring the impedance at the sensor electrodes in a time sequence and calculating values of predetermined characteristics of the surface and combining the calculated values for the sensor electrodes over the time sequence for generating a representation of the surface pattern.

Norwegian patent: 314647
US patent: 7,184,581
EPO patent: EP 1 292 227B1

Surface sensor

Priority date: 9 December, 2012 (application)

Description: Flexible substrate.

Abstract

The invention relates to a sensor for detection of properties and structures of an organic tissue and its surface, e.g. a fingerprint sensor comprising a chosen number of sensor electrodes at chosen positions for coupling to a finger tissue and its surface having a size less or comparable to the size of the structures, characteristics or properties of the finger tissue or surface, and a processing unit including electronic circuitry connected to said electrodes for detection of the voltage at, or the current flow in the electrodes, thereby providing for detection and collection of information of related capacitance, impedance, electromagnetic field, fingerprint, tissue aliveness or other biometric, physical, physiological, thermal or optical or characteristics or properties of the tissue or its surface positioned over the electrodes, the processing unit being mounted on one side of a substrate and the electrodes being embedded in said substrate, the substrate including through going first, second and third conductive paths between said sensor electrodes and said measurement circuitry. The substrate is made from a polymer material such as polyimide, implemented as a rigid or a flexible multilayer build-up substrate, said first, second, and third conductive paths are constituted by through going substrate sections of a chosen size and material.

3.8 Industrialization

The IDEX SmartFinger polymer sensor is microsystem that includes a multi-layer polymer sensor substrate, an integrated electronic circuit (ASIC), and electrostatic discharge protection. The different components and processing work are sourced from highly specialized vendors in various countries. The ASIC, is manufactured by Faraday Technology Corporation.

All vital hardware components and processes have at present been realized in industrial pilot production, and a complete supply chain has been established, using suppliers in several countries.

The Group does not own or operate industrial manufacturing facilities. IDEX is dependent on contracting qualified production partners who are, firstly, technically capable of making the various components of the SmartFinger sensor, and, secondly, able and willing to make deliveries in the required volume at competitive prices. In the past, IDEX's production partners for the substrate part of the sensor have faced various challenges in the yield of their production process.

Manufacturing and related services are purchased from specialist contract manufacturing companies. Examples include Ionics EMS Inc. which provides comprehensive electronic manufacturing services, chiefly assembly of sensors, and Faraday Technology Corporation which supplies IDEX's proprietary ASIC. The manufacturing partners source standard components and sundry materials. IDEX endeavours a multi-source supply chain to the extent possible.

IDEX takes for its basis that the suppliers comply with relevant regulations for safety health and environment and exert good corporate citizenship. The suppliers have been evaluated and selected through a systematic approach taking properties like capability, capacity, delivery precision, quality system and cost into account.

IDEX's current industrialization programmes are focused on optimizing production cost.

IDEX is positioned to supply the SmartFinger module directly to customers or to transfer the complete technology package to a prospective licensee.

3.9 Cooperation and Strategic Partnerships, Material Contracts

IDEX has entered into, and will continue to pursue, key relationships with leading companies in their markets. IDEX is dependent on establishing one or more such relationships with downstream partners in order to achieve sustainable sales volume and revenue, and market share.

On the upstream side, the current agreements and material contracts are dependent on the inbound licensing agreement with SINTEF as well as on several of the core IDEX patents described in Section 3.7. Some of the agreements and contracts are also, in part, dependent on the inbound licensing agreement with IKENDI Software AG.

European based OEM

In November 2012 IDEX and a European OEM partner entered a commercial agreement for SmartFinger sensor and software, for delivering biometric security locks for use on luggage produced by leading manufacturers.

The European OEM is a partner with tier-one suppliers of suitcases and bags in the world. IDEX SmartFinger fingerprint sensor and accompanying software will be incorporated in the electronic luggage lock and substitute a key or pin code. The user enrolls fingerprints directly at the lock, and the mechanism which will unlock only if the user swipes an enrolled finger over the sensor. With this concept personal belongings are safeguarded in a simple and convenient way without any need for carrying keys or remember pin codes.

This material agreement is a basis for IDEX to achieve significant revenue from sales of sensors and software. The agreement outlines initial deliveries in the second quarter of 2013 with expected substantial increase in 2014. Final volumes will depend on demand, but is expected to be in the multiple million unit range.

SIC Biometrics

In April 2012 IDEX and S.I.C. Biometrics entered into an agreement to deliver IDEX SmartFinger Film fingerprint sensors and biometric software for S.I.C.'s device designed for Apple iPhone, iPad and Android-based devices, as well as in the S.I.C. Touch Prox biometric smart card.

S.I.C. designs, manufactures and internationally commercializes biometric security products and solutions that are used to protect people, institutions, enterprises and buildings against theft, fraud and terrorism.

The order is dependent upon the acceptance of S.I.C's products in the market. A successful market introduction of S.I.C.'s devices will be key to IDEX because the devices represent realization of products for the mobile market utilizing the SmartFinger technology

UINT

In January 2012 IDEX and its French partner company UINT was awarded a support grant from the European Eurostars programme.

UINT is a card engineering design house, which invents, designs and manufactures active smart cards for its own distribution channel and for its customers.

The objective is to develop a smart card with a fingerprint sensor that is suited for manufacturing in existing volume production lines for cards. This will be a significant step towards exploiting the potential presented by IDEX SmartFinger Film, which is a very thin and bendable fingerprint sensor.

The biometric smart card will be tailored for new solutions in contactless payments by the use of near field communication (NFC) technology.

The planned project period is two years and total cost amounts to more than NOK 12 million, shared about equally between the partners. The approved support grant will cover about half the cost.

The expected outcome of the projects and partnership with UNIT is material for IDEX in order to realize the company's product strategy in the biometric card market, meaning successfully launch such product implementations.

Shen Zhen Huajing Technology Co., Ltd.

In April 2011 IDEX entered into a cooperation agreement with Shen Zhen Huajing Technology Co., Ltd. for a SmartFinger Film enabled transactional security device.

Shen Zhen Huajing Technology is developing a biometric-enabled transactional security device incorporating the IDEX SmartFinger Film fingerprint sensors and accompanying biometric software algorithms.

The agreement defines specific cooperation milestones for development, test and verification. Based on successful qualification, it is the intent of the two companies to enter into a commercial agreement under which IDEX will supply SmartFinger Film sensor technology to Shen Zhen Huajing Technology.

The cooperation between Huajing and IDEX is part of substantial governmental program in China. A successful industrialization of the biometric device under development is expected to be followed by a deployment in significant volumes. This program hence represents a material opportunity for IDEX in the embedded biometric markets.

Future Electronics

In October 2011 IDEX entered into a partner agreement with Future Electronics for the co-development, sales and marketing of a fingerprint biometric authentication module based on SmartFinger Film fingerprint sensor and biometric algorithms.

Future Electronics is an international player in distribution and marketing of semiconductors and passive, interconnect and electro-mechanical components. Future Electronics operates in 169 locations in 42 countries in the Americas, Europe and Asia.

The agreement defines specific cooperation milestones for development, test and verification of the solution.

The partnership with Future Electronics is the core of IDEX's distribution strategy. With its global presence Future will expand the customer basis for IDEX's solutions significantly. The two companies also work jointly to establish new products incorporating the IDEX SmartFinger Film fingerprint sensor and biometric algorithms targeting the access control and embedded market segments.

The eGo project¹

In October 2010 IDEX, together with twelve European R&D and industrial partners, such as Gemalto, STMicroelectronics, Precise Biometrics and Atos Worldline, started the eGo project. The aim is to develop new technologies for simple, safe and secure transactions, log-on and physical access control.

The eGo Project was formed to advance the use of eGo technology by designing the technology, developing specifications, demonstrating use case devices and services and making the market aware of eGo technology.

The eGo project is conducted by a group of companies and academics working within a Catrene framework. The foundation for the Catrene programme is the ambition of Europe and European companies to deliver nano-/microelectronics solutions that enable lighthouse projects and respond to the needs of society at large, improving the economic prosperity of Europe and reinforcing the ability of its industry to be at the forefront of the global competition.

The platform eGo project provides IDEX the access to key technology blocks required for secure on-device biometric systems. The first-tier consortium partners of the eGo project pave the way for the SmartFinger technology into novel and future biometric product concepts.

Manufacturing partners

As a fabless company² IDEX is dependent of the partnership with manufacturing partners who are technically capable of making the various components of the SmartFinger sensor, and able and willing to make deliveries in the required volume at competitive prices. In the past, IDEX's production partners for the substrate part of the sensor have faced various challenges in the yield of their production process. IDEX pursues a multi-source strategy to the extent possible, and at present the key partners are Ionics EMS Inc., Faraday Technology Corporation and substrate manufacturers.

Ionics EMS Inc.

In September 2009 IDEX and Ionics EMS Inc. entered into a strategic IP licensing agreement. In 2011 the partnership was expanded, facilitating volume production of IDEX SmartFinger Film fingerprint sensors. Ionics EMS is at present IDEX's main partner producing the sensors that IDEX delivers to its customers and partners.

Ionics is a leading electronics manufacturing services (EMS) provider and also an original design manufacturer with its PlugComputer/Cloud Server product range. During the industrialisation period of the SmartFinger Film sensor, Ionics has acquired the tools, processes and skills needed to produce the SmartFinger sensors. Ionics has completed a number of sensor batches including deliveries to IDEX's customers.

Faraday Technology Corporation

In 2006 IDEX entered into agreements for design and mass production of its ASIC, with Faraday Technology, a leading IP and ASIC vendor, and SoC Technology. The ASIC is a core component in IDEX's SmartFinger product.

¹ www.ego-project.eu

² Fabless manufacturing is the design and sale of hardware components or devices while outsourcing the fabrication or "fab" of the components or devices to specialized or versatile manufacturer(s).

Faraday Technology Corporation is a leading silicon IP and fabless ASIC vendor. The company's broad IP portfolio includes 32-bit RISC CPUs, USB 2.0, Ethernet, Serial ATA, and PCI-Express. Faraday has already completed over 3000 successful designs, with nearly 100 million chips shipped annually worldwide. Faraday is one of the largest fabless ASIC companies in the Asia-Pacific region, and it also has a significant presence in other markets, worldwide. Headquartered in Taiwan, Faraday has service and support offices around the world, including the U.S., Japan, Europe, and China.

Substrate vendors

From the beginning of 2012 IDEX has been qualifying alternative substrate manufacturers with volume capabilities. Sensor prototypes based on substrates from a European polymer vendor was successfully completed in the third quarter of 2012. IDEX is now targeting delivery of the first commercial batches of sensors in the second quarter of 2013, and volume deliveries in the second half of 2013. The Company is also conducting partnership discussions with major global vendors of passive substrate and assembly services.

SINTEF

The Company maintains key relationship with SINTEF, the largest independent research organization in Scandinavia. The basic fingerprint technology utilized in the SmartFinger® sensors was patented by SINTEF in 1997. IDEX retains an exclusive worldwide license to these patents relating to capacitive swipe sensors. The inbound license agreement terms include a fixed annual license fee as well as volume based royalties on sub-licenses and products delivered. The royalty payment is based on terms typical for the market.

SINTEF also contributes to IDEX's development projects, based on SINTEF's standard commercial terms.

IKENDI Software AG

IDEX's embedded fingerprint solution has been developed in close collaboration with IKENDI and a cooperation agreement was entered into between the two companies in the second quarter of 2009. Subsequently, in the third quarter of 2009, IDEX signed an inbound licensing agreement with IKENDI, under which IDEX received a license to IKENDI's extraction and match software algorithms. IKENDI has 15 year old roots in research of digital image processing and artificial intelligence. IKENDI today has reached a leading position for embedded and PC BIOS solutions using fingerprint recognition.

3.10 Market, Outlook and Competitors

Market and Outlook

According to Reportlinker³, the revenues of the biometric industry is projected to grow from USD 4,5 billion⁴ in 2010, to more than USD 10 billion in 2014. Biometric systems based on fingerprint identification are the main technology used.

The biometric market has basically two segments. The high-end market is application areas like border control, law enforcement and similar, but also building access systems and airline check-in and boarding, where large, expensive units equipped with area sensors are used, and a large share of the value is related to the back-end systems. In such systems, there are comparatively

³ Reportlinker.com, report., July 2012.

⁴ Civil and Military Biometric Market analysis Frost & Sullivan, January 2012.

few sensors and the sensor component represents a small part of the system cost. The portable market consists of mass volume applications like computers, peripherals, mobile handsets and similar hardware, as well as access, ID and banking cards and tokens, where there are huge numbers of sensors, and each sensor is either a very small part of a large system, or the sensor is integrated in a personal device. IDEX serves this portable, mass volume market.

PCs, mobile phones and other wireless devices

The market for fingerprint sensors has been growing rapidly in the past few years with laptop PCs currently being the main segment. Tier one companies such as Hewlett-Packard, Dell and Lenovo have all employed fingerprint sensors into various models.

There is currently a small share of mobile phones being equipped with a fingerprint sensor. This may change following Apple's acquisition of fingerprint technology, which is viewed as marking the definitive breakthrough for biometrics in consumer products. Apple has not stated its intended application of the technology. There is reason to believe that other mobile phone, tablet and PC manufacturers will imitate Apple's implementation⁵.

The main reason for adding fingerprint technology to smartphones, tablets and PCs is to enhance security of mobile and web transactions, which grow strongly. Juniper Research believes that mobile payments will amount to USD 1.3 trillion by 2017⁶. There is also increasing need to and interest in protection of data, mission critical company information, privacy and media content on various interconnected smart devices like smartphones, of which the annual sales in 2014 is expected to exceed 1 billion units⁷. New services in addition to payments are likely to compound the demand for security.

Financial services, payment and banking

With increasing incidences of fraud and identity thefts related to financial services, additional security is required in the financial sector ensuring safety of transactions. Identity theft is increasing every year, and the cost of identity fraud in the US alone totals more than USD 37 billion⁸. In addition to the prevalent PINs and passwords, banks are expected to implement use of biometrics integrated with the existing security layers.

Fingerprint sensors are expected to be found in physical and logical access control, bank-ID, point-of-sales terminals and Automated Teller Machines (ATM's). A highly secure solution is to integrate the fingerprint sensor chip directly onto a card. Such biometric powered cards offer a superior solution for identity verification. Incorporation of the SmartFinger technology into new generations of cards will be interoperable with the majority of infrastructure and identity verification applications.

It is estimated that it will be shipped 600 million contactless Smart Cards in 2012, rising to 750 million units in 2013.⁹

⁵ Interim Report Fingerprints Cards, November 2012.

⁶ Juniper Research, August 2012

⁷ Reuters April 2012, <http://www.reuters.com/article/2012/04/12/us-smartphonemakers-research-creditsuiss-idUSBRE83B0LS20120412>

⁸ Javelin Strategy & Research , February 2011

⁹ Eurosmart research, November 2012

The fingerprint system-on-card concept imposes strong demands of the fingerprint sensor solution in terms of thickness, material flexibility as well as cost. The patented dual-chip implementation of the SmartFinger sensors offers customization of materials, geometry and device packaging solutions required for such applications.

With the adoption of fingerprint biometrics in the larger governmental, health, financial and enterprise systems, new applications of small-sized, low-cost, high-quality fingerprint sensors are expected to emerge. These could include portable ID terminals for on-site authentication, personal biometric tokens and access control. With the reliability and quality of the SmartFinger technology, IDEX believes that the Company is a strong candidate to become a supplier in these emerging markets.

Geographical markets

According to Frost & Sullivan [3] the revenue based market share for biometrics within border control, e-government, law enforcement and military applications is currently largest in USA (35%), Western Europe (20,7%) and China (10%). In the next five years the largest growth is expected in China and the Middle East. Although IDEX's technology will be important in emerging applications within these market segments IDEX's main focus is on biometrics for consumer applications.

There is a limited availability of updated market surveys focusing on biometrics for the consumer and especially the mobile market. Goode Intelligence published in 2011 a market analysis and forecasts for mobile phone biometric security¹⁰. According to this report the largest geographical market is currently APAC (except China and India), while in 2015 North America is forecasted to become the largest market of mobile phone biometrics with regards to revenue.

Factors that may impact IDEX's business

Several commercial companies have left the fingerprint industry, and those who are active in the consumer segment and possible mass markets have in the past reported little or no profit. IDEX takes for its basis that the market will change, and the new market segments outlined above will represent immense opportunities.

The main factor impacting IDEX's business will be the emergence and growth of the new market segments. As and when the business matures, IDEX and its competitors will face the conventional business factors related to production cost and availability and pricing of raw materials. IDEX is not aware of any such factor for which there is a basis to expect particular favourable or unfavourable future conditions.

IDEX's business relative to its competitors is dependent on the Company's ability to deliver products, to win market share, to retain competent staff and successfully defend its IP rights. IDEX does not have any basis for assuming any unusual relative change in these factors for IDEX or its competitors.

Competitors

There is only a handful significant competitors offering fingerprint sensors to the various markets and applications. The main competition for IDEX is from companies offering swipe fingerprint sensors for high-volume products. The most significant companies in this segment are AuthenTec,

¹⁰ Mobile phone biometric security, Market analysis and forecasts 2011-2015, Goode Intelligence 2011

Inc.¹¹, Fingerprint Cards AB¹² and Validity Sensors, Inc.¹³. These companies have mainly supplied to the laptop and PC peripherals market. The fingerprint structure is measured by injection and pick up of an electrical signal. AuthenTec and Fingerprint Cards rely on silicon chip technology, while Validity offers polymer-based fingerprint sensors.

AuthenTec and Validity have shipped most of the total volume to the PC industry. AuthenTec has the largest share of the market, but Validity has gained market share lately.

AuthenTec Inc. was a public company listed on the NASDAQ stock exchange. Apple Inc made a successful bid for AuthenTec in July 2012, and acquired the company in October 2012. Apple has not detailed its purpose of the acquisition, except developing and implementing AuthenTec's technology in Apple products. It is commonly anticipated that AuthenTec will discontinue supplying components to others¹⁴.

Validity Sensors, Inc., a privately-held company, specializes in fingerprint authentication solutions. In 2008-2010 Validity gained larger market shares especially in the laptop markets. Validity's non-silicon sensor differs from most other swipe sensors. Validity has sold 30 million sensors to the PC industry, mainly to Hewlett-Packard.

Fingerprint Cards AB develops, produces and markets biometric technology. The company has its head office in Gothenburg, Sweden and is listed on Nasdaq OMX Stockholm. The company provides low-cost silicon-based fingerprint sensors to the mass market mobile handset and laptop computer market.

Egis Technologies Inc.¹⁵ is headquartered in Taipei, Taiwan, with an office in Hangzhou, China. EgisTech is offering complete solutions containing its data security and biometric software suites. EgisTech has integrated sensors for Lenovo's K43 and E43 notebook series.

Sonavation¹⁶ is a provider with a bespoke acoustic sensing principle.

IDEX has a strong advantage against its competition related to the Company's technology, IP and patent portfolio. IDEX owns or holds exclusive rights to an extensive portfolio of basic patents of early priority dates. The patents are required to realize high performance, small sized, low cost fingerprint sensors. The IP portfolio also includes key design features as well as hardware and software blocks. The SmartFinger sensor products offer several competitive advantages when it comes to biometric performance, design versatility and usability. These qualities are all related to product features enabled by IDEX's patents and other IP and know-how.

IDEX's main competitors have made further progress in commercialization of their product as compared to IDEX. Both AuthenTec¹⁷ and Validity¹⁸ have shipped fingerprint sensors in volumes

¹¹ www.authentec.com

¹² www.fingerprint.com

¹³ www.validityinc.com

¹⁴ http://appleinsider.com/articles/12/09/24/authentec_to_reportedly_ditch_non_apple_customers_in_2013

¹⁵ <http://www.egistec.com/company/aboutegistec.html>

¹⁶ <http://www.sonavation.com/>

¹⁷ <http://www.4-traders.com/AUTHENTEC-INC-54944/news/AuthenTec-Inc-New-Lenovo-ThinkPad-Laptops-Include-AuthenTec-s-Newest-Smart-Sensor-Chipset-Optimi-13963710/>

especially to the lap-top market. It is commonly known that AuthenTec's will be discontinued in the consumer market¹⁹. Fingerprint Cards has up to now mainly addressed commercial markets with their area sensor products, and has recently announced a design win for mobile phones.²⁰

3.11 Organisational Structure

The IDEX Group comprises the parent company IDEX at Fornebu, Norway and the wholly-owned US subsidiaries IDEX Holding Company, Inc. and IDEX America, Inc. IDEX America, Inc. is owned indirectly through IDEX Holding Company, Inc. All IP and IPR are held by IDEX and, for this reason, IDEX is the entity in the IDEX Group entering commercial agreements. There are presently ten employees in the Group of which two work part time. All employees are employed by IDEX and situated at Fornebu, Norway.

The employed staff is supplemented by contracted specialists and outsourced services. Presently, two commercial specialists work on site and form an integral part of IDEX's organization. One technical specialist and one marketing executive working abroad are contracted on fixed part time and also form an integral part of IDEX's organization.

3.12 Property, Plant and Equipment

The IDEX Group does not own any real estate property. IDEX rents general office premises at Rolftsbuktveien 17, NO-1364 Fornebu, Norway. The size of the rented area is 463 square meters. The facilities are used for administrative, research and development, and sales functions.

IDEX Holding Company, Inc. and IDEX America, Inc. do not rent any facilities and do not hold any assets but cash and group-internal receivables.

IDEX's tangible assets are located at Fornebu. The actively used assets are facilities upgrade investments, technical and office equipment.

The Group does not own or lease industrial manufacturing facilities or equipment. Manufacturing and related services are purchased from specialist contract manufacturing companies.

There are no significant property, plant or equipment items ordered at the date of this Share Registration Document. IDEX does not have any plans or obligations to make significant future investments in property, plant or equipment.

The Group's activities do not pollute the environment. All suppliers are well reputed companies. IDEX takes for its basis that its suppliers are operating in compliance with the applicable regulatory framework and paying due respect to the norms of the various stakeholders in their business. None of the processes in use by the suppliers are known to be of particular hazard to staff or the environment.

¹⁸ <http://techcrunch.com/2012/10/18/validity-sensors-raising-20m-from-qualcomm-telesoft-to-bring-fingerprint-security-to-mobile-payments/>

¹⁹ http://appleinsider.com/articles/12/09/24/authentec_to_reportedly_ditch_non_apple_customers_in_2013

²⁰ <http://www.fingerprints.com/sitecore/content/Home/Press/Press%20releases.aspx?year=2012>

4 Founder, board of directors, management and employees

4.1 Founders

The founders of IDEX were ISM AS and Svein Mathiassen, who established IDEX on 24 July 1996. IDEX established IDEX Holding Company, Inc. and IDEX America, Inc. in 2007.

4.2 Board of Directors and Management, Other Corporate Codies

Board of directors

The Company's articles of association provide that the number of directors shall be between three and seven members, as decided by the general meeting.

At the general meeting of shareholders, the board members are elected to serve for a term of two years from the time of election. There are presently five board members including the chairman. Chairman Morten Opstad and board members Hanne Høvding, Joan Frost Urstad and Harald Voigt were elected at the 2011 annual general meeting for a period of two years. At the 2012 annual general meeting, Jon Ola Frankplads was elected for a period of two years.

Morten Opstad, Chairman

Mr. Opstad has served as chairman of the board in IDEX since March 1997. Mr. Opstad is a partner and chairman of the board in Advokatfirma Ræder DA in Oslo. He has rendered legal assistance with respect to establishing and organising several technology and innovation companies. His directorships during the last five years include current board positions in cXense AS (chairman), Glommen Eiendom AS (chairman), Glommen Eiendom Invest I AS (chairman), Glommen Eiendom Invest II AS (chairman), Glommen Eiendom Invest III AS (chairman), Glommen terrasse AS (chairman) and Thin Film Electronics ASA (chairman); and former directorships in A. Sundvall AS, Chaos AS, Fileflow Technologies AS, Rosa Media ASA and Total Sports Online AS (dissolved) (chairman). Mr. Opstad holds or controls the following privately held companies that are shareholders in IDEX: Dobber Corporation AS, K-Konsult AS, Marc O'Polo Norge AS. Mr. Opstad was born in 1953, is a Norwegian citizen and maintains a business address at Henrik Ibsens gate 100, P.O. Box 2944 Solli, NO-0230 Oslo, Norway.

Jon Ola Frankplads, Board member

Mr. Frankplads has served on the board of IDEX since May 2010. He is independent of the Company's executive management, material business contacts and the Company's larger shareholders. Mr. Frankplads has a Master's degree in business administration. He is a self-employed person, providing executive and managerial services in the fields of marketing, finance, strategy, motivation and general management. Earlier, he has been general manager of a pharmaceutical company, a computer company, a consulting company and venture capital company. Mr. Frankplads has experience from several early-stage companies. He is currently chairman of the following companies: Activ Invest AS, Elma AS, G&T.Septech AS and Odin Invest AS. Other board positions during the last five years: Current: AG Design AS, Byggutvikling AS, Finansinkasso AS, Næringseiendom AS, Midtoddveien 14 AS, Mercurus AS, Nordic Seafarms AS which trades are reported at the Norwegian Over-The-Counter, Norsk Gallupinstitutt AS, Robotteknikk AS and Separtech AS; Former: Teknolab AS (Chairman). Mr. Frankplads was born in 1945, is a Norwegian citizen and maintains a business address at Bukkene Bruses vei 1, NO-1388 Borgen, Norway.

Hanne Høvding, Board member

Ms. Høvding has served on the board of IDEX since December 2007. She is independent of the Company's executive management, material business contacts and the Company's larger shareholders. Ms. Høvding has a Bachelor's Degree from the Norwegian School of Management. In her professional career Ms. Høvding has held several management positions within personnel administration, finance, credit card administration and debt collection. She has served as chairman of the board of Cama Invest AS since 2005. Ms. Høvding was born in 1954, is a Norwegian citizen and maintains a business address at Grimelundsveien 3D, NO-0775 Oslo, Norway.

Joan Frost Urstad, Board member

Ms. Frost Urstad has served on the board of IDEX since December 2007. She is independent of the Company's executive management, material business contacts and the Company's larger shareholders. Ms. Frost Urstad has a BSc Honors in Chemistry and an MA in Information Technology Management from The University of Sheffield. Ms. Frost Urstad has had a career in the process and electronics industries, mainly in senior project management, where she has focused on Norwegian and international projects that cover activities within product development and industrial investment projects including R&D, sourcing, manufacturing, supply chain management and risk management. Ms. Frost Urstad works as a consultant, operating her own company Frost Urstad AS. Other board positions during the last five years include her current position as chairman of the board in Frost Produkt AS. She was born in 1943, is a Norwegian citizen and maintains a business address at Holmenveien 75, NO-0376 Oslo, Norway.

Harald Voigt, Board member

Mr. Voigt has served on the board of IDEX since December 2007. He is independent of the Company's executive management, material business contacts and the Company's larger shareholders. Mr. Voigt has a Master's degree from the Norwegian School of Economics and Business Administration. He has a career in financial engineering, as a consultant within the offshore and maritime industry, and with project finance and syndication in financial institutions. During the last 20 years he has been a partner in Alliance Prosjekt AS, investing in and managing real estate. Mr. Voigt is presently a board member of several real estate companies: Alliance Eiendom AS, Alliance Eiendomsforvaltning AS, Alliance Eiendomsmegling AS, Alliance Prosjekt AS, AS Akersgaten 7 & 9, AV Holding AS (chairman), Grønland 30-34 ANS, Grønland 32 AS, Harald Voigt AS (chairman), HV Holding AS (chairman), Jerikoveien 20 ANS, Jerikoveien AS, Jerikoveien Oslo AS, Kirkeveien 159 AS, KV Holding AS (chairman), Lastcentrum Oslo AS, Maskininvest V ANS, MV Holding AS (chairman), Postterminalen Midtstranda ANS, Profura AS, Tarde AS, Åsenveien SKI ANS, as well as Georex SA, France (president), a seismic and geophysical company, and Poros SAS, France (president), a company that develops exploration and production projects and oversees operations in the oil industry. In the last five years, he has also held board positions in the following companies: Atoll Eiendom AS, Atoll Eiendom Oslo AS, Fleximatic AS (chairman), Grorudhagen ANS, Grønland 30 AS, Helikopter Invest AS, Luhrtoppen AS, Lycée Francais René Cassin d'Oslo, Norsk Champignon AS, Svennerud Næringsbygg ANS, Tangerud Øst I ANS and Åsenveien 3 A AS,. Mr. Voigt was born in 1956, is a Norwegian citizen and maintains a business address at Akersgaten 7, P.O. Box 1888 Vika, NO-0124 Oslo, Norway.

The composition of the Board is in compliance with the Oslo Axess terms of listing and the applicable independency requirements. The Board also meets the statutory gender requirements.

There are no family relationships among the directors, management or key employees.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which members of the Board or management was selected as a member of the administrative, management or supervisory bodies or member of senior management.

Management

Ralph W. Bernstein, Managing director/CEO

Dr. Bernstein serves as managing director of the Company. Dr. Bernstein joined IDEX in 2006 as chief technology officer (CTO). In 2008 he was appointed managing director/CEO of IDEX, while also maintaining the position as CTO. He holds a Ph.D. in physical electronics – semiconductor physics from the Norwegian University of Science and Technology (NTNU). He has more than 15 years of experience as a senior scientist and research director within microsystems and nanotechnology at SINTEF. He also holds a part-time adjunct professor position in electronic devices and materials at NTNU. In the last five years, Dr. Bernstein has been a board member of GasSecure AS since 3 December 2009, and he served on the board of Nanoday AS from May 2009 until the company was dissolved in 2009. Dr. Bernstein was born in 1960, is a Norwegian citizen and maintains a business address at Rolfsbuktveien 17, NO-1364 Fornebu, Norway.

Erling Svela, Finance director/CFO

Mr. Svela has served as IDEX's chief financial officer (CFO) since second quarter 2008 on a part-time basis until he joined IDEX full time in May 2011. Since September 2012, Mr. Svela has been working half time for IDEX. From 2006 until 2011 Mr. Svela was also on part-time basis the CFO of Thin Film Electronics ASA, which is listed on Oslo Axess. From 2006 to 2008, he was CFO and corporate vice president in Kitron ASA, a company listed on Oslo Børs. Previously, from 2000 to 2006, he was finance director in Opticom AS and Thin Film OldCo AS. In the capacity of CFO of Kitron ASA, Mr. Svela was board member of the subsidiaries of Kitron ASA 2006-2008. In his capacity of finance director of Opticom AS and Thin Film OldCo AS, Mr. Svela was board member of Thin Film Electronics AB. Mr. Svela holds an MSc. in Forest Economy and Management from the Norwegian University of Life Sciences (1985), an MBA from Henley Management College (1993) and he is a certified European financial analyst from the Norwegian School of Economics and Business Administration (2000). He has also completed the IFRS Academy by the Norwegian Institute of Public Accountants. Mr. Svela was born in 1958, is a Norwegian citizen and maintains a business address at Rolfsbuktveien 17, NO-1364 Fornebu, Norway.

Offences or other incidents

None of the members of the Board or management have for the last five years been subject to convictions in relation to fraudulent offences or been involved in any bankruptcies, receiverships or liquidations. Neither of the members of the Board or management has been involved with any public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor has any of them been disqualified by a court from acting as a member of the administrative management or supervisory body of a company or from acting in the management or conduct the affairs of a company for the last five years.

Board committees

The Company does not have an audit committee or a compensation committee, or any other sub-committees to the Board. The full Board serves as the Audit committee. Reference is made to Section 4.6 below.

Nomination committee

The Annual General Meeting 2012 resolved to implement a nomination committee. The Articles of Association were amended to state that a nomination committee of three members including a

chairman shall be elected by the Company's Annual General Meeting for a term of two years and work in accordance with guidelines resolved by the Annual General Meeting.

The nomination committee shall propose candidates for election to the Board, propose the remuneration to be paid to the board members, propose candidates for election to the nomination committee, and propose the remuneration to be paid to the nomination committee members.

At the 2012 Annual General Meeting, Bjørn Lillekjendlie (chairman), Anders Berdal Lorentzen and Christian Rust Tveten were elected to serve at the nomination committee for two years.

4.3 Conflicts of Interest

The chairman of the board, Morten Opstad, is a partner in Advokatfirma Ræder DA, which in the past has rendered and currently renders legal services for IDEX. Mr. Opstad and the Board are attentive to the fact that this, arguably, could represent a potential conflict of interest and monitor the situation closely to ensure that no conflict of interest materializes. No commitment has been made by the Board in relation to the use of Advokatfirma Ræder DA for future legal services and the Board selects the Company's professional advisors with the Company's best interests as the overriding priority. The legal services rendered by Advokatfirma Ræder DA are to a large degree performed by other lawyers than Mr. Opstad. Mr. Opstad abstains from voting on any board matters concerning the Company's affiliation with Advokatfirma Ræder DA.

Frost Urstad AS, which is controlled by board member Joan Frost Urstad, has provided services performed by Joan Frost Urstad to the Company. Latest assignment was in the first quarter of 2012.

Lupum AS, which is a shareholder in IDEX and is controlled by Kristian Wiermyhr, who is also a shareholder in IDEX, currently provides services performed by Kristian Wiermyhr to the Company. The service agreement ends without notice on 31 January 2013. 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.

Other than the foregoing, there are no potential conflicts of interests between any duties of the Company and private interest or other duties of the members of the board or management.

4.4 Remuneration and Benefits to the Board of Directors and Management

Board remuneration

At the 2012 Annual General Meeting it was resolved that the chairman of the Board, Morten Opstad, shall receive NOK 180 thousand while the Board members Jon Ola Frankplads, Hanne Høvdning, Joan Frost Urstad and Harald Voigt each shall receive a remuneration of NOK 140 thousand for serving as a Board member from the date of the 2011 Annual General Meeting until the date of the 2012 Annual General Meeting. The Board members had an opportunity to elect to receive all or part of the board remuneration in the form of shares. Board members Joan Frost Urstad and Harald Voigt elected to receive the remuneration in shares. Each of Ms. Urstad and Mr. Voigt acquired 184,356 shares for which they paid a subscription price of NOK 0.15 per share in lieu of receiving the cash board remuneration of NOK 140 thousand.

At the 2011 Annual General Meeting it was resolved that the chairman of the Board, Morten Opstad, shall receive NOK 180 thousand while the Board members Jon Ola Frankplads, Hanne

Høvding, Joan Frost Urstad and Harald Voigt each shall receive a remuneration of NOK 140 thousand for serving as a Board member from the date of the 2010 Annual General Meeting until the date of the 2011 Annual General Meeting. The Board members had an opportunity to elect to receive all or part of the board remuneration in the form of shares. All Board members but Harald Voigt elected to receive the remuneration in cash. Mr. Voigt acquired 124,966 shares for which he paid a subscription price of NOK 0.15 per share in lieu of receiving the cash board remuneration of NOK 140 thousand.

At the 2010 Annual General Meeting it was resolved that the chairman of the Board, Morten Opstad, shall receive NOK 130 thousand while the Board members Andrew Heap, Hanne Høvding, Joan Frost Urstad and Harald Voigt each shall receive a remuneration of NOK 100 thousand for serving as a Board member from the date of the 2009 Annual General Meeting until the date of the 2010 Annual General Meeting. The Board members had an opportunity to elect to receive all or part of the board remuneration in the form of shares. Board members Joan Frost Urstad and Harald Voigt elected to receive the remuneration partly in cash and partly in shares. Each of Ms. Urstad and Mr. Voigt (i) acquired 56,900 shares for which they paid a subscription price of NOK 0.15 per share in lieu of receiving cash board remuneration of NOK 50,911, and (ii) a cash board remuneration amounting to NOK 49,089.

The subscription rights granted as board remuneration in 2008 were sharply discounted in value because of the 7.5-for-1 rights issue in IDEX in 2009. The 2010 Annual General Meeting therefore granted new subscription rights to effectively reprice these subscription rights, as follows: Hanne Høvding received 26,532 subscription rights and Joan Frost Urstad and Harald Voigt 53,064 subscription rights each, in total 132,660 subscription rights. The exercise price of the subscription rights is NOK 1.20 per share. 25 per cent of the subscription rights vest at each anniversary from the date of the grant. The subscription rights expire on 11 May 2015.

Since the 2012 Annual General Meeting and until present, IDEX has accrued the pro rata cost of an annual cash remuneration to the Board members at the same level as the preceding year; being NOK 180 thousand p.a. for the chairman and NOK 140 thousand p.a. per board member.

There is no remuneration to any board member or members of management from IDEX Holding Company, Inc. or IDEX America, Inc.

The accumulated number of issued and outstanding shares and subscription rights to Board members in the Company is presented in Section 4.7 of the Share Registration Document.

No Group company has granted any loans, guarantees or other commitments to any member of the Board and there are no unusual agreements regarding extraordinary bonuses or other compensation to any member of the Board.

Advokatfirma Ræder DA, in which Morten Opstad is a partner, is the Company's current legal counsel. In 2009, 2010 and 2011, IDEX expensed fees from Advokatfirma Ræder DA in the amount of NOK 1,686 thousand, NOK 1,973 thousand and NOK 2,061 thousand respectively (amounts excluding VAT). The amounts also include assistance on share issues, share prospectuses and the work in connection with the listing of IDEX shares at Oslo Axess, including the project management of the processes. From 1 January 2012 up to 30 September 2012, the expensed fees to Advokatfirma Ræder DA amounted to NOK 1,784 thousand. Remuneration to Mr. Opstad for his service as chairman has not been included in the foregoing amounts.

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

Remuneration and benefits to management

In 2012, the managing director/CEO, Ralph W. Bernstein, receives an annual base salary of NOK 1,350 thousand. A cash bonus may be earned depending on achievement of certain criteria. Salary review is 1 July each year. There is no pension contribution other than the mandatory service pension scheme (Norwegian: obligatorisk tjenestepensjon). Mr. Bernstein's actual salary and benefits in 2009-2011 are listed below. Mr. Bernstein has not been granted any incentive subscription rights in 2012. Grants of incentive subscription rights in 2009-2011 are listed below. None of the subscription rights have been exercised.

CFO Erling Svela is currently employed on 50 % of full time at an annual fixed salary of NOK 600 thousand. Until 30 April 2011, Mr. Svela worked flexible part time on an hourly basis. In the period 1 May 2011-31 December 2011, Mr. Svela worked full time at an annual fixed salary corresponding to the hourly rate. From 1 January 2012 the annual fixed salary was NOK 1,200 thousand. There is no pension contribution other than the mandatory service pension scheme (Norwegian: obligatorisk tjenestepensjon), which Mr. Svela joined in 2009. Mr. Svela's actual salary and benefits in 2009-2011 are listed below. Mr. Svela has not been granted any incentive subscription rights in 2012. Grants of incentive subscription rights in 2009-2011 are listed below. None of the subscription rights have been exercised.

Salary, variable/incentive pay and other benefits in the table below are the amounts declared for income tax purposes, while pension contribution and share based remuneration are the expensed amounts. The mandatory service pension scheme is the same as for all employees in IDEX and is a fully insured defined contribution scheme.

Remuneration	Salary	Variable/ incentive pay	Other benefits	Pension contribution	Share based remune- ration	Total remune- ration
Amounts in NOK 1,000						
2011						
Ralph W. Bernstein, CEO	1 468	0	6	18	187	1 679
Erling Svela, CFO	1 852	0	6	14	115	1 987
2010						
Ralph W. Bernstein, CEO	1 366	0	9	17	827	2 219
Erling Svela, CFO	1 395	0	6	25	24	1 450
2009						
Ralph W. Bernstein, CEO	1 257	0	12	15	462	1 746
Erling Svela, CFO	877	0	0	0	6	883

Grants of incentive subscription rights	Grant date	Expiry date	Number of subscription rights	Exercise price NOK per share
2011				
Ralph W. Bernstein, CEO	10 April 2011	11 May 2015	500 000	1.96
Erling Svela, CFO	10 April 2011	11 May 2015	640 000	1.96
2010				
Ralph W. Bernstein, CEO	2 November 2010	11 May 2015	250 000	1.50
	2 November 2010	11 May 2015	250 000	1.02
Erling Svela, CFO			0	
2009				
Ralph W. Bernstein, CEO	8 October 2009	8 May 2014	339 622	0.90
	8 October 2009	8 May 2014	1 333 333	1.20
Erling Svela, CFO	8 October 2009	8 May 2014	66 666	1.20

The accumulated number of issued and outstanding subscription rights to members of management is presented in Section 4.7 below.

None of the administrative, management or supervisory bodies', hereunder the board members', service or employment contracts with IDEX provide for benefits or severance payments upon termination of employment, except that the employment agreements contain conventional termination notice periods and except that IDEX may invoke non-competition clauses for employees in return for paying compensation during the non-competition period.

4.5 Employees and contractors

Employees

As of the date of this Share Registration Document, there are eight fulltime employees in the IDEX group, all of which are employed by IDEX. In addition, there are two employees working part time.

The average number of employees in thr Group has been as follows:

	1 July -30 September 2012 (unaudited)	1 July -30 September 2011 (unaudited)	1 January -30 September 2012 (unaudited)	1 January -30 September 2011 (unaudited)	1 January -31 December 2011 (audited)	1 January -31 December 2010 (audited)	1 January -31 December 2009 (audited)
Average number of employees in the period	14	11	14	10	11	9	9

In 2009 and until June 2010, there was 1 employee in IDEX America, Inc., located in California. All other employees are employed by IDEX and located at Fornebu, Norway.

IDEX increased its number of employees and also the amount of ongoing contractors on site in 2011 in order to carry out the production ramp-up and other projects. In June 2012, organisational changes were initiated, and the number of employees was reduced, largely effective from fourth quarter 2012. Ongoing contractors were reconfigured and net reduced.

IDEX practices equal opportunities in all aspects. The Board considers the equality as good as can be, and has not found reason to initiate any particular program. IDEX offers flexible work hours to all employees, and several staff have been equipped with home/portable office equipment.

The working environment at IDEX is pleasant, stimulating and safe, and beneficial for all employees. The working environment complies with the relevant laws and regulations. No specific actions have been considered necessary. There have not been any injuries to the Company's employees at the place of work causing absence from work and no significant incidents involving the Company's assets have occurred. The sick leave has been less than 2 per cent. There have not been any indications that any sick leave relates to the work or workplace.

Contractors

The employed staff is supplemented by contracted specialists and outsourced services. Presently, two commercial specialists work on site and form an integral part of IDEX's organisation. One technical specialist and one marketing executive working abroad are contracted on fixed part time and also form an integral part of IDEX's organization. The service agreements have fixed terms up to 6 months or conventional notice periods.

One of the mentioned commercial specialists is Kristian Wiermyhr, who is a shareholder in IDEX and controls Lupum AS which is also a shareholder in IDEX. Lupum AS is the service provider of the contract, with the provision that the services shall be performed by Kristian Wiermyhr. The service agreement ends without notice on 31 January 2013.

Frost Urstad AS, which is controlled by board member Joan Frost Urstad, provided services performed by Joan Frost Urstad in the first quarter of 2012. The assignment was completed in the first quarter 2012.

Assignments beyond the board duty has been remunerated on comparable terms to other contractors at IDEX. None of the board members have any ongoing assignments beyond board duty and there are no future commitment for any such services.

Legal advice and services are provided by Advokatfirma Ræder DA, in which the chairman of the board, Morten Opstad, is a partner. The legal services rendered by Advokatfirma Ræder DA are to a large degree performed by other lawyers than Mr. Opstad.

Patent and IPR services are provided by Protector Intellectual Property Consultants AS, Oscars gate 20, NO-0352 Oslo, Norway.

Accounting transaction processing services are provided by PwC Accounting AS, Dronning Eufemias gate 8, N-0191 Oslo, Norway.

4.6 Board Practices and Corporate Governance, Nomination Committee

Corporate Governance

The Company's corporate governance practices were last updated on 23 April 2012 and is based on and complies with the Norwegian Code of Practice for Corporate Governance ("Code of Practice") as updated on 20 October 2011. The Code of Practice is a comply or explain guideline and the Board will state and explain any derivation by the Company from the recommended guidelines in the annual report. IDEX posts its corporate governance statement on its website and in the annual report.

At the date of this Share Registration Document, the Company does not comply with the following articles of the Code of Practice as updated on 23 October 2012 ("the Code"):

- Section 7 in the Code: Until the 2012 Annual General Meeting, the board performed the tasks of the nomination committee. The Annual General Meeting 2012 resolved to implement a nomination committee. The Articles of Association were amended to state that a nomination committee of three members including a chairman shall be elected by the Company's Annual General Meeting for a term of two years and work in accordance with guidelines resolved by the Annual General Meeting. The 2012 Annual General Meeting elected the members of the nomination committee.
- Section 9 in the Code: The Company does not have sub-committees to the Board. With a compact Board of only five members, the Board has not determined a need for sub-committees to date. The full Board undertakes the tasks of the audit committee. The future need for any further sub-committee(s), is reviewed minimum annually in connection with the annual review of the Company's corporate governance practices;
- Section 11 in the Code: Subscription rights and warrants have been granted to individuals who serve on the Board.

The 2008 Annual General Meeting resolved cash remuneration to the Board members. To lessen the cash outflow, the general meeting gave the Board members the option to alternatively receive the remuneration in the form of subscription rights under the Company's 2008 subscription rights programme. The following Board members opted for subscription rights: Hanne Høvdning 3,125 subscription rights, Joan Frost Urstad 6,250 subscription rights and Harald Voigt 6,250 subscription rights. The exercise price is NOK 10.83 per share. 25 per cent of the subscription rights vest every 12 months from the date of the grant, and expire on 18 June 2013. The subscription rights granted as board remuneration in 2008 were sharply discounted in value because of the 7.5-for-1 rights issue in IDEX in 2009. The 2010 Annual General Meeting therefore granted new subscription rights to effectively reprice these subscription rights, as follows: Hanne Høvdning received 26,532 subscription rights and Joan Frost Urstad and Harald Voigt 53,064 subscription rights each, in total 132,660 subscription rights. The exercise price of the subscription rights is NOK 1.20 per share. 25 per cent of the subscription rights vest at each anniversary from the date of the grant. The subscription rights expire on 11 May 2015.

In August and September 2009, the Company carried out a rights issue towards existing shareholders, under which each subscriber received one 2009-warrant for each share subscribed for and allotted to such subscriber. As a consequence, members of the Board who were shareholders and subscribed for new shares in the rights issue, received 2009-warrants in the Company. The 2009-warrants expired or were exercised in 2011. In April 2012, IDEX carried out a private placement, in which each subscriber received one 2012-Warrant for each share subscribed for and allotted to such subscriber. As a consequence, members of the Board who subscribed for new shares in the private placement, received 2012-warrants in the Company. No 2012-warrants were exercised by any holder, and expired on 14 September 2012. The 2009-warrants and 2012-warrants did not represent remuneration to the board members for their services on the board, but were an integral part of their shareholder role.

- Section 14 in the Code: The section reads: "There are no takeover defence mechanisms in place. The board will endeavour that shareholder value is maximised and that all shareholders are treated equally. The board shall otherwise ensure full compliance with section 14 of the

Code". The Code requires that the following items must be added: Firstly, that the board of directors should not hinder or obstruct take-over bids for the company's activities or shares. Furthermore, that any agreement with the bidder that acts to limit the company's ability to arrange other bids for the company's shares should only be entered into where it is self-evident that such an agreement is in the common interest of the company and its shareholders. This provision shall also apply to any agreement on the payment of financial compensation to the bidder if the bid does not proceed. Any financial compensation should be limited to the costs the bidder has incurred in making the bid. IDEX will implement these provisions in its corporate governance policy by the end of 2012.

IDEX has detected that the Company in the notices to the market on 24 April 2012 and 9 November 2012 by inadvertence did not reiterate the reason for applying current shareholders' waiver of their pre-emptive rights to subscription for new shares in the private placements conducted on those dates.

Board sub-committees

As stated above, the Board does not have any sub-committees.

Audit committee

The full Board serves as the audit committee. The audit committee tasks include but are not limited to:

- Prepare the Board's follow-up on IDEX's financial reporting in terms of integrity of the reported result as well as the Company's ability to reliably predict and manage its business.
- Review the Company's organisation, procedures and systems for financial reporting, including transaction processing.
- Monitor and examine the internal control and risk management systems as well as the methods and outputs from the risk analyses.
- Ensure that policies and procedures for funds and other asset management are optimal.
- Ongoing contact with the auditor.
- Evaluate and monitor the auditor's independence and that the management's assignments to the auditor comply with the applicable policy.
- Prepare and draft the Board's proposal for election of auditor by the General Meeting.
- Ensure that IDEX operates a functional whistleblower channel.

Compensation committee

The full Board serves as the compensation committee. The compensation policy is reviewed annually. The full Board determines the remuneration of the managing director and determined the overall salary framework. The remuneration of the managing director's must be approved by the chairman of the board. The board remuneration and the remuneration of the nomination committee is the responsibility of the nomination committee.

Nomination committee

The nomination committee has the following members: Bjørn Lillekjendlie (chairman), Andreas Berdal Lorentzen and Christian Rust Tveten. The nomination committee shall prepare and present proposals to the Annual General Meeting in respect of the following matters:

- Propose candidates for election to the Board
- Propose the remuneration to be paid to the Board members
- Propose candidates for election to the nomination committee
- Propose the remuneration to be paid to the nomination committee members

4.7 Shareholdings, Subscription Rights owned by members of the Board and Management

The following table sets forth the number of shares and incentive subscription rights held or controlled by the members of the Board and management as of the date of this Share Registration Document (including shares and/or incentive subscription rights held or controlled by such persons' close associates, as that term is defined in the Securities Trading Act):

	Number of shares	Number of incentive subscription rights
Morten Opstad	6 559 725	0
Jon Ola Frankplads	3 912 432	0
Hanne Høvdning	293 477	29 675
Joan Frost Urstad	304 580	59 314
Harald Voigt	3 115 443	59 314
Ralph W. Bernstein	334 638	2 713 963
Erling Svela	0	706 666

4.8 Related Party Transactions

Morten Opstad, Chairman of the Board, is a partner in Advokatfirma Ræder DA, which serves as legal counsel to IDEX. The fees to Advokatfirma Ræder DA have been disclosed in the annual and interim reports referenced below. In the period from 1 January 2012 to the date of this Prospectus, the fees to Advokatfirma Ræder DA amounted to about NOK 2,020 thousand. Advokatfirma Ræder DA assisted IDEX in connection with the private placement on 9 November 2012, hereunder with preparation of the instant Prospectus. The charge has been estimated to about NOK 160 thousand.

Frost Urstad AS, represented by board member Joan Frost Urstad, conducted a minor, specific assignment beyond board duty in the first quarter of 2012. There are no ongoing assignments or commitments for future assignments with any of the board members. From 1 January 2012 up to the date of this Prospectus, the fees to Frost Urstad AS amounted to NOK 71 thousand.

Lupum AS, which is a shareholder in IDEX and is controlled by Kristian Wiermyhr who is also a shareholder in IDEX, currently provides services conducted by Kristian Wiermyhr to the Company. The service agreement ends without notice on 31 January 2013. From 1 January 2012 up to the date of this Prospectus, the fees to Lupum AS amounted to NOK 200 thousand. 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 book building and placement of shares on 8-9 November 2012 was managed by Kristian Wiermyhr. According to the service agreement with Lupum AS, Lupum AS shall receive a commission on funds raised in equity issues in IDEX where Kristian Wiermyhr has facilitated and procured such investment. The commission will amount to NOK 454 thousand.

Shareholder Castor August AS provided marketing and sales activities under a service agreement which ended on 31 December 2009. The fees to Castor August AS were disclosed in the annual report and financial statements 2009 referenced below.

A financial loan from shareholder A. S. Holding A/S was revolved and extended at new terms on 20 November 2009. By resolution at the extraordinary general meeting on 17 February 2010 the loan, including accrued and unpaid interest as of year-end 2009, was converted into 21,883,750 shares in IDEX. The shares were issued in March 2010.

The number of shares and incentive subscription rights held by members of the board and management are set out in Section 4.7 above.

There is a Marketing Agreement in place between IDEX and IDEX America, Inc. Under this agreement, IDEX retains IDEX America, Inc. as a marketing services provider in North America, where IDEX America, Inc. will market and promote, but not sell, the IDEX brand, business, products and services in North America. In return for receiving such services, IDEX pays IDEX America, Inc. an amount equal to IDEX America, Inc.'s total operating costs connected to such services. Commencing at such time as IDEX generates income from customer contracts, a mark-up of 5 per cent shall be added to these costs. IDEX America, Inc. has been dormant since 2010 and will be dissolved by the end of 2012.

Related party transactions are specified in accordance with IFRS in the notes to the financial statements in Appendices 2, 3, 4 and 5 to this Share Registration Document, as follows: Annual report and financial statements 2009 (Appendix 5), Note 14; Annual report and financial statements 2010 (Appendix 4), Note 14; Annual report and financial statements 2011 (Appendix 3), Note 14; and Interim report and financial statements for the third quarter 2012 (Appendix 2), Note 7.

There are no other related party transactions than those described above.

5 Operating and financial information

The Group's operations and financial results and status have been presented in the annual reports for each year and in the quarterly interim reports. The annual reports for 2009, 2010 and 2011 are attached to this Share Registration Document as Appendices 5, 4 and 3 respectively. The interim report for the third quarter of 2012 is attached as Appendix 2. The annual reports also shows the parent company's financial results separately.

Note: Unless otherwise expressly stated, all share volumes (hereunder number of independent subscription rights) and per share amounts in this Share Registration Document referring to dates or periods prior to 10 March 2010 have been restated to reflect the 3:1 share consolidation (reverse split) that was resolved by the Extraordinary General Meeting on 17 February 2010, and became effective on 10 March 2010. To the extent historical volumes of shares, warrants and independent subscription rights by reason of the said adjustment result in figures with decimals, such figures are rounded down to the nearest whole number of shares or subscription rights, as the case may be.

5.1 Financial reports and auditor's reports

The parent company, IDEX ASA, was established in 1996. The IDEX group was formed in January 2007 when IDEX established its US subsidiary group comprising IDEX Holding Company, Inc. with its subsidiary IDEX America, Inc. The financial situation of the Group has been presented in the annual reports since incorporation and, as of the interim report for the fourth quarter of 2003, also in the interim reports.

IDEX applied the Norwegian Accounting Act and the Norwegian Accounting Standards ("NGAAP") until and including the annual financial statements for 2004. In the annual financial statements for 2005, the Company implemented IFRS and IDEX's financial statements for 2004 were restated in accordance with IFRS as approved by the EU. The transition from NGAAP to IFRS increased the net loss for 2004 by NOK 2.2 million and the net equity at 31 December 2004 was reduced by NOK 1.3 million.

The audited IFRS consolidated financial statements for the Group and for the parent company for 2009, 2010 and 2011, including the respective auditor's opinions, and the unaudited IFRS interim report for the Group for the third quarter 2012 are enclosed herewith as Appendices 5, 4, 3 and 2 respectively. The information in this Prospectus is based on the financial statements according to IFRS.

The auditor's opinions for 2009 and 2010 were unqualified. The auditor's opinion for 2011 was also unqualified, but included a matter of emphasis paragraph: *"Without qualifying our opinion in the paragraph above, we emphasize that the continued operation requires additional funding of the company. The company states in note 1 and 13 and in the report from the Board of Directors that the company will need additional financing during the first half of 2012. The financial statements are prepared on the going concern basis and realization of assets and settlements of liabilities in course of normal business. There has been no provision or write downs for losses that may occur if this assumptions will not be present."*

The interim report for the third quarter 2012 and the comparison information for the third quarter 2011 included in that report, has not been subject to audit or review by the Company's auditor.

Ernst & Young AS has not audited, reviewed or produced any report on any other information provided in this Prospectus.

Between 30 September 2012 and the date of this Share Registration Document, there has not been any substantial events which has any noticeable impact on the result in the period 1 January-30 September 2012 or the value of the Company's assets and liabilities at 30 September 2012.

5.2 Historical financial information of the Group

Following the implementation of IFRS in 2005, IDEX's annual financial statements were prepared in accordance with IFRS. Consolidated financial statements for the IDEX Group have been prepared as of 2007, when IDEX established subsidiaries.

The Group operates in one business sector, fingerprint imaging and recognition technology. The parent and subsidiaries are managed as one unified entity. There are no distinguishable business segments or geographical segments, and the Group has not implemented segment reporting under IFRS.

The full audited report from the board of directors and annual financial statements for each of the years 2009, 2010 and 2011 as well as the unaudited interim report for the third quarter 2012 are enclosed as Appendices 5, 4, 3 and 2 respectively to this Share Registration Document.

Profit and loss statements

Condensed consolidated profit and loss statements NOK 1,000	1 July -30 September 2012 (unaudited)	1 July -30 September 2011 (unaudited)	1 January -30 September 2012 (unaudited)	1 January -30 September 2011 (unaudited)	1 January -31 December 2011 (audited)	1 January -31 December 2010 (audited)	1 January -31 December 2009 (audited)
Sales and services revenue	455	64	1 026	80	99	66	3
Other operating revenue	890	482	2 413	482	1 224	77	65
Payroll expenses	(4 356)	(3 663)	(14 706)	(12 789)	(17 696)	(13 739)	(12 006)
Research and development expenses	(2 372)	(4 303)	(9 685)	(11 094)	(13 481)	(6 278)	(4 989)
Other operating expenses	(2 347)	(1 906)	(7 644)	(5 552)	(7 632)	(7 912)	(8 296)
Depreciation	(78)	(61)	(236)	(173)	(245)	(134)	(43)
Operating profit (loss), EBIT	(7 808)	(9 387)	(28 832)	(29 046)	(37 731)	(27 920)	(25 266)
Net financial items	32	108	141	242	376	(8)	(2 319)
Profit (loss) before income tax	(7 776)	(9 279)	(28 691)	(28 804)	(37 355)	(27 928)	(27 585)
Income tax expense	-	-	-	-	-	-	-
Profit (loss) for the period	(7 776)	(9 279)	(28 691)	(28 804)	(37 355)	(27 928)	(27 585)
Time-weighted basic number of shares	282 283 386	252 023 137	276 914 718	232 484 419	242 434 609	195 543 310	135 609 947
Profit (Loss) per share basic and diluted (kr,øre)	NOK (0.03)	NOK (0.04)	NOK (0.10)	NOK (0.12)	NOK (0.15)	NOK (0.14)	NOK (0.20)
Average number of employees in the period	14	11	14	10	11	9	9

The Group has to date earned insignificant revenue from customers on its technology and IP or products and services. Other operating revenue includes project-specific government research and development grants and similar grants that represent revenue and are not classified as cost reductions. In the second and third quarters of 2012 IDEX earned revenue amounting to a total of NOK 1.0 million from a feasibility study commissioned and paid by a significant firm in the biometric industry. Other revenue in 2009-2010 was related to sales of administrative and other services, and the amounts were insignificant also in 2011 and to date in 2012. In 2011 IDEX received Norwegian government grant under the VerdIKT programme amounting to NOK 1.2 million. The VerdIKT grant amounted to NOK 1.7 million. Further VerdIKT grant will be earned in 2012-2013. As of the second quarter of 2012 IDEX has earned grant under EU's EuroSTARS

programme. The EuroSTARS grant amounted to NOK 0.7 million combined in the second and third quarters of 2012. Further EuroSTARS grant will be earned in 2012-2014.

Revenue by geography NOK 1,000	1 July -30 September 2012 (unaudited)	1 July -30 September 2011 (unaudited)	1 January -30 September 2012 (unaudited)	1 January -30 September 2011 (unaudited)	1 January -31 December 2011 (audited)	1 January -31 December 2010 (audited)	1 January -31 December 2009 (audited)
Norway (including other revenue)	890	482	2 413	482	1 224	94	65
USA	454	37	1 001	45	50	49	3
Europe and other	1	27	25	35	49	-	-
Total	1 345	546	3 439	562	1 323	143	68

The operational expenses are shown by major categories in the table.

Payroll expenses include expenses for all employees whether in technical, research and development, sales and marketing, or administrative functions. The payroll expenses largely reflect the number of employees in each period. IDEX operates share-based incentive schemes in the form of revolving incentive subscription rights plans resolved by the annual general meetings in the respective years. The notional cost of the share-based compensation as part of its payroll expenses and adds a corresponding amount to equity. The notional cost varies because of grants and cancellations and over the vesting periods of each grant. The mandatory service pension scheme (Norwegian: obligatorisk tjenestepensjon) is the same for all employees in IDEX and is a fully insured defined contribution scheme.

Expenses related to research and development ("R&D") include external project costs for work and material purchased from various companies and institutions. Research costs have been expensed in accordance with IFRS. Development costs have also been expensed, because the activities have not satisfied the criteria for being added to the balance sheet as intangible assets. In the period covered by this Share Registration Document, the major part of the R&D expenses have related to development of the SmartFinger Film sensor technology and product. Costs of obtaining and maintaining patents as well as incurred license fees are also included in the R&D costs. The R&D expenses are shown net of the Skattefunn grants from the Norwegian government. The gross R&D expenses amounted to NOK 6.0 million, NOK 7.4 million and NOK 14.7 million in 2009, 2010 and 2011 respectively. In the first three quarters of 2012, the gross R&D expenses were NOK 9.7 million and NOK 11.1 million in the corresponding period of 2011, while the third quarter gross R&D expenses in 2012 were NOK 2.4 million compared to NOK 4.3 million in the third quarter of 2011. The increase from 2009 and 2010 to 2011 related mainly to production trials and pilot production runs and also the development of a new version of IDEX's ASIC. The production trials continued into the second quarter of 2012, but trailed off in the third quarter of 2012.

Other operating expenses relate to facilities, sales and marketing activities and various administrative, financial and legal services. This cost line has had a varying composition. In 2009 and 2010, IDEX incurred costs related to the application for listing at Oslo Axess. In 2011 and 2012, sales and marketing activities were stepped up, and IDEX has in 2012 operated a project to identify and attract an industrial partner.

Depreciation represents a comparatively small cost item in the profit and loss statements. Only moderate investments in laboratory equipment, IT and offices have been made in 2009-2011. The total investments in the three years amounted to a total amount of NOK 1.3 million, which is minute compared to the operating costs in the period. No fixed assets have been acquired in the first three quarters of 2012. All fixed assets are held by IDEX.

In 2007, IDEX took up a financial loan from a shareholder. The debt was later made convertible, allowing a lower payable interest rate. For accounting purposes, IDEX has according to IFRS applied a higher, notional interest cost reflecting an assumed market rate for funding. The difference between the notional and payable interest has been added to equity on loan revolving dates. The debt was converted to equity in the first quarter of 2010. IDEX has been funded solely on equity since the conversion was completed. The subsidiaries have been funded by the parent company. The net financial income in 2011 and 2012 mainly relates to net interest on cash held in bank.

Because IDEX operates at a loss and has taxable loss carryforward, the Company has not incurred any tax cost or payable income taxes in 2009-2011 or the first three quarters of 2012. The subsidiaries have not incurred any income taxes.

The number of shares in 2009 in the table above is the nominal number of shares and has not been adjusted to reflect the 3:1 consolidation (reverse split) in the first quarter of 2010. The number of shares in 2010 have been adjusted as if the consolidation took effect on 1 January 2010.

Balance sheets

Condensed consolidated balance sheets NOK 1,000	30 September 2012 (unaudited)	30 September 2011 (unaudited)	31 December 2011 (audited)	31 December 2010 (audited)	31 December 2009 (audited)
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	703	792	939	632	409
Other long-term receivables	325	319	325	319	313
Total long-term assets	1 028	1 111	1 264	951	722
<u>Current assets</u>					
Trade and other receivables	2 754	2 511	3 523	1 922	3 330
Cash and bank deposits	5 683	29 180	21 462	12 649	5 286
Total current assets	8 437	31 691	24 985	14 571	8 616
TOTAL ASSETS	9 465	32 802	26 249	15 522	9 338
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	42 343	40 794	40 794	32 240	17 712
Share premium reserve	71 625	63 418	63 429	29 274	-
Other paid-in capital	11 098	6 268	7 409	3 000	-
Other equity	(120 958)	(83 715)	(92 266)	(54 911)	(25 903)
Total equity	4 108	26 765	19 366	9 603	(8 191)
<u>Current liabilities</u>					
Financial debt	-	-	-	-	11 954
Trade and other payables	5 357	6 037	6 883	5 919	5 575
Total liabilities	5 357	6 037	6 883	5 919	17 529
TOTAL EQUITY AND LIABILITIES	9 465	32 802	26 249	15 522	9 338

The assets are essentially comprised of cash, receivables and prepayments and a smaller amount of tangible fixed assets. There are no contingent assets in the balance sheet. The equity and liabilities are comprised of shareholders' equity and trade and other short-term payables and accruals, except for the financial debt which was settled in 2010. There are no contingent liabilities in the balance sheet.

There are no intangible assets in the Group's balance sheet. The Group has not acquired goodwill. Development costs, the patent portfolio costs and other intellectual property costs have been expensed, because the activities have not satisfied the criteria for being added to the balance sheet as intangible assets. A possible deferred tax asset from Norwegian tax loss carryforwards has not been recognized because there is no satisfactory evidence for recognising the asset under IFRS. The tax loss carryforward amounted to NOK 283.5 million at the end of 2011.

The tangible assets are primarily office upgrades and laboratory, IT and office equipment, which depreciate over 3-5 years. The long-term receivable is a leasehold deposit in an escrow account.

Trade and other receivables are for a large part made up by the receivable from Skattefunn, which is earned in the year when the activities are carried out but payment is received in the fourth quarter of the following year. Various prepayments and VAT receivable are also included on this line.

The cash position is commented in the section Cash flow statements below.

The ongoing losses in the years reported in this Prospectus have been charged to equity, and the Group's equity was negative at year-end in 2009. This was also the case for IDEX. Equity has been replenished by share issues in every year reported in this Prospectus. The notional equity injection from share-based remuneration (incentive subscription rights to employees) and the convertible debt have been added to equity. The changes in equity are further commented upon in the section Changes in equity below. The net Group equity as well as IDEX's equity amounted to less than half the share capital at year ends of 2010 and 2011 and also on 30 September 2012. Additional equity was raised in the fourth quarter of 2012, conf. Section 5.7 below.

There were no financial covenants on the debt in 2009. The lender had a lien on IDEX's patent portfolio. The loan was convertible and the lender requested and completed conversion in the first quarter of 2010.

Trade and other payables includes also personnel-related and other expense accruals.

Cash flow statements

Condensed consolidated cash flow statements NOK 1,000	1 July -30 September 2012 (unaudited)	1 July -30 September 2011 (unaudited)	1 January -30 September 2012 (unaudited)	1 January -30 September 2011 (unaudited)	1 January -31 December 2011 (audited)	1 January -31 December 2010 (audited)	1 January -31 December 2009 (audited)
CASH FLOWS FROM OPERATIONS							
Cash generated (consumed) by operations incl working capital	(6 375)	(10 584)	(25 673)	(26 061)	(33 685)	(22 993)	(22 791)
Interest paid	-	-	-	-	-	(174)	(1 287)
Net cash from (used on) operating activities	(6 375)	(10 584)	(25 673)	(26 061)	(33 685)	(23 167)	(24 078)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of property, plant and equipment	-	-	-	(333)	(552)	(357)	(420)
Change in long-term receivables	-	-	-	-	(7)	(6)	507
Interest received	30	111	150	226	348	221	116
Net cash from (used on) investment activities	30	111	150	(107)	(211)	(142)	203
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from shares issue	(19)	11 586	9 744	42 699	42 709	30 672	25 137
Paid-in, not registered capital	-	(176)	-	-	-	-	-
Net cash from financing activities	(19)	11 410	9 744	42 699	42 709	30 672	25 137
Net change in cash and bank deposits	(6 364)	937	(15 779)	16 531	8 813	7 363	1 262
Cash and bank deposits at the beginning of the period	12 047	28 243	21 462	12 649	12 649	5 286	4 024
CASH AND BANK DEPOSITS AT THE END OF THE PERIOD	5 683	29 180	5 683	29 180	21 462	12 649	5 286

The Group does not have any bank overdraft facilities or credit lines.

The operational cash flows have been negative because revenue has been small and inadequate to cover the cash operating expenses. The operational cash outflow equals the operating loss adjusted by working capital changes and the non-cash notional cost of share-based remuneration.

The cash interest payments in 2009 and 2010 relate to the financial debt, and differ from the reported interest expense because of the convertible feature of the debt. For profit/loss accounting purposes, IDEX has according to IFRS applied a higher, notional interest cost reflecting an assumed market rate for funding. The loan was settled by conversion to shares in 2010.

Interest received relates to bank deposits and varies with the liquidity and prevailing interest rates.

Major shareholders have been consistently supportive over the years, and IDEX has been able to obtain new equity and liquidity from the shareholders. Several share issues have been conducted in the period, by several private placements to new and existing shareholders, as well as employees. A 7.5-for-1 rights issue was completed in September 2009. IDEX completed private placements in both 2010 and 2011 and also in the second quarter of 2012. A Private Placement has been conducted in the fourth quarter of 2012, conf. Section 5.7 below.

Changes in equity

Condensed consolidated statements of chgs in equity NOK 1000	Share capital	Share premium	Other paid-in capital	Retained earnings (uncovered loss)	Total equity
Balance at 1 January 2012	40 794	63 429	7 409	(92 266)	19 366
Share issues	1 548	8 196			9 744
Share based remuneration			3 689		3 689
Comprehensive income (loss)					
1 January-30 September 2012				(28 691)	(28 691)
Balance at 30 September 2012 (unaudited)	42 342	71 625	11 098	(120 957)	4 108
Balance at 1 January 2011	32 240	29 274	3 000	(54 911)	9 603
Share issues	8 554	34 145			42 699
Share based remuneration			3 267		3 267
Comprehensive income (loss)					
1 January-30 September 2011				(28 804)	(28 804)
Balance at 30 September 2011 (unaudited)	40 794	63 419	6 267	(83 715)	26 765
Balance at 1 January 2011	32 240	29 274	3 000	(54 911)	9 603
Share issues	8 554	34 155			42 709
Share based remuneration			4 409		4 409
Comprehensive income(loss)				(37 355)	(37 355)
Balance at 31 December 2011 (audited)	40 794	63 429	7 409	(92 266)	19 366
Balance at 1 January 2010	17 712	-	-	(25 903)	(8 191)
Share issues	11 246	19 426			30 672
Debt converted to shares	3 282	9 848		(1 080)	12 050
Share based remuneration			3 000		3 000
Comprehensive income(loss)				(27 928)	(27 928)
Balance at 31 December 2010 (audited)	32 240	29 274	3 000	(54 911)	9 603
Balance at 1 January 2009	16 206	-	-	(25 983)	(9 777)
Share issues	20 260	4 877			25 137
Obtain convertible debt			1 152		1 152
Capital reduction	(18 754)			18 754	-
Share based remuneration			2 882		2 882
Comprehensive income(loss)		(4 877)	(4 034)	(18 674)	(27 585)
Balance at 31 December 2009 (audited)	17 712	-	-	(25 903)	(8 191)

The ongoing losses in the years reported in this Prospectus have been charged to equity, and the equity was negative at year-end in 2009. Equity has been replenished by share issues in each year covered by this Share Registration Document. The equity of the Company was less than half of the share capital at year ends of 2010 and 2011 as well as at 30 September 2012. The board has acknowledged its duty to act on that situation, and new equity has been obtained. Additional equity was raised in the fourth quarter of 2012, conf. Section 5.7 below.

The notional equity injection from share-based remuneration (subscription rights to employees) and the convertible debt have been added to equity. These additions are, however, largely off-set because substantially equal amounts have been charged as a cost.

The share capital was written down in the third quarter of 2009 and the amount was applied against uncovered losses.

At 30 September 2012, there were 282,283,366 shares outstanding. At the same date, there were also 18,837,684 incentive subscription rights outstanding.

IDEX has granted incentive subscription rights 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 the subscription rights vest each 12 months following the date of the grant, and expire on the fifth anniversary following the general meeting that resolved the programme. The vesting of 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 subscription rights on 30 September 2012 was NOK 1.28 per share.

5.3 Investments

The Group has no financial investments or off-balance sheet assets. Cash is held in bank. There are no plans for making any significant financial investments or obtaining off-balance sheet assets.

The subsidiaries have been funded by the parent company. There are no significant actual or contingent assets or liabilities in the subsidiaries. IDEX does not plan establishing new subsidiaries.

Due to its credit rating, IDEX has had to make certain deposits and prepayments. All such items are held in the balance sheet in accordance with the nature of each item. The long-term amounts have been about NOK 0.3 million and the short-term amounts have been in a magnitude of about NOK 0.5 million. There is a negligible credit risk on these items.

The total investments in fixed assets have been small compared to the operational costs and amount to a total sum of NOK 1.3 million in the period from 2009 through the first three quarters of 2012, of which NOK 0.7 million was invested in upgrade of leasehold facilities and office furniture in 2009-2010. The other tangible assets are laboratory, IT and office equipment.

There are no significant fixed assets ordered at the date of this Share Registration Document. IDEX does not have any plans or obligations to make significant future investments in tangible or intangible assets.

5.4 Financial policies, treasury activities in the Group

The Group does not buy or issue financial instruments other than shares, warrants and subscription rights as resolved or authorized by the general meeting.

IDEX is funded by equity and supplier credit. A convertible financial loan was settled by conversion to shares in the first quarter of 2010.

Subsidiaries should be funded by IDEX and should have a minimum equity ratio of 20%, calculated exclusive of intercompany working capital items. The US subsidiary group has been funded on equity and an interest-free advance covering the estimated cost of one calendar quarter. Investments should be leased or funded by intra-company borrowing in the local currency of the subsidiary.

The operating cost base is largely in NOK, USD and EUR. The revenue and cost of goods sold of the business is essentially USD or EUR. This conceptually represents a currency risk, but the uncertainty about revenue streams means that the risk cannot be hedged reliably. Until the Company has achieved a business with recurring, predictable revenue streams, currency hedging will only be considered for specific projects, and implemented if appropriate in the form of project-specific hedging instruments. Exposure to foreign currency assets/liabilities is reduced by minimising the amount of such items.

Cash is held in NOK-based deposit accounts in reputable Norwegian banks. Lock-up agreements may be entered into in order to increase yield. Any lockup must be approved by the CFO.

Credit limits and payment terms for customers must be approved by the CFO.

IDEX does not provide company credit card to any staff member. IDEX does not issue any loans to or guarantees in favour of any IDEX staff member, shareholder or business partner.

IDEX has taken up the mandatory insurances related to its employed staff, such as workplace injury insurance and mandatory pension scheme (Norwegian: obligatorisk tjenestepensjon) and business travel insurance for all employees. The Company also has a business activity insurance securing employees' salaries in case of a business interruption and equipment insurance for all equipment. Credit insurance has not been taken up. IDEX has taken up board and officer responsibility insurance.

5.5 Cash flow and liquidity

The Group's main cash outflow in the past has been related to the cash outflow from the operating loss.

The Group has no plans or obligations to make any significant investment in tangible or intangible assets. Going forward, the main cash outflows will be related to operating costs and cost of goods sold.

The main inflow to date has come from shareholders' investments and a settlement payment received from a competitor in 2007 and 2008 following a lawsuit. Some, but insignificant, revenue has been earned from sale of test kits and provision of services. Government support under the

Norwegian Skattefunn and VerdIKT schemes and the European EuroSTARS programme have also contributed to cash inflow. Such support is granted or authorised for one or a couple years at a time. When the Company enters the commercial stage, the main cash inflows are expected to come from licence fees and royalties on IP and from revenue on sales of fingerprint sensors.

There are no restrictions on transfer of funds either way between the parent and the subsidiaries other than the conventional restrictions in the company law and accounting regulations in Norway and the US. There is no reason to expect that there will be any negative effect on the Group's or the parent company's business or financial situation in this respect.

The Group does not foresee any hindrances to cross-border cash flows in its expected business.

The Group was cash flow solvent at 30 September 2012, and the short-term liquidity situation was adequate. The cash position was NOK 5.7 million. The net of payables, accruals and receivables amounted to a net liability of NOK 2.6 million leaving uncommitted cash of only NOK 3.1 million. Additional funding was obtained by the Private Placement, conf. Section 5.7 below.

5.6 Financial debt

In 2007, IDEX took up a convertible financial loan amounting to NOK 12 million from its shareholder A. S. Holding A/S. There were no financial covenants related to the loan.

On 2 February 2010, A. S. Holding A/S notified IDEX that it wished to convert the loan, including accrued and unpaid interest as of 31 December 2009, into shares in accordance with the terms of the loan agreement. The Extraordinary General Meeting on 17 February 2010 approved the conversion of the loan from A. S. Holding A/S into shares at a conversion price of NOK 0.60 per share. 21,883,750 shares were issued to A. S. Holding A/S at the said Extraordinary General Meeting.

The Group does not have any financial debt at the date of this Share Registration Document.

5.7 Funding and equity raised in the fourth quarter 2012

To obtain funding of IDEX in 2013, the Board resolved on 8 November 2012 to carry out the Private Placement. The number of shares and subscription price was determined in a book building process conducted immediately after the resolution was made.

The Private Placement was directed towards significant shareholders and other suitable investors but not to more than 149 participants in total. 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 Board resolved on 9 November 2012 to issue a total of 27,196,064 shares to 33 subscribers at a subscription price of NOK 0.75 per share, thereby raising NOK 20.4 million new equity and liquidity before expenses. Subscription for the new shares has taken place and the subscription amount has been paid in. The shares will be delivered after the date of this Share Registration Document.

Following the registration of the Private Placement, the issued and outstanding number of ordinary shares is 309,479,430, each having a par value of NOK 0.15.

5.8 Working capital

As at 30 September 2012 the Group did not have sufficient working capital for the then present requirements, meaning for at least 12 months. The Group would be balance sheet insolvent in November 2012 and cash flow insolvent at or around year end 2012. In the interim report for the third quarter of 2012, the board reiterated the statement made also in the interim report for the first half of 2012, that the board acknowledged its duty to act on the loss of more than half the share capital and that the Group needed to obtain additional liquidity in 2012.

In order to have sufficient working capital for the present requirements, meaning for at least twelve months as of the date of this Share Registration Document, the Group would need to obtain about NOK 20 million in new capital.

The board resolved on 8 November 2012 to carry out a private placement of up to 27.2 million shares, with final quantity and price per share to be established by book building. The book building was completed on 8 November 2012 and the board resolved on 9 November 2012 to issue a total of 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. Subscription for the new shares has taken place and the subscription amount has been paid in.

5.9 Summary of accounting policies

IDEX implemented IFRS in 2005 and restated the financial statements for 2004 in accordance with IFRS as approved by the EU. The transition from NGAAP to IFRS increased the net loss for 2004 by NOK 2.2 million and the net equity at 31 December 2004 was reduced by NOK 1.3 million. The Group's consolidated financial statements has been prepared in accordance with IFRS since the Group was established in 2007.

The audited annual financial statements for 2009, 2010 and 2011 as well as the unaudited, interim financial report for the third quarter 2012 (Appendices 5, 4, 3 and 2 respectively) have been prepared in accordance with IFRS.

The accounting principles are presented in more detail in the annual financial statements.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS as adopted by the EU. The consolidated financial statements have been prepared under the historical cost convention.

Segment information

The Group operates in one business segment, fingerprint imaging and recognition technology, and the parent and subsidiaries are managed as one unified entity. Commercial, trading revenue have been insignificant to date. The US subsidiaries conducts marketing and sales activities on behalf of the parent on a cost basis, and represents a small share of the total costs. Geographical segmentation has not been part of the management process.

Consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated.

Foreign currency translation

The consolidated financial statements are presented in NOK, which is both the Group's functional and its presentation currency.

Group companies

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, are charged or credited to shareholders' equity.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and impairment losses. Repairs and maintenance are expensed during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method: Installations: 5 years, Laboratory equipment: 5 years, Office equipment: 3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Intangible assets

Goodwill on acquisitions of subsidiaries is included in intangible assets, which is tested minimum annually for impairment and carried at cost less accumulated impairment losses.

Acquired patents and licenses are shown at historical cost.

Research costs are expensed as they are incurred. An intangible asset arising from development expenditure on an individual project is capitalized only when the Group can reliably measure the expenditure and can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, how the asset will generate future economic benefits, and the Group's ability of obtaining resources to complete the project. Development costs are amortized over the period of expected future economic benefit of the developed product.

Impairment of non-financial assets

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Share capital

Share capital and share premium fund are classified as equity. Incremental costs directly attributable to the issue of new shares or subscription rights are shown in equity as a deduction, net of tax, from the share premium fund.

Share-based remuneration

Share based remuneration is expensed over the applicable service period. The fair value of cash-settled share based remuneration is recognized as a liability, while equity-settled share based payment is recognized as other equity.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, services or use of the Company's IP. Project-specific public grants for R&D projects and similar grants where the grant is earned based on project activities and progress are recognised as revenue. Sales within the Group are eliminated.

The Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Future costs of revenue, if any, are matched to the revenue.

Costs

All costs are recognised on an accrual as incurred basis. Inventory is held in the balance sheet at lower of cost and fair value. Materials and consumables of insignificant item value are not inventoried. General public support and grants like the Norwegian Skattefunn scheme are credited to the corresponding costs when the grant is approved and the amount can be reliably determined.

5.10 Dividend policy

IDEX has not any established dividend policy in place except to state that the Company's aim and focus is to enhance shareholder value.

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

5.11 Legal and arbitration proceedings

The Group is not involved in any governmental, legal or arbitration proceedings, nor is the Group aware of any such pending or threatened proceedings, nor has the Group over the previous 12 months been involved in any governmental, legal or arbitration proceedings, which may have or have had any significant effects on the Group's or the Company's financial position or profitability.

5.12 Changes in financial and trading position since 30 September 2012

To obtain funding of IDEX for 2013, the Board resolved on 8 November 2012 to carry out the Private Placement. The number of shares and subscription price was determined in a book building process conducted immediately after the resolution was made.

The Private Placement was directed towards significant shareholders and other suitable investors but not to more than 149 participants in total. 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 board resolved on 9 November 2012 to issue a total of

27,196,064 shares to 33 subscribers at a subscription price of NOK 0.75 per share, thereby raising NOK 20.4 million new equity and liquidity before expenses. Subscription for the new shares has taken place and the subscription amount has been paid in.

The Group operates at a loss in the fourth quarter of 2012, in line with the ongoing level in the preceding three quarters of 2012.

Between 30 September 2012 and the date of this Share Registration Document, there has not been any other significant change in the financial or trading position of IDEX and/or the Group.

Between 30 September 2012 and the date of this Share Registration Document, there has not been any substantial events which has a noticeable impact on the result for the period 1 January-30 September 2012 or the value of IDEX's or the Group's assets and liabilities at 30 September 2012.

5.13 Statutory auditors

The Company's auditor is Ernst & Young AS, Dronning Eufemias gate 6, NO-0191 Oslo, Norway, who has acted as the Company's auditors since November 2000. Ernst & Young AS is a state authorised public accounting firm (Norway) and member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants).

6 Share Capital and shareholder matters

Note: Unless otherwise expressly stated, all share volumes (hereunder number of warrants and independent subscription rights) and per share amounts in this Share Registration Document referring to dates or periods prior to 10 March 2010 have been restated to reflect the 3:1 share consolidation (reverse split) that was resolved by the extraordinary general meeting on 17 February 2010, and became effective on 10 March 2010. To the extent historical volumes of shares, warrants and independent subscription rights by reason of the said adjustment result in figures with decimals, such figures are rounded down to the nearest whole number of shares, warrants or subscription rights, as the case may be.

6.1 Current Share Capital

Share capital

IDEX's share capital is NOK 46,421,914.50, divided into 309,479,430 ordinary shares, each share is fully paid and has a par value of NOK 0.15 There is one class of shares in the Company. The shares are issued pursuant to the PLCA. All shares have been fully paid. 21,883,750 shares issued on 17 February 2010 were paid by settlement of debt, while all other shares have been paid in cash.

The opening and closing balances of shares and share capital in 2009-2011 and in 2012 to the date of this Prospectus reconciles as follows:

	Number of shares	Share capital, NOK
2009		<i>(decimal comma)</i>
Opening balance on 1 January 2009	32 411 588	16 205 794,00
Private placement 20 February 2009	9 262 899	4 631 449,50
Share capital written down 12 August 2009	-	(18 753 519,15)
Rights issue 8 September 2009	312 558 652	15 627 932,60
Balance at 31 December 2009	354 233 139	17 711 656,95
2010		
Opening balance on 1 January 2010	354 233 139	17 711 656,95
Conversion of debt 17 February 2010	65 651 250	3 282 562,50
Exercise of warrants 9 March 2010	181 631 781	9 081 589,05
Accumulated	601 516 170	30 075 808,50
Consolidated 3:1 on 10 March 2009	200 505 390	30 075 808,50
Private placement 10 March 2010	9 877 500	1 481 625,00
Share issue (board remuneration) 11 May 2009	113 800	17 070,00
Warrants exercised 30 September 2009	4 436 452	665 467,80
Balance at 31 December 2010	214 933 142	32 239 971,30
2011		
Opening balance on 1 January 2011	214 933 142	32 239 971,30
Private placement 8 April 2011	18 098 222	2 714 733,30
Share issue (board remuneration) 19 May 2011	124 966	18 744,90
Warrants exercised 8 July 2011	4 941 579	741 236,85
Warrants exercised 12 August 2011	33 862 732	5 079 409,80
Balance at 31 December 2011	271 960 641	40 794 096,15
2012		
Opening balance on 1 January 2012	271 960 641	40 794 096,15
Private placement 9 May 2012	9 954 013	1 493 101,95
Share issue (board remuneration) 15 May 2011	368 712	55 306,80
Private placement 9 November 2012	27 196 064	4 079 409,60
Closing balance on the date of this Prospectus	309 479 430	46 421 914,50

The Company's shares have been listed and traded on Oslo Axess since 12 March 2010.

The Company's shares are not listed on any other stock exchange, regulated market or other equivalent markets and no such other listing is sought or contemplated.

VPS registration

The Company's shares are in registered form, and are registered in the VPS under the securities identification code ISIN NO 000 307 0609. The Company's registrar is DNB ASA, Securities Services, Dronning Eufemias gate 30, NO-0191 Oslo, Norway.

Currency

The Company's shares are denominated in Norwegian Kroner, each with a par value of NOK 0.15 (fifteen Norwegian øre).

Transferability

The Company's shares are freely transferable according to Norwegian law and the Company's Articles of Association. There are no voting restrictions in the Company.

The Articles of Association of the Company does not contain any provisions restricting foreign ownership of shares. There are no limitations under Norwegian law on the rights of non-residents or foreign owners to hold or vote the shares.

The Company is not aware of any shareholder agreements or other similar understandings among its shareholders that may result in a change in control of IDEX. To the best of the Company's knowledge and belief, no shareholder, or group of shareholders, control the Company, directly or indirectly.

6.2 Development of the Share Capital

The following table shows the development of the Company's share capital since 1 January 2009 (these historical share volumes and per share amounts are not adjusted by reason of the 3:1 share consolidation effective on 10 March 2010):

Date	Event and Share Capital
9 March 2009	Share capital increase with NOK 4,631,449.50 from NOK 16,205,794 to NOK 20,837,243.50 by issuance of 9,262,899 shares in a private placement at a subscription price per share of NOK 1.10.
12 August 2009	Share capital decrease with NOK 18,753,519.15 from NOK 20,837,243.50 to NOK 2,083,724.35 by reduction of par value per share from NOK 0.50 to NOK 0.05.
8 September 2009	Share capital increase with NOK 15,627,932.60 from NOK 2,083,724.35 to NOK 17,711,656.95 by issuance of 312,558,652 shares in a rights issue towards existing shareholders at a subscription price per share of NOK 0.05.
17 February 2010	Share capital increase with NOK 3,282,562.50 from NOK 17,711,656.95 to NOK 20,994,219.45 by conversion of debt in the amount of NOK 13,130,250 towards A. S. Holding A/S at a conversion rate of NOK 0.20 per share.
9 March 2010	Share capital increase with NOK 9,081,589.05 from NOK 20,994,219.45 to NOK 30,075,808.50 by issuance of 181,631,781 shares upon exercise of warrants at an exercise price per share of NOK 0.10.

Date	Event and Share Capital
10 March 2010	Share consolidation whereby three shares, each share having a par value of NOK 0.05, were consolidated into one share, having a par value of NOK 0.15.
10 March 2010	Share capital increase with NOK 1,481,625.00 from NOK 30,075,808.50 to NOK 31,557,433.50 by issuance of 9,877,500 shares (post consolidation) in a private placement of shares at a subscription price per share of NOK 1.20 (post consolidation).
11 May 2010	Share capital increase with NOK 17,070 from NOK 31,557,433.50 to NOK 31,574,503.50 by issuance of 113,800 shares as board remuneration, at a subscription price of NOK 0.15 per share.
19 October 2010	Share capital increase with NOK 665,467.80 from NOK 31,574,503.50 to NOK 32,239,971.30 by issuance of 4,436,452 shares upon exercise of warrants at an exercise price per share of NOK 0.30.
8 April 2011	Share capital increase with NOK 2,714,733.30 from NOK 32,239,971.30 to NOK 34,954,704.60 by issuance of 18,098,222 shares in a private placement of shares, at a subscription price per share of NOK 1.80.
20 April 2011	Share capital increase with NOK 18,744.90 from NOK 34,954,704.60 to NOK 34,973,449.50 by issuance of 124,966 shares as board remuneration, at a subscription price per share of NOK 0.15.
12 July 2011	Share capital increase with NOK 741,236.85 from NOK 34,973,449.50 to NOK 35,714,686.35 by issuance of 4,941,579 shares upon exercise of warrants, at an exercise price per share of NOK 0.30.
26 August 2011	Share capital increase with NOK 5,079,409.80 from NOK 35,714,686.35 to NOK 40,794,096.15 by issuance of 33,862,732 shares upon exercise of warrants, at an exercise price per share of NOK 0.30.
10 May 2012	Share capital increase with NOK 1,493,101.95 from NOK 40,794,096.15 to NOK 42,287,198.10 by issuance of 9,954,013 shares in a private placement of shares, at a subscription price of NOK 1.00 per share.
15 May 2012	Share capital increase with NOK 55,306.80 from NOK 42,287,198.10 to NOK 42,342,504.90 by issuance of 368,712 shares as board remuneration, at a subscription price per share of NOK 0.15.
9 November 2012	Share capital increase with NOK 4,079,409.60 from NOK 42,342,504.90 to NOK 46,421,914.50 by issuance of 27,196,064 shares in a private placement of shares, at a subscription price per share of NOK 0.75.

6.3 Board Authorization to Issue Shares

On 15 May 2012, the Annual General Meeting approved a Board authorization to issue shares, with a maximum nominal value of NOK 4,079,409.60 (representing 10 per cent of the share capital of the Company at the time of the authorization). The authorization is valid until the 2013 Annual General Meeting. All previous authorizations were withdrawn by the shareholders with effect from the date the 15 May 2012 authorization was registered in the Company Registry. The Board authorization was used in its entirety in connection with the Private Placement resolved by the Board on 9 November 2012.

There are no other board authorizations in effect as of the date of this Share Registration Document.

6.4 Independent subscription rights and other financial instruments

Independent subscription rights

At the 2012 Annual General Meeting, the shareholders adopted an incentive subscription rights plan whereby the board can grant incentive subscription rights to employees and individual contractors on long-term contracts in the Company or its subsidiaries ("the 2012 Plan"). The Company has had in place annual incentive subscription right plans, where no further grants are made under a former plan once a new plan has been adopted. The maximum number of subscription rights that may be issued under the 2012 Plan is 27,196,064 subscription rights but grants are also limited by the provision that the total number of outstanding subscription rights under all of the Company's subscription rights programmes shall not exceed 10 per cent of the Company's share capital at any time.

Upon vesting, each subscription right entitles the holder to demand the issuance of one share in IDEX. The exercise price for each new share shall equal the average closing price on the Company's share as reported on the Oslo Axess over a period of ten trading days immediately preceding the date of grant of the subscription right.

25 per cent of the subscription rights vest (becomes exercisable) every 12 months following the date of grant. In case the subscription rights holder resigns or is terminated, without cause, he or she will be entitled to exercise the subscription rights that were vested at the expiration of the employment or service notice period. In case the subscription rights holder is terminated for cause, all non-exercised subscription rights will be cancelled. The terms and conditions for vesting and exercise of subscription rights under former subscription right plans are similar to the terms and conditions of the 2012 Plan. The independent subscription rights under the 2012 Plan will expire on 15 May 2017.

6,000,000 subscription rights were granted under the 2012 Plan on 30 August 2012. Due to specific circumstances, the board resolved non-standard terms and conditions for this grant. The exercise price of the subscription rights was NOK 1.00 per share for 3,000,000 shares and NOK 1.30 per share for 3,000,000 shares. 1/3 of the subscription rights in each category vest at grant, 1/3 vest 9 months after the grant and 1/3 vest 18 months after the grant. The subscription rights expire on 30 August 2014.

In 2008, subscription rights were granted to the board members in lieu of cash board remuneration, with a supplemental grant made in 2010 to compensate for loss of value because of a 7.5-for-1 rights issue in 2009.

As of the date of this Share Registration Document, a total of 18,012,684 subscription rights have been granted and are outstanding under the 2012 Plan and former subscription right plans. The independent subscription rights issued and outstanding are as follows:

	Number of subscription rights	Average exercise price per share in NOK
Hanne Høvding, board member	29 657	2.22
Joan Kristin Frost Urstad, board member	59 314	2.22
Harald Voigt, board member	59 314	2.22
Ralph W. Bernstein, CEO	2 715 297	1.43
Bjørn Auke, former employee	267 425	1.60
Inge Berge, contractor	3 000 000	1.15
Geir Bredholt, employee	1 363 341	1.32
Mariele Gracia Christie, hourly employee	20 000	1.60
Nicolai W. Christie, employee	1 255 341	1.29
Sigmund Clausen, employee	924 146	1.08
Lars Guntveit, employee	750 000	0.94
Daniel Mo, employee	514 500	1.51
Anders Natås, employee	625 342	1.58
John Raymond Robinson, employee	1 100 000	1.20
Øyvind Sløgedal, employee	1 347 341	1.32
Knut Steffen Solvåg, former employee	112 500	0.94
Børge Strand-Bergesen, former employee	162 500	0.94
Erling Svæla, employee	706 666	1.89
Kristian Wiermyhr, contractor	3 000 000	1.15
Total	18 012 684	1.29

The subscription rights held by former employees will expire in December 2012-February 2013 unless exercised.

Other Financial Instruments

The Company or the Group currently has no outstanding rights shares, warrants, convertible loans, convertible securities, exchangeable securities, securities with warrants or other financial instruments in issue giving the holder the right to subscribe for shares in the Company.

Dilution

As a result of all of the foregoing, if all existing subscription rights holders should exercise their rights IDEX would issue 18,012,684 new shares and increase its share capital by NOK 2,701,902.60.

6.5 Authority to Repurchase Shares

No shares in IDEX are held by or on behalf of the Company itself or by any of its subsidiaries. The general meeting of the Company has not granted any authorizations to the Board of Directors to repurchase shares in the Company.

6.6 Shareholder Structure

As of the date of this Share Registration Document²¹, IDEX has a total of 1,160 registered shareholders, 1,109 of them Norwegian and 51 foreign. As of the same date the Norwegian shareholders held 76 per cent of the issued and outstanding shares in the Company, while foreign

²¹ The information is based on current VPS data and the subscription list for the Private Placement.

shareholders held 24 per cent of the shares. Members of the Board, management and staff, including ongoing contractors, hold a total of 7 per cent of the shares. The Company's largest shareholder is A. S. Holding A/S, holding about 25 per cent of the issued and outstanding shares. IDEX or its subsidiaries do not hold shares in IDEX.

All shares in the Company have equal voting rights, with each share carrying the right to one vote at the general meeting of shareholders.

Largest shareholders

The top 20 registered shareholders with the largest shareholdings as of the date of this Share Registration Document²² are listed below:

Name	Number of shares	Per cent
A. S. Holding A/S	77 225 875	25.0
Charles Street International Ltd	37 107 236	12.0
Colargol Invest AS	17 500 318	5.7
Euroclear Bank S.A./N.V. (nominee)	16 997 966	5.5
MP Pensjon	7 500 000	2.4
Storebrand Vekst	7 385 514	2.4
Hedger Management SA	6 000 000	1.9
Lars Frithjof Rønne	5 700 000	1.8
Sven Christian Rønne	4 760 953	1.5
Marc O'Polo Norge AS	4 613 148	1.5
Six Sis AG (nominee)	4 513 073	1.5
Big Top Holding AS	3 500 000	1.1
Stålhe Invest AS	3 257 282	1.1
Harald Voigt	3 115 443	1.0
Jens Andre Henriksen	3 070 000	1.0
Jon Ola Frankplads	3 014 200	1.0
Marit Høvding	2 947 342	1.0
Simen Falck Engelstad	2 487 788	0.8
Lupum AS	2 284 696	0.7
Egge Gård AS	2 156 550	0.7
Total	215 137 384	69.5

Schemes for employee share purchases

There is no programme for employee share purchases except the incentive subscription rights programme outlined in Section 6.4 above.

6.7 Articles of Association

The Articles of Association of the Company are included as Appendix 1 to this Share Registration Document.

The Company's purpose according to Section 2 of the Articles of Association is "*...to deliver computer-based identification systems and other related activities*".

According to Section 6 of the Articles of Association, the Board shall have from three up to seven members. Other than the foregoing, there are no provisions in the Articles of Association of the Company that relate to the Board or management.

²² The information is based on current VPS data and the subscription list for the Private Placement.

The Articles of Association of the Company does not contain any provisions stricter than is required by the PLCA in relation to changing the rights of holders of the shares. The statutory requirements in this regard is set forth in Section 6.8 below (under the heading "Voting Rights").

6.8 Shareholder Matters

Transfer of Shares

According to the Company Articles of Association, there are no general limitations on transfer of the Company's shares.

Disclosure requirements

Under Norwegian law, an acquisition that causes the acquirer's proportion of shares and/or rights to shares to reach or exceed 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 and 90% of the share capital or an equivalent proportion of the voting rights in a company whose shares are quoted on the Oslo Børs (hereunder Oslo Axess), the acquirer shall immediately notify such acquisition to Oslo Børs. This applies correspondingly to anyone who through disposal or other circumstances changes his or her proportion of shares so that the proportion is reduced to or below the set thresholds.

As of the date of this Share Registration and based on the table set out in Section 6.6 above as well as disclosures that have been made at the Oslo Børs Newsweb, the following registered shareholders have holdings in excess of the statutory thresholds for disclosure requirements. In case of nominee shareholders, the disclosure requirement applies to the beneficial owner of the shares.

Name	Number of shares	Per cent
A. S. Holding A/S	77 225 875	25.0
Charles Street International Limited	37 107 236	12.0
Colargol Invest AS	17 500 318	5.7
Euroclear Bank S.A./N.V. (nominee)	16 997 966	5.5

If shares held by shareholders which IDEX believes may be associated or affiliated with A. S. Holding A/S are consolidated with shares held by A. S. Holding A/S, the combined total is 81,731,972 shares or 26.4 % of the shares.

Shares held or acquired or disposed of by close associates, as defined in Section 2-5 of the Securities Trading Act, are regarded as equivalent to the acquirer's or disposer's own shares.

Other than the foregoing and primary insiders' mandatory obligation to disclose trades, the Board is not aware of any person having an interest in the Company's share capital or voting rights that must be disclosed under Norwegian law.

Mandatory filing requirements under the Norwegian Competition Act

The Norwegian Competition Act requires that concentrations (mergers, acquisitions, etc.) wherein the undertakings concerned have a combined annual turnover in Norway exceeding NOK 50 million, shall be notified to the Norwegian Competition Authority by way of a standardized notification. If, however, only one of the undertakings concerned has an annual turnover in Norway exceeding NOK 20 million, notification is not required. If the Competition Authority finds that a further examination of the concentration is necessary, it may order the submission of a complete notification of the concentration.

The purpose of a standardized notification is to make the Competition Authority aware of the concentration, and to provide it with information as to whether the concentration might raise

competition concerns in Norway. If the Competition Authority, after receiving a standardized notification, finds that a further examination of the concentration is necessary, it may order the submission of a complete notification of the concentration. A complete notification shall contain considerably more detailed information on the concentration than a standardized notification. It serves as the basis for a thorough analysis on the part of the Competition Authority of the markets affected by the concentration.

All notifications are published on the Competition Authority's website. Such publication includes information on the names and enterprise registration numbers of the undertakings concerned, on the concentration, and on affected markets.

Transactions requiring notifications are prohibited from being implemented (consummated) before they have been notified to and reviewed by The Norwegian Competition Authority. There is no deadline for notifying concentrations to The Norwegian Competition Authority, provided that the parties have not started to implement the concentration.

Mandatory offer requirement

Norwegian law requires any person, entity or group acting in concert that acquires more than one-third of the voting rights of a Norwegian company listed on Oslo Børs to make an unconditional general offer for the purchase of the remaining shares in the company, with repeated obligations upon reaching thresholds of 40% and 50%. The offer is subject to approval by Oslo Børs before submission of the offer to the shareholders. The offer price per share must be at least as high as the highest price paid or agreed by the offeror in the six-month period prior to the date the statutory threshold was exceeded, but equal to the market price if the market price was higher when the statutory threshold was exceeded. In the event that the acquirer thereafter, but prior to the expiration of the bid period acquires, or agrees to acquire, additional shares at a higher price, the acquirer is obliged to restate its bid at that higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. A shareholder who fails to make the required offer must within four weeks dispose of sufficient shares so that the obligation ceases to apply. Otherwise, Oslo Børs may cause the shares exceeding the statutory limit to be disposed of by an enforced sale. A shareholder who fails to make such bid cannot, as long as the mandatory bid requirement remains in force, vote his shares or exercise any rights of share ownership unless a majority of the remaining shareholders approve. The shareholder can, however, exercise the right to dividend and pre-emption rights in the event of a share capital increase. Oslo Børs may impose a daily fine upon a shareholder who fails to make the required offer.

Compulsory acquisition

If a shareholder, directly or via subsidiaries, acquires shares representing more than 90 per cent of the total number of issued shares as well as more than 90 per cent of the total voting rights attached to such shares, then such majority shareholder would have the right (and each remaining minority shareholder of the Company would have the right to require such majority shareholder) to effect a compulsory acquisition for cash of any shares not already owned by such majority shareholder. Such compulsory acquisition would imply that the majority shareholder has become the owner of the thus acquired shares with immediate effect. Upon effecting the compulsory acquisition the majority shareholder would have to offer the minority shareholders a specific price per share, the determination of which price would be at the discretion of the majority shareholder. At the same time the majority shareholder must pay the total offer price into a separate account with a bank that is permitted to carry on business activities in Norway. Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline not to be of less than two months' duration, request that the price be set by the Norwegian courts. Absent such request or other objection to the price being offered, the minority shareholders would be deemed to have accepted the

offered price after the expiry of the two months deadline. The cost of such court procedure would, as a general rule, be for the account of the majority shareholder, and the courts would have full discretion in respect of the valuation of the shares as per the effectuation of the compulsory acquisition.

Voting rights

As a general rule, resolutions that shareholders are entitled to make pursuant to Norwegian law or the Company's Articles of Association require a simple majority of the votes cast. In the case of election of directors to the Board of Directors, the persons who obtain the most votes cast are deemed elected to fill the positions up for election. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights in connection with any share issue, to approve a merger or de-merger, to amend the Company's Articles of Association or to authorise an increase or reduction in the share capital, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a shareholders' meeting. Norwegian law further requires that certain decisions which have the effect of substantially altering the rights and preferences of any shares or class of shares receive the approval of the holders of such shares or class of shares as well as the majority required for amendments to the Company's Articles of Association. Decisions that (i) would reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the shares require a majority vote of at least 90 per cent of the share capital represented at the general meeting in question as well as the majority required for amendments to the Company's Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's Articles of Association.

In general, in order to be entitled to vote, a shareholder must be registered as the beneficial owner of shares in the share register kept by the VPS. Beneficial owners of shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor are any persons who are designated in the register as holding such shares as nominees. Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. For example, Oslo Børs has held that in its opinion "nominee-shareholders" may vote in general meetings if they actually prove their shareholding prior to the general meeting.

General meetings of shareholders

Through the general meeting, the Company's shareholders exercise the supreme authority in the Company, subject to the limitations provided by Norwegian law.

All shareholders in the Company are entitled to attend and vote at general meetings, either in person or by proxy. See "Voting rights" with regard to certain restrictions on voting right applying for nominee-registered shares, etc.

General meetings are convened by the Company's Board. A notice of a general meeting shall be sent at the latest two weeks before the date of the meeting, however, in a company whose shares are listed on a regulated market (such as IDEX), the notice period is three weeks. The notice shall include a proposal for an agenda for the meeting. A shareholder is entitled to submit proposals to be discussed at general meetings provided such proposals are submitted in writing to the Board in such good time that it can be entered on the agenda of the meeting.

The annual general meeting shall be called by the Board such that it can be held within six months from the end of each financial year. The annual general meeting shall deal with and decide on the adoption of the annual financial statement and annual report, the question of declaring dividend and such other matters as may be set out in the notice calling the meeting.

Extraordinary general meetings can be called by the Board, and if applicable the corporate assembly or the chairman of the corporate assembly. In addition, the Board shall call an extraordinary general meeting whenever so demanded in writing by the auditor or shareholders representing at least 5 % of the share capital, in order to deal with a specific subject. The extraordinary general meeting must be held within one month from the date of the demand.

Additional issuances and preferential rights

All issuances of shares by the Company, including bonus issues, require an amendment to the Articles of Association, which requires the same vote as other amendments to the Articles of Association. Furthermore, under Norwegian law, the Company's shareholders have a preferential right to subscribe for issues of new shares by the Company. The preferential rights to subscribe in an issue may be waived by a resolution in a general meeting by the same vote required to approve amendments to the Articles of Association. A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares, irrespective of class.

Under Norwegian law, bonus issues may be distributed, subject to shareholder approval, by transfer from the Company's free equity or from its share premium reserve. Such bonus issues may be effected either by issuing shares or by increasing the par value of the shares outstanding.

The issuance of shares to holders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. If the Company decides not to file a registration statement, such holders may not be able to exercise their preferential rights.

Dividends

Under Norwegian law, no interim dividends may be paid in respect of a financial period as to which audited financial statements have not been approved by the annual general meeting of shareholders, and any proposal to pay a dividend must be recommended or accepted by the directors and approved by the shareholders at a general meeting. The shareholders may vote to reduce (but not to increase) the dividends proposed by the directors.

Dividends in cash or in kind are payable only out of (i) the annual profit according to the adopted income statement for the last financial year, (ii) retained profit from previous years, and (iii) distributable reserves, after deduction of (a) any uncovered losses, (b) the book value of research and development, (c) goodwill, (d) net deferred tax assets recorded in the balance sheet for the last financial year, (e) the aggregate value of any treasury shares the Company has purchased or been granted security over during the preceding financial years, (f) any credit or security given pursuant to Sections 8-7 to 8-9 of the PLCA and provided always that such distribution is compatible with good and prudent business practice with due regard to any losses which may have occurred after the last balance sheet date or which may be expected to occur. The Company cannot distribute any dividends if the equity, according to the balance sheet, amounts to less than ten per cent of the total balance sheet without following a creditor notice procedure as required for reducing the share capital.

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior government approval except for the physical transfer of payments in currency, which is restricted to licensed banks. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made only through a licensed bank. There is no time limit after which entitlement to dividends lapses under the PLCA or the Company's Articles of Association.

The Company's Board will consider the amount of dividend (if any) to recommend for approval by the Company's shareholders, on an annual basis, based upon the earnings of the Company for the years just ended and the financial situation of the Company at the relevant point in time.

Rights on Liquidation

Under Norwegian law, a company may be liquidated by a resolution in a general meeting of the company passed by a two thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at such meeting. The shares rank pari passu in the event of a return on capital by the company upon a liquidation or otherwise.

Reports to Shareholders

The Company publishes annual and interim reports that include financial statements prepared in accordance with IFRS.

Notification and Publication Requirements

The Company will provide its shareholders, Oslo Børs and the market as a whole with timely and accurate information. Notices are published through Oslo Børs' information system (and on the Company's web site).

7 Taxation

7.1 General

The statements herein regarding taxation are, unless otherwise stated, based on the laws in force in Norway as of the date of this Share Registration Document, and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, own or dispose of the shares. Furthermore, the summary only focuses on the shareholder categories explicitly mentioned below (personal shareholders and limited liability companies). Shareholders are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of shares. In particular, this document does not include any information with respect to U.S. taxation. Prospective investors who may be subject to tax in the United States are urged to consult their tax adviser regarding the U.S. federal, state, local and other tax consequence of acquiring owning and disposing of shares in IDEX.

7.2 Norwegian Shareholders

Taxation of dividends – Individual shareholders

Dividends distributed to Norwegian individual shareholders are taxable as general income at a rate of 28 %. The shareholders are, however, entitled to deduct a calculated tax-free allowance when calculating their taxable dividend income. The tax-free allowance will be calculated on a share by share basis, and the allowance for each share will be equal to the cost price of the share, multiplied by a risk free interest rate. Any part of the calculated allowance one year exceeding the dividend distributed on the share will the following years be deducted from taxable dividend income and also included in the basis for calculating the allowance.

Taxation of dividends - Corporate shareholders (Limited liability companies)

Dividends distributed to shareholders who are limited liability companies resident in Norway for tax purposes ("Norwegian corporate shareholders") and holding more than 90 % of the shares and votes in the distributing company are fully exempt from taxation. To other corporate shareholders 3 % of the dividends shall be subject to general income tax at the 28% rate.

Taxation on realization of shares – Individual shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian individual shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of general income in the year of disposal. The general income is taxable at a rate of 28 %. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The capital gain is calculated to the consideration received less the cost price of the share and transactional expenses. From this capital gain, Norwegian individual shareholders are entitled to deduct a calculated tax-free allowance when calculating their taxable income. The allowance for each share is equal to the total of allowance amounts calculated for this share for previous years (ref. "Taxation of dividends – Individual shareholders" above), which exceeded dividends distributed on this share. The calculated allowance may only be deducted in order to reduce a taxable gain calculated upon the realization of the share, and may not be deducted in order to produce or increase a loss for tax purposes.

If the shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Taxation on realization of shares - Corporate shareholders (Limited liability companies)

Norwegian corporate shareholders are not taxable for capital gains related to realization of shares in a Norwegian company, and losses related to such realization are not tax deductible.

Taxation related to independent subscription rights – Individual shareholders

A Norwegian individual shareholder's subscription for independent subscription rights is not subject to taxation in Norway. Costs related to the subscription for independent subscription rights will be added to the cost price (tax base) of the independent subscription right.

Exercise of independent subscription rights is not taxable; the cost price of the subscription right shall be added to the tax base of the shares acquired.

A capital gain or loss generated by a Norwegian individual shareholder through a sale of independent subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is generally included in or deducted from the basis for computation of general income in the year of disposal. The general income is taxable at the rate of 28%.

However, please note that the gains related to independent subscription rights granted to employees as a consequence of their employment will be included in the basis for calculating their salary payments. Such salary payments are subject to taxation at a marginal tax rate of 47.8%. In addition, the employer will be obligated to pay social security contributions at a marginal rate of 14.1%.

Taxation related to independent subscription rights – Corporate shareholders

A Norwegian corporate shareholder's subscription for independent subscription rights is not subject to taxation in Norway. Costs related to the subscription for independent subscription rights will be added to the cost price (tax base) of the independent subscription rights.

Norwegian corporate shareholders are generally exempt from tax on capital gains upon the sale or other realization of independent subscription rights to shares in a Norwegian company, and losses are not tax deductible.

Net wealth tax

The value of shares is included in the basis for the computation of wealth tax imposed on Norwegian individual shareholders. The marginal wealth tax rate is 1.1 % of the value assessed. The value for assessment purposes for shares on Oslo Børs is 100 % of the listed value as of 1 January in the year of assessment. Norwegian corporate shareholders are not subject to net wealth tax.

7.3 Non-Resident Shareholders

This section summarizes Norwegian tax rules relevant to shareholders who are not resident in Norway for tax purposes ("Non-resident shareholders"). Non-resident shareholders' tax liabilities in their home country or other countries will depend on applicable tax rules in the relevant country and its possible tax treaty with Norway.

Taxation of dividends

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("Non-resident individual shareholders"), are as a general rule subject to withholding tax at a rate of

25 %. The withholding tax rate of 25 % is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends.

The above generally applies also to shareholders who are limited liability companies not resident in Norway for tax purposes ("Non-resident corporate shareholders"). However, dividends distributed to Non-resident corporate shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax, provided the shareholder genuinely is established and conducts business activity in the relevant jurisdiction.

Non-resident individual shareholders resident within the EEA area are subject to ordinary withholding tax, but entitled to apply for a partial refund of the withholding tax, equal to a calculated allowance similar to the calculated allowance used by Norwegian individual shareholders, ref above.

Dividends distributed to foreign partnerships are as a general rule subject to withholding tax at a rate of 25 %. The partners in the partnership may be entitled to a reduction of the withholding tax rate according to applicable tax treaties, which they have to apply for to the Norwegian Central Office – Foreign tax affairs. However, this depends on each partners' specific situation, and we recommend that investors considering such investments contact their own tax advisors in this respect.

Nominee registered shares will be subject to withholding tax at a rate of 25 % unless the nominee has obtained approval from the Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is committed to file a summary to the tax authority including all beneficial owners that are subject to lower withholding tax. Non-resident shareholders that have suffered a higher withholding tax than set out by an applicable tax treaty or the Norwegian Tax Act may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

If a Non-resident shareholder is carrying on business activities in Norway, and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation as Norwegian shareholders, as described above.

Taxation on realization of shares or independent subscription rights

Realization of shares or independent subscription rights by a Non-resident individual or corporate shareholder will not be subject to taxation in Norway unless the Non-resident shareholder is holding the shares or warrants in connection with the conduct of a trade or business in Norway, in which case the tax treatment is as described for Norwegian shareholders.

Net wealth tax

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Foreign individual shareholders can however be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway,

7.4 Duties on the Transfer of Shares

No stamp or similar duties are currently imposed in Norway on the transfer of shares whether on acquisition or disposal.

7.5 Inheritance Tax

Transfer of shares by way of inheritance or gift may be subject to Norwegian inheritance or gift tax. The basis for the computation of the tax base in quoted shares is the market value at the time the transfer takes place. However, such transfer is not subject to Norwegian tax if the donor/deceased was neither a national nor resident of Norway for inheritance tax purposes.

8 General information

8.1 Documents in display

The following documents (or copies thereof) may be inspected during usual business hours at the offices of the Company's legal advisor Advokatfirma Ræder DA, Henrik Ibsens gate 100, P.O. Box 2944 Solli, NO-0230 Oslo, Norway, telephone +47 23 27 27 00 or facsimile +47 23 27 27 01.

- (a) Prospectus (comprising Summary, Share Registration Document and Share Securities Note),
- (b) The Memorandum of Incorporation and Articles of Association of the Company,
- (c) Audited financial statements for 2009, 2010 and 2011 for IDEX; and
- (e) Unaudited financial statements for the nine months to 30 September 2012 for IDEX.

The above documents are available for inspection for the life of this registration document.

There are no reports, letters, valuations or statements prepared by any expert at the Company's request which are referred to in the Share Registration Document.

8.2 Advisors

Advokatfirma Ræder DA, Henrik Ibsens gate 100, P.O. Box 2944 Solli, NO-0230 Oslo, Norway serves as the legal counsel of IDEX.

8.3 Jurisdiction

This Share Registration Document is subject to Norwegian law, unless otherwise stated herein. Any dispute arising in respect of this Share Registration Document is subject to the exclusive jurisdiction of Oslo District Court (Oslo tingrett).

8.4 Forward looking statements

Certain statements made in the Prospectus may include forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements may be identified by the use of words like "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "project", "will", "seek", and similar expressions. The forward-looking statements reflect the Company's current views and assumptions with respect to future events and are subject to risk and uncertainties. Actual and future results and trends could differ materially from those set forth in such statements.

9 Definitions

Board	Board of Directors of the Company
Code of Practice	Norwegian Code of Practice for Corporate Governance issued on 23 October 2012
Company or IDEX Company Registry	IDEX ASA, the parent company of the IDEX Group. The Norwegian Register of Business Enterprises or Foretaksregisteret
Competition Act	The Norwegian Competition Act of 5 March 2004 No. 12
Group or IDEX Group	IDEX ASA consolidated with its subsidiaries
IFRS	International Financial Reporting Standards
IP	Intellectual property
IPR	Intellectual property rights
NGAAP	Generally accepted accounting principles in Norway
NOK	The currency of the Kingdom of Norway
Oslo Børs	Oslo Børs ASA
Private Placement	The private placement of shares carried out by the Company pursuant to Board resolution dated 9 November 2012, in accordance with an authorization from the Annual General Meeting dated 15 May 2012
Prospectus	The combined Prospectus comprising of Part I: Summary Note, Part II: Share Registration Document and Part III: Share Securities Note
PLCA	The Norwegian Public Limited Companies Act of 13 June 1997 No.45 (as amended)
Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 No. 75 (as amended)
Share Registration Document	This Share Registration Document prepared in connection with the listing of 27,196,064 new shares in the Company on Oslo Axess, including all appendices thereto
VPS	The Norwegian Central Securities Depository or Verdipapirsentralen



**APPENDICES TO
PART II: SHARE REGISTRATION DOCUMENT**

Appendices

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VEDTEKTER FOR IDEX ASA
Org.nr. 976 846 923 MVA
(sist endret 9. november 2012)

- § 1 Selskapets navn er IDEX ASA og det er et allmennaksjeselskap.
- § 2 Selskapet formål er å levere databaserte identifikasjonssystemer og annen relatert virksomhet.
- § 3 Forretningskontor er i Bærum kommune.
- § 4 Selskapets aksjer skal være registrert i Verdipapirsentralen.
- § 5 Selskapets aksjekapital er 46 421 914,50 NOK fordelt på 309 479 430 aksjer á 0,15 NOK lydende på navn.
- § 6 Selskapets styre består av fra 3 til 7 medlemmer.
- § 7 Den ordinære generalforsamling skal behandle og avgjøre:
- Fastsettelse av resultatregnskap og balanse
 - Anvendelse av overskudd eller dekning av underskudd
 - Valg av styre og fastsettelse av styrehonorar
 - Valg av leder og medlemmer til valgkomiteen, samt fastsettelse av godtgjørelse til valgkomiteen
 - Valg av revisor og fastsettelse av revisors honorar
 - Andre saker som er bestemt av loven
 - Andre saker som er nevnt i innkallingen
- § 8 a. IDEX skal ha en valgkomité. Valgkomiteen skal ha tre medlemmer, inkludert valgkomiteens leder. Valgkomiteens medlemmer skal bli valgt av den ordinære generalforsamlingen og for en periode på to år.
- b. Valgkomiteen skal:
- Foreslå kandidater til styret.
 - Foreslå godtgjørelse som skal betales til styrets medlemmer
 - Foreslå kandidater til valgkomiteen
 - Foreslå godtgjørelse som skal betales til valgkomiteens medlemmer
- c. Retningslinjer for valgkomiteen vedtas av generalforsamlingen
- § 9 Dokumenter som gjelder saker som skal behandles på generalforsamlingen behøver ikke utsendes til selskapets aksjonærer såfremt de i tide er gjort tilgjengelige på selskapets internettside.
- § 10 Selskapets generalforsamlinger skal som utgangspunkt avholdes på norsk. Generalforsamlingen kan likevel med simpelt flertall beslutte at engelsk språk skal benyttes.
- § 11 En aksjeeier som ønsker å delta på generalforsamlingen, personlig eller ved fullmektig, skal melde sin deltakelse til selskapet ikke senere enn 2 dager forut for generalforsamlingen. Har aksjeeieren ikke meldt fra om sin deltakelse i rett tid, kan selskapet nekte aksjeeieren adgang til generalforsamlingen.

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English version, office translation for information purposes:

ARTICLES OF ASSOCIATION OF IDEX ASA
Corp.ID. no. NO 976 846 923 VAT
(last amended on 9 November 2012)

- § 1 The name of the company is IDEX ASA and it is a public limited company.
- § 2 The objective of the company is to deliver computer-based identification systems and other related activities.
- § 3 The business offices are in the Bærum municipality, Norway.
- § 4 The company's shares shall be registered in the Norwegian Registry of Securities.
- § 5 The company's share capital is NOK 46,421,914.50 divided into 309,479,430 registered shares at NOK 0.15.
- § 6 The board of the company consists of from 3 to 7 members.
- § 7 The ordinary general meeting shall handle and decide:
- Determination of the profit and loss account and balance sheet
 - Appropriation of (net) profit or covering of losses
 - Election of board and determination of board remuneration
 - Election of chairman and members of the nomination committee, and determination of remuneration to the members of the nomination committee
 - Election of auditor and determination of auditor's remuneration
 - Other matters which are governed by law
 - Other matters which are mentioned in the notice of the meeting
- § 8 a. IDEX shall have a nomination committee. The nomination committee shall have three members, including a chairman. Members of the nomination committee shall be elected by the Annual General Meeting for a term of two years.
- b. The nomination committee shall:
- Propose candidates for election to the Board of Directors
 - Propose the remuneration to be paid to the Board members
 - Propose candidates for election to the nomination committee
 - Propose the remuneration to be paid to the nomination committee members
- c. The guidelines for the nomination committee shall be resolved by the Annual General Meeting.
- § 9 Documents which timely have been made available on the Internet site of the company and which deal with matters that are to be handled at the general meeting need not be sent to the company's shareholders.
- § 10 As a general rule, the company's general meetings shall be conducted in Norwegian. The general meeting may however resolve by a simple majority vote that English shall be used.
- § 11 A shareholder who wishes to attend the general meeting, in person or by proxy, shall notify his/her attendance to the company no later than 2 days prior to the general meeting. If the shareholder does not notify the company of his/her attendance in a timely manner, the company may deny him/her access to the general meeting.

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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)

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

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



Consolidated interim balance sheets Amounts in NOK 1,000	30 September 2012	30 September 2011	31 December 2011
ASSETS			
Long-term assets			
Fixed assets			
Machinery and office equipment	703	792	939
Total fixed assets	703	792	939
Financial assets			
Long-term receivables	325	319	325
Total financial assets	325	319	325
Total long-term assets	1 028	1 111	1 264
Current assets			
Receivables			
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
Cash and bank deposits			
Cash and bank deposits	5 683	29 180	21 462
Total cash and bank deposits	5 683	29 180	21 462
Total current assets	8 437	31 691	24 985
TOTAL ASSETS	9 465	32 802	26 249

EQUITY AND LIABILITIES			
Equity			
Paid-in-capital			
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
Liabilities			
Short-term liabilities			
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
Total liabilities	5 357	6 037	6 883
TOTAL EQUITY AND LIABILITIES	9 465	32 802	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 July-30 September 2012	1 July-30 September 2011	1 January-30 September 2012	1 January-30 September 2011	1 January-31 December 2011
Profit (loss) before interest and taxes	(7 808)	(9 387)	(28 832)	(29 046)	(37 731)
Share-based remuneration (equity part)	1 315	1 166	3 689	3 267	4 409
Depreciation	78	61	236	173	245
Interest paid					
Change in working capital and other items	40	(2 424)	(766)	(455)	(608)
Net cash flow from operational activities	(6 375)	(10 584)	(25 673)	(26 061)	(33 685)
Purchases of property, plant and equipment				(333)	(552)
Change in long-term receivables					(7)
Interest received	30	111	150	226	348
Net cash provided by investing activities	30	111	150	(107)	(211)
Share issues	(19)	11 586	9 744	42 699	42 709
Paid-in, not registered share capital		(176)			
Net cash provided by financing activities	(19)	11 410	9 744	42 699	42 709
Net change in cash and cash equivalents	(6 364)	937	(15 779)	16 531	8 813
Opening cash balance	12 047	28 243	21 462	12 649	12 649
Closing cash balance	5 683	29 180	5 683	29 180	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	1 548	8 196			9 744
Share-based compensation			3 689		3 689
Total comprehensive income for the period				(28 691)	(28 691)
Balance 30 September 2012	42 342	71 625	11 098	(120 957)	4 108
Balance 1 January 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 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 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	271 960 641	214 933 142	214 933 142
Share issue(s)	10 322 725	57 027 499	18 223 188
Warrants exercised			38 804 311
Closing balance	282 283 366	271 960 641	271 960 641

Warrants	1 January- 30 September 2012	1 January- 30 September 2011	1 January- 31 December 2011
Opening balance	9 049 103	39 205 778	39 205 778
Issue of warrants	9 954 013	9 049 103	9 049 103
Exercise of warrants		(38 804 311)	(38 804 311)
Expired warrants	(19 003 116)	(401 467)	(401 467)
Closing balance	0	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	14 596 266	8 917 096	8 917 096
Grant of incentive subscription rights	6 000 000	2 557 500	5 707 500
Terminated/expired subscription rights	(1 758 582)	(28 330)	(28 330)
Closing balance	18 837 684	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)	(28 691)	(28 804)	(37 355)
Weighted average basic number of shares	276 914 718	232 484 419	242 434 609
Weighted average diluted number of shares	278 338 301	261 047 353	264 397 686
Profit (loss) per share, basic and diluted	NOK (0.10)	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.

Report from the board of directors 2011

IDEX ASA is a Norwegian public company specialising in fingerprint imaging and recognition technology. IDEX has developed the SmartFinger® technology platform including the patented fingerprint imaging principle, sensing scheme and chip design. SmartFinger enables on-device enrollment, template storage and verification within the very same module, for example an ID card.

The company is located at Fornebu in Bærum municipality, Norway. The sales and marketing subsidiary company in USA has been inactive in 2011. The IDEX shares have been listed at Oslo Axess since 2010. The company has nearly 1,200 shareholders.

IDEX has made significant investments in research and product development in biometry and related technology, particularly in polymer-based sensor technology and embedded software solutions for fingerprint verification suitable for cards and ID devices. In 2011, IDEX carried out qualification and ramp-up to volume production of the SmartFinger Film sensor. The novel SmartFinger Film technology was launched in 2010. The SmartFinger Film is ultra-thin and bendable, and is especially well suited for ID cards, access control and financial cards. SmartFinger Film won the prestigious SESAMES Award 2010.

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

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

Partner momentum

During 2011 the number of partner companies grew substantially. IDEX entered into cooperation agreements with Pierson Capital Technology, Identita Technologies, Shen Zhen Huajing Technology Co., S.I.C. Biometrics, UINT, Card Tech Srl., Embedx Corporation, and Future Electronics. The ongoing agreements from the prior years, with an undisclosed semiconductor company and Validus Technologies, remain active.

Three partners have shown demonstrators of system-on-card solutions where the card is an ISO-compliant card which includes the Smartfinger Film sensor and biometric algorithms. S.I.C. has launched a biometric security device with SmartFinger Film to users of Apple's smart phones and tablet computers. Future Electronics and IDEX works jointly to incorporate the IDEX SmartFinger Film fingerprint sensor and biometric algorithms into a fingerprint-based biometric authentication solution targeting the access control market segment.

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 eGo™ project is part of IDEX' strong focus on biometric solutions for the emerging mass markets. IDEX and twelve European R&D and industrial partners, among them Gemalto, ST Microelectronics, Precise Biometrics and Atos Worldline, will develop a new technology platform, eGo, that enables secure access and transaction by a wearable wireless, biometric device. The eGo device uses intra-body communication properties to convey digital certificates onto devices such as a person's car, phone, door-lock or other connected objects. The slogan of the project is "what you touch, is yours." In June 2011 IDEX was awarded a governmental grant under The Research Council of Norway's VerdIKT programme. The NOK 4.1 million grant supports an innovative project to develop fingerprint recognition technology for the Internet of Things and secures the company's participation in the eGo project.

Production ramp-up

The ramp-up to production, particularly the implementation of full-scale volume production equipment and methods, has taken more time than originally planned. Progress has been made in the second half of 2011, but the situation has not been fully resolved. IDEX is working intensively with the current supply chain partners in order to establish sufficient

capacity to deliver on volume orders in commercial quantities. The company qualifies additional suppliers in selected production steps.

In October IDEX entered into expanded and new agreements with Ionics EMS, Inc. that strengthen the strategic partnership between the two companies and facilitates volume production of IDEX SmartFinger Film.

The board of directors

The board comprised in 2011 Mr. Morten Opstad (chairman), Mr. Jon Ola Frankplads (elected for two years at the annual general meeting 2010), Ms. Hanne Høvdning, Ms. Joan Frost Urstad and Mr. Harald Voigt. The four board members who stood for election at the annual general meeting 2011 were reelected for two years.

Group annual financial statements

Revenue: IDEX earned revenue amounting to NOK 1.3 million in 2011. NOK 99 thousand were earned from product sales, while NOK 1,204 thousand related to government support under the VerdIKT programme. In 2010, the revenue amounted to NOK 144 thousand, half of which originated from product sales.

Payroll expenses: There were 15 persons employed in the company at year-end, up from 10 at the end of 2010. One employee work part time. Payable payroll expenses increased from NOK 10.4 million in 2010 to NOK 13.4 million in 2011. Notional cost of share-based compensation increased to NOK 4.3 million (2010: NOK 3.3 million). The increase was largely due to grants to new staff members and additional grants to continuing staff.

Research and development expenses: Gross external research and development expenses increased to NOK 14.7 million from NOK 7.4 million in 2010. Contributions from the 'SkatteFunn' R&D grant scheme managed by the Research Council of Norway amounted to NOK 1.1 million in 2011, same as in 2010. These grants, and a small additional grant in 2011 have been set off against research and developments expenses. Net reported R&D expenses were NOK 13.5 million in 2011 compared to NOK 6.3 million in 2010. Payroll cost of research and development conducted by IDEX employees are not included here, but in the payroll expenses line. Such expenses amounted to about NOK 5.0 million in 2011 versus NOK 3.3 million the year before.

Other operating expenses: Other operating expenses at NOK 7.6 million in 2011 were slightly lower than in 2010 at NOK 7.9 million. Marketing and PR activities were significantly increased, while some other items were reduced.

Depreciation amounted to NOK 245 thousand in 2011, up from NOK 134 thousand in 2010. IDEX has invested in total NOK 1.3 million in its office facility, computers and laboratory equipment in 2009-2012.

Net financial items: Net financial items amounted to NOK 0.4 million income in 2011, mainly from interest income on cash. In 2010, the interest income from second quarter until yearend matched the interest cost on the financial debt in the first quarter.

Taxes: IDEX operated at a loss and did not incur deferred or payable income taxes in 2011 or 2010.

Net result in the year: Net loss for the year was NOK 37.4 million, up from NOK 27.9 million in 2010, reflecting the increased staff and activity level. In order to be viable, IDEX needs to obtain revenue.

Total cash and bank deposits amounted to NOK 21.5 million at the end of 2011, compared to NOK 12.6 million at the preceding year-end. The operations have consumed cash in an amount of NOK 33.7 million in 2011 and NOK 23.2 million in 2010. New funds have been obtained by share issues amounting to net cash inflow of NOK 42.7 million in 2011 and NOK 30.7 million in 2010.

Equity: Equity was NOK 9.6 million at the start of 2011. During 2011, NOK 42.7 million was added by a private placement and warrants exercises (2010: also NOK 42.7 million added). The major inflows in 2011 were the private placement on 8 April raising NOK 31.1 million net after expenses, and the warrants exercise in the third quarter raising NOK 11.6 million net. Because of the loss in the year, equity at the end of 2011 amounted to NOK 19.4 million. The substantial annual losses have eroded the company's equity. There was no unrestricted equity at the end of 2011 or the preceding year. At 31 December 2011, 53 per cent of the share capital had been lost.

Liquidity and capital resources: The net current assets and liabilities at the end of 2011 was NOK 18.1 million. The available liquidity was insufficient to meet the expected need for working capital and capital expenditures until the end of 2012. The company will need to obtain additional working capital in the second quarter of 2012.

Financial statements of the parent company:

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

Events after 31 December 2011

Between 31 December 2011 and the date of the annual financial statements no events have occurred which may significantly impact the result for 2011 or the value of IDEX' assets and debt at the end of 2011. The board resolved on 23 April 2012 to issue 9,049,103 shares in a private placement of shares at a price of NOK 1.00 per share. The board also resolved to propose to the 2012 annual general meeting to issue one warrant for each new share that is issued in the placement. The warrants will be exercisable in September 2012 at a price of NOK 1.30 per share.

Going concern

53 per cent of the share capital of the parent company had been lost by the end of 2011. The board acknowledges its duty to act which follows from the loss of more than half the share capital. IDEX does not earn recurring revenue and there are limited funds and assets available for sale to cover future expenses. The going concern assumption has nevertheless been applied when preparing the financial statements of the group and the parent company.

There is significant uncertainty attached to this assumption. The board has resolved to issue 9,049,103 shares in a private placement at a price of NOK 1.00 per share. The board has reason to take for its basis that the placement will be fully subscribed. Depending on future activity level and possible revenue, the company will need further capital inflow in the second half of 2012. The board has proposed to the 2012 annual general meeting that one warrant shall be issued for each new share issued in the placement. The warrants shall be exercisable in September 2012 at a price of NOK 1.30 per share. The board takes for its basis that the warrants will be exercised and IDEX thus will have adequate funding until the end of 2012. The board thus confirms that there is basis for the going concern assumption and that this assumption has been applied when preparing the annual financial statements.

Allocation of net profit (loss) for the year

The net loss for 2011 of the parent company IDEX ASA was NOK 37,354,664. The board proposes that the loss shall be carried forward as uncovered losses. IDEX ASA had no unrestricted equity at the end of 2011, and the board does not propose any dividend payments for 2011.

Financial risk

IDEX is exposed to certain financial risks related to exchange rates and interest level. These are, however, insignificant compared to the Company's financial position at the end of 2010 and the long term business risk.

The financial situation of the Company is vulnerable at the end of 2011 and at the date of this report. The equity of the group as well as that of the parent company is inadequate. The board makes reference to its resolution to issue shares in a private placement and its proposal to the 2012 annual general meeting to issue warrants, as outlined in the section above regarding the going concern assumption.

Business risk may be summarised in the following points: (i) IDEX has had minimal revenue to date. The company has reported accumulating accounting losses and expects losses also in 2012. (ii) IDEX' business plan assumes revenue from products which IDEX has not yet traded commercially. (iii) Revenue from the company's products depend among other things on market factors, which are not controlled by IDEX. (iv) Competing companies' products have entered the commercial stage. (v) IDEX' intended market is immature and undergoing rapid technological changes.

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

Share capital and shareholders

The issued share capital of the company at the end of 2011 amounted to NOK 40,794,096.15, consisting of 271,960,641 ordinary shares, each share having a par value of NOK 0.15. At the end of 2011 there were a total of 1,186 registered shareholder accounts, compared to 840 one year earlier.

The closing share price on the last day of trading in 2011 was NOK 1.43, compared to NOK 1.80 at the last date of 2010. There were 10,264 trades in the share, with a total turnover amounting to NOK 174.4 million, up from 1,700 trades with a total turnover of NOK 29.0 million in the period 12 March-31 December 2010.

IDEX completed a successful placement of 18,098,222 shares on 8 April 2011 at a subscription price of NOK 1.80 per share. The company raised equity in an amount of NOK 32.6 million before expenses. 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.

The board was authorised by the annual general meeting to issue up to 27,963,764 shares or 12 per cent of the share capital when the resolution was made. The authorisation is valid until the annual general meeting 2012. The authorisation had not been used by the date of this report.

The board may grant up to 23,303,136 incentive subscription rights under the 2011 subscription rights based incentive programme, but limited in such a way that the total number of subscription rights outstanding may not exceed 10 per cent of the number of shares. The subscription rights may be granted to employees and individual contractors performing similar work in IDEX. In 2011 the board granted 2,557,500 subscription rights under the 2010 programme and 3,150,000 subscription rights under the 2011 programme. At the end of 2011, there were a total of 14,596,266 subscription rights outstanding under various programmes. Weighted average exercise price was NOK 1.32 per share.

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

The equity of the group and the parent company was inadequate at the end of 2011. This was not a sustainable position and at the date of this report the board is working on alternatives for obtaining additional equity.

Organisation; health, safety and environment

At the end of the year IDEX had 15 employees (2010: 10). One worked part time. All are employed in the parent company. In addition, the company had four individual technical/scientific specialists on contract working on its premises. All employees are male. In addition to its employees IDEX makes use of contractors and service providers in functions like patenting, finance and administration.

The board and the management seek to create a working environment that is pleasant, stimulating, safe and to the benefit of all employees. The working environment complies with the existing rules and regulations. The company offers flexible working hours for all employees, and those who so wish have been equipped with a portable PC and a mobile phone, which enable them to work equally efficiently from other places than the company's facilities. The board has not found reason to implement special measures. No employee has suffered work-related injury resulting in sick leave. No accidents or incidents involving the assets of the company have occurred. The sick leave was less than 2 per cent in 2011 (2010: less than 1 per cent).

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

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

Corporate governance

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

Statement on management remuneration

The annual general meeting in 2011 considered and resolved guiding and mandatory guidelines for management remuneration. The guidelines and the actual remuneration in 2011 have been included in a note to the financial statements.

The managing director of the parent company is also CEO for the group and has performed this duty as a part of his employment for no additional remuneration.

Outlook

IDEX' vision is to ensure individuals a safe, secure and simple use of personal ID. IDEX has developed the award-winning SmartFinger Film technology. SmartFinger Film is the next-generation fingerprint sensor technology and suitable for a range of mass market applications. IDEX offers solutions that can significantly improve card ID and financial security by incorporating biometric ID with existing systems. IDEX offers a particular advantage in system-on-card implementations, which avoid external exchange of fingerprint data.

The SmartFinger Film sensor is thin and bendable and can be embedded in ID cards and smartcards of standard size and thickness. The first delivery of sensors to a customer was completed in 2011. IDEX is working intensively with the current supply chain partners in order to establish sufficient capacity to deliver on volume orders in commercial quantities. We are also qualifying additional suppliers in selected production steps.

In 2012, IDEX will support the company's growing number of customers and partners. Several projects for qualification of the use of the IDEX SmartFinger Film fingerprint sensor and biometric software and algorithms in the respective customers' product are on going. Each project has its own schedule and progress plan. The agreed intent of each qualification project is that a qualification will lead to commercial agreements under which IDEX will supply SmartFinger Film sensor technology.

The board has resolved to issue 9,049,103 shares in a private placement at a price of NOK 1.00 per share. The board has reason to take for its basis that the placement will be fully subscribed. The board has proposed to the 2012 annual general meeting that one warrant shall be issued for each new share issued in the placement. The warrants shall be exercisable in September 2012 at a price of NOK 1.30 per share. The board takes for its basis that the warrants will be exercised and that the Company's equity and liquidity will be adequate under current planning assumptions.

Oslo, 23 April 2012

The board of directors of IDEX ASA

Morten Opstad
chairman

Jon Ola Frankplåds
board member

Hanne Høvdning
board member

Joan Frost Urstad
board membe

Harald Voigt
board member

Ralph W. Bernstein
CEO

Annual financial statements 2011 with notes

Statements of comprehensive income

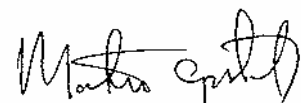
1 January-31 December		IDEX group		IDEX ASA	
Amounts in NOK 1,000	Note	2011	2010	2011	2010
Operating revenue					
Sales revenue		99	66	99	66
Other income	6	1 224	77	1 224	77
Total revenue		1 323	143	1 323	143
Operating expenses					
Payroll expenses	4	17 696	13 739	17 696	12 864
Research and development expenses	6	13 481	6 278	13 481	6 278
Other operating expenses	14	7 632	7 912	7 632	8 790
Profit (loss) before interest, tax, depreciation and amortisation (EBITDA)					
		(37 486)	(27 786)	(37 486)	(27 789)
Depreciation expenses	5	245	134	245	131
Profit (loss) before interest and tax (EBIT)					
		(37 731)	(27 920)	(37 731)	(27 920)
Financial income and expenses					
Interest income		348	221	348	221
Agio		66	69	66	69
Interest expenses	13	0	(271)	0	(271)
Disagio		(38)	(27)	(38)	(27)
Net financial items		376	(8)	376	(8)
Net result before tax (EBT)					
		(37 355)	(27 928)	(37 355)	(27 928)
Taxes	7	0	0	0	0
Net loss for the year					
		(37 355)	(27 928)	(37 355)	(27 928)
Profit (loss) per share, basic and diluted					
	11	(0.15)	(0.14)		
Other comprehensive income					
		0	0	0	0
Total comprehensive income for the year, net of tax					
		(37 355)	(27 928)	(37 355)	(27 928)

Statements of financial position 31 December

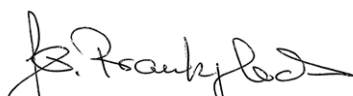
Amounts in NOK 1,000					
Assets	Note	IDEX group 2011	2010	IDEX ASA 2011	2010
Long-term assets					
Fixed assets					
Fixed assets	5	939	632	939	632
Total fixed assets		939	632	939	632
Financial assets					
Shares in subsidiary	17	-	-	6	6
Other long-term receivables	16	325	319	325	319
Total financial assets		325	319	331	325
Total long-term assets		1 264	951	1 270	957
Current assets					
Receivables					
Accounts receivable		19	32	19	32
Receivables from group companies	14			54	53
Other receivables	13	3 161	1 572	3 161	1 572
Prepaid expenses		343	318	343	318
Total receivables		3 523	1 922	3 577	1 975
Cash and bank deposits					
Cash and bank deposits	3	21 462	12 649	21 458	12 648
Total cash and bank deposits		21 462	12 649	21 458	12 648
Total current assets		24 985	14 571	25 035	14 623
Total assets		26 249	15 522	26 305	15 580
Equity and liabilities					
Equity					
Paid-in capital					
Share capital	8	40 794	32 240	40 794	32 240
Share premium reserve		63 429	29 274	63 429	29 274
Other paid-in capital		7 409	3 000	7 409	3 000
Total paid-in capital		111 632	64 514	111 632	64 514
Other equity		(92 266)	(54 911)	(92 245)	(54 890)
Total equity		19 366	9 603	19 387	9 624
Liabilities					
Short-term liabilities					
Short-term loan	13, 14	0	0	0	0
Accounts payable		2 230	1 553	2 227	1 547
Accounts payable intercompany	14			40	46
Public duties payable		471	840	471	840
Other short-term liabilities	13	4 182	3 526	4 180	3 523
Total liabilities		6 883	5 919	6 918	5 956
Total equity and liabilities		26 249	15 522	26 305	15 580

Oslo, 23 April 2012

The board of directors of IDEX ASA



Morten Opstad, chairman



Jon Ola Frankplads, board member



Hanne Høvdning, board member



Joan Frost Urstad, board member



Harald Voigt, board member



Ralph W. Bernstein, CEO

Statements of changes in equity
IDEX group

Amounts in NOK 1 000	Share capital	Share premium fund	Other paid-in capital	Other equity	Total
Balance at 1 January 2011	32 240	29 274	3 000	(54 911)	9 603
Private placement on 8 April	2 715	28 380			31 095
Share issue on 19 May (board remuneration)	19				19
Exercise of warrants on 8 July	741	741			1 482
Exercise of warrants on 12 August	5 079	5 034			10 113
Share-based remuneration			4 409		4 409
Comprehensive income (loss) for the year				(37 355)	(37 355)
Balance at 31 December 2011	40 794	63 429	7 409	(92 266)	19 366
Balance at 1 January 2010	17 712	0	0	(25 903)	(8 191)
Conversion of debt on 17 February	3 282	9 848		(1 080)	12 050
Exercise of warrants on 9 March	9 081	9 042			18 123
Private placement on 10 March	1 482	9 834			11 316
Share issue on 11 May (board remuneration)	17				17
Exercise of warrants on 30 September	666	550			1 216
Share-based remuneration			3 000		3 000
Comprehensive income (loss) for the year				(27 928)	(27 928)
Balance at 31 December 2010	32 240	29 274	3 000	(54 911)	9 603

Statements of changes in equity
IDEX ASA

Amounts in NOK 1 000	Share capital	Share premium fund	Other paid-in capital	Other equity	Total
Balance at 1 January 2011	32 240	29 274	3 000	(54 890)	9 624
Private placement on 8 April	2 715	28 380			31 095
Share issue on 19 May (board remuneration)	19				19
Exercise of warrants on 8 July	741	741			1 482
Exercise of warrants on 12 August	5 079	5 034			10 113
Share-based remuneration			4 409		4 409
Comprehensive income (loss) for the year				(37 355)	(37 355)
Balance at 31 December 2011	40 794	63 429	7 409	(92 245)	19 387
Balance at 1 January 2010	17 712	0	0	(25 882)	(8 170)
Conversion of debt on 17 February	3 282	9 848		(1 080)	12 050
Exercise of warrants on 9 March	9 081	9 042			18 123
Private placement on 10 March	1 482	9 834			11 316
Share issue on 11 May (board remuneration)	17				17
Exercise of warrants on 30 September	666	550			1 216
Share-based remuneration			3 000		3 000
Comprehensive income (loss) for the year				(27 928)	(27 928)
Balance at 31 December 2010	32 240	29 274	3 000	(54 890)	9 624

Cash flow statements

1 January-31 December Amounts in NOK 1,000	IDEX group		IDEX ASA	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit (loss) before interest and taxes	(37 731)	(27 920)	(37 731)	(27 920)
Share-based remuneration (equity part)	4 409	3 000	4 409	3 000
Depreciation	245	134	245	131
Interest paid	0	(174)	0	(174)
Change in receivables	(1 601)	1 408	(1 602)	1 803
Change in payables, accruals	965	344	963	35
Net other items	28	41	28	40
Net cash flow from operational activities	(33 685)	(23 167)	(33 688)	(23 085)
Cash flows from investing activities				
Investments	(552)	(357)	(552)	(357)
Changes in long-term receivables	(7)	(6)	(7)	(6)
Interest received	348	221	348	221
Net cash flow from investing activities	(211)	(142)	(211)	(142)
Cash flows from financing activities				
Share issues	42 709	30 672	42 709	30 672
Net cash flow from financing activities	42 709	30 672	42 709	30 672
Net change in cash and bank deposits				
	8 813	7 363	8 810	7 445
Cash and bank deposits at 1 January	12 649	5 286	12 648	5 203
Cash and bank deposits at 31 December	21 462	12 649	21 458	12 648

Notes

1. Group information

IDEX ASA ("IDEX") is a Norwegian Public Limited Company with registered office in the Bærum municipality. IDEX shares were admitted to listing at the Oslo Axess marketplace of Oslo Børs on 12 March 2010. Formerly, trades in the company's shares were reported on the A-list of the Norwegian Stockbrokers Association's OTC system.

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

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

The going concern assumption has been applied when preparing these financial statements. There is significant uncertainty attached to this assumption. The board has resolved to issue 9,049,103 shares in a private placement at a price of NOK 1.00 per share. The board has reason to take for its basis that the placement will be fully subscribed. Depending on future activity level and possible revenue, the company will need further capital inflow in the second half of 2012. The board has proposed to the 2012 annual general meeting that one warrant shall be issued for each new share issued in the placement. The warrants shall be exercisable in September 2012 at a price of NOK 1.30 per share. The board takes for its basis that the warrants will be exercised and IDEX thus will have adequate funding until the end of 2012.

If the going concern assumption had not been applied, the value of certain of the group's assets would be less than the balance sheet value at going concern. This applies to fixed assets and prepaid expenses. The value reduction would amount to NOK 850 thousand and NOK 66 thousand respectively. No additional debt would arise. Accrual for calculated employer's tax on incentive subscription rights, amounting to NOK 334 thousand, and an amortisation accrual amounting to NOK 136 thousand would be reversed. The net impairment would amount to NOK 446 thousand. Costs in a wind-down period, including payroll costs in the notice period, would amount to about NOK 5.2 million. In addition to the impairment at group level, the parent company's investment in the U.S. subsidiary would be impaired by NOK 20 thousand. IDEX would earn proceeds from a possible sale of the company's intellectual property rights, chiefly patents and trademarks. Such proceeds can not be reliably estimated.

The annual financial statements for 2011 were resolved by the board on 23 April 2012 and will be presented to the annual general meeting on 15 May 2012.

2. Accounting principles

Basis of preparation

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

Changes in accounting policies

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

IFRS is continuously developed and recently published standards, amendments and interpretations have been reviewed and considered. None of the new standards, amendments and interpretations that apply as of 1 January 2011 had any impact on the result or equity of IDEX in 2011, or the company does not have transactions or balance sheet items that shall be disclosed under the new or amended rules.

The company considers that new standards which have been resolved by the date of these financial statements and which standards will apply to the accounting year 2012, will not have any significant impact on the annual financial statements for 2012.

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

Significant accounting judgements and estimates

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

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

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

Financial risk, capital management

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

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

IDEX had in 2007 taken up a financial loan with principal amounting to NOK 12,505 thousand with payable fixed interest and the lender had the right to convert the receivable to shares. The lender gave notice of conversion in January 2010 and the loan including interest was converted to NOK 13.1 million new equity on 17 February 2010.

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

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

IDEX manages its liquidity passively, which means that funds are placed in floating-interest bank accounts. Investments in fixed assets are only made when mandatory for the needs of the company's core business. The company has been funded by equity in the past, but practical circumstances implied that the company took up a

short-term financial loan in June 2007. The loan was repaid by conversion to equity in 2010. The company will prepare and implement comprehensive capital management and funding policies as and when needed.

The financial situation of the Company is vulnerable at the end of 2011 and at the date of these financial statements. The equity of the group as well as that of the parent company is inadequate and IDEX needs to obtain liquidity in the first half of 2012.

Summary of significant accounting policies

Consolidation

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

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

Revenue

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

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

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

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

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

Currency

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

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

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

Research and development costs

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

Fixed assets

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

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

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

Impairment of fixed assets

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

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

Provisions

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

Interest bearing debt

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

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

Accounts receivable

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

Cash and bank deposits

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

Taxes

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

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

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

Contingent liabilities and assets

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

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

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

Share-based remuneration

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

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

Leasing agreements

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

Earnings per share

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

Cash flow

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

Government grants

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

Segment reporting

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

3. Cash and bank deposits

Cash and bank deposits amounted to NOK 21,462 thousand at the end of 2011. Of this amount, NOK 616 thousand were employees' withheld payroll tax deposits and NOK 170 thousand were restricted deposits to cover credit lines on purchasing cards. The counter value of NOK 4 thousand was held in USD, while the remaining was held in NOK. At the end of 2010 cash and bank deposits amounted to NOK 12,649 thousand of which NOK 501 thousand were employees' withheld payroll tax deposits and NOK 166 thousand were restricted deposits to cover credit lines on purchasing cards. No amounts were held in foreign currency. Deposits for rent of facilities have not been included in bank deposits.

4. Payroll expenses and remuneration

Amounts in NOK 1,000	IDEX group		IDEX ASA	
Payroll expense	2011	2010	2011	2010
Salaries, fees	10 909	8 757	10 909	7 986
Share-based remuneration (notional salary)	4 409	3 000	4 409	3 000
Share-based remuneration (accrual of employer's tax)	(99)	323	(99)	323
Pension contribution	147	134	147	134
Social security taxes	1 574	1 214	1 574	1 161
Other personnel expenses	756	311	756	260
Total	17 696	13 739	17 696	12 864
Average number of employees	11	9	11	8

The parent company provides a contribution based pension insurance scheme for all employees. The scheme satisfies the mandatory service pension ('OTP') in Norway. The contribution is 2 per cent of the employee's annual salary between 2G and 12G, where G is the basic amount in the Norwegian social security system, and amounted to NOK 79 thousand in 2011.

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

Actual remuneration for senior managers

2011						
Amounts in NOK 1,000	Salary	Variable/ incentive pay	Other benefits	Pension cost	Share based remune- ration	Total remune- ration
Ralph W. Bernstein, CEO	1 468	0	6	18	187	1 679
John R. Robinson, VP of sales and marketing	870	148	5	15	86	1 124
Erling Svela, CFO	1 852	0	6	14	115	1 987
Total remuneration	4 190	148	17	47	388	4 790

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

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

2010						
Amounts in NOK 1,000	Salary	Variable/ incentive pay	Other benefits	Pension cost	Share based remune- ration	Total remune- ration
Ralph W. Bernstein, CEO	1 366	0	9	17	827	2 219
John R. Robinson, VP of sales and marketing	354	62	3	6	120	545
Erling Svela, CFO	1 395	0	6	25	24	1 450
Total remuneration	3 115	62	18	48	971	4 214

Salary, bonus and other benefits in 2010 are the amounts as declared for tax purposes, while pension cost and share based remuneration are expensed amounts in the year. All amounts exclude employer's tax. No incentive subscription rights were exercised in 2010.

Mr. Robinson joined IDEX on 2 August 2010. Mr. Svela worked flexible hours as required by IDEX in 2010, and the remuneration was based on the number of hours worked. Mutual minimum work and pay obligation was 40 per cent of full time.

Guidelines for remuneration to senior managers

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

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

Share-based remuneration

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

Implementation and effect of the policies

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

The notional cost of subscription rights as share based remuneration is expensed but the equity effect is nil because the contra item is a notional equity injection of equal amount. In addition employer's tax is accrued on the net present value of the subscription right as an option on the balance sheet date. The value varies with the share price and may entail a net reversal of costs. In 2011 NOK 22 thousand was reversed and the accumulated accrual amounted to NOK 102 thousand for employer's tax on the subscription rights to management. In 2010, NOK 83 thousand was expensed and the accumulated accrual amounted to NOK 124 thousand for employer's tax.

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

For the shareholders a possible exercise will represent a dilution. At the end of 2011, the number of outstanding subscription rights to management amounted to 4,538,629, corresponding to 1.7 per cent of the share capital.

Board remuneration

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

The annual general meeting 2011 resolved an annual board remuneration amounting to NOK 140 thousand per board member for the period from the annual general meeting 2010 to the annual general meeting 2011. The chairman shall receive an additional NOK 40 thousand for the service as chairman. The board members had the option to receive part or all of the remuneration in the form of shares. The number of shares corresponded to a gross value of 133 per cent of the board remuneration, for which the board paid the par value and the shares were locked up for one year. Board member Harald Voigt chose to take the full remuneration in shares. The transaction was completed in the second quarter 2011.

The company has accrued a corresponding amount for board remuneration in the period May-December 2011. The accrual amounted to NOK 490 thousand at the end of 2011. Such remuneration, if any, shall be resolved by the annual general meeting 2012.

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

5. Fixed assets

Amounts in NOK 1,000	IDEX group		IDEX ASA	
	2011	2010	2011	2010
Cost at 1 january	795	497	795	474
Additions	552	357	552	357
Disposals at cost	(18)	(59)	(18)	(36)
Currency adjustment				
Cost at 31 December	1 329	795	1 329	795
Accumulated depreciation at 1 January	163	88	163	69
Depreciation	245	134	245	131
Accumulated depreciation of disposed items	(18)	(59)	(18)	(36)
Currency adjustment				
Accumulated depreciation at 31 December	390	163	390	163
Book value at 31 December	939	632	939	632
Depreciation period (straight line), years	3-5	3-5	3-5	3-5

Fixed assets at the end of 2011 comprised mainly upgrade of leased facilities, personal computers, office furniture.

6. Research and development expenses

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

External direct costs for research and development (R&D) including patenting costs have been expensed, and any grants and contributions have been credited. The gross expense amounted to NOK 14,664 thousand in 2011 compared to NOK 7,418 thousand in 2010. Since 2005, IDEX has received R&D grants from the 'Skattefunn' scheme, a governmental R&D grant scheme operated by the Research Council of Norway. In 2011, the company received a small amount under another scheme. For 2011, IDEX expects to receive combined NOK 1,183 NOK which has been set off against R&D expenses. For 2010 the grant amounted to NOK 1,040 thousand. Net R&D cost was NOK 13,481 thousand in 2011 versus NOK 6,278 thousand in 2010.

In addition to the support that has been credited to costs, NOK 1,204 thousand support under the VerdIKT programme has been recognised as other income because it is considered related to a delivery.

In addition to the direct external R&D costs, about NOK 5.5 million of the payroll expenses in 2011 were related to R&D (2010: NOK 3.3 million). Infrastructure costs are not included.

7. Income tax expense

Amounts in NOK 1,000	IDEX group and IDEX ASA	
	2011	2010
Specification of the tax expense for the year		
Payable taxes on the result of the year	0	0
Change in deferred tax asset/liability	0	0
Tax expense on net result	0	0

Amounts in NOK 1,000	IDEX group and IDEX ASA	
	2011	2010
Computation of taxes payable for the year		
Net result before taxes	(37 355)	(27 928)
Permanent differences	1 667	(1 824)
Changes in temporary differences	(7)	(62)
Basis for taxes payable	(35 695)	(29 814)
28% tax, representing total taxes payable on current year's result	0	0

Amounts in NOK 1,000	Temporary differences		Change in temporary differences	
	31 December 2011	31 December 2010	2011	2010
Midlertidige forskjeller	25	18	7	(62)

Amounts in NOK 1,000	IDEX group and IDEX ASA	
	31 December 2011	31 December 2010
Specification of temporary differences		
Fixed Assets	25	18

Amounts in NOK 1,000	IDEX group and IDEX ASA	
	31 December 2011	31 December 2010
Specification of deferred taxes		
Losses carried forward	(283 487)	(253 876)
Temporary differences	25	18
Basis for deferred taxes	(283 462)	(253 858)
Calculated deferred tax, 28 %	79 369	71 080
Deferred tax asset in the balance sheet	0	0

Amounts in NOK 1,000	IDEX group and IDEX ASA	
	31 December 2011	31 December 2010
Specification of payable taxes in the balance sheet		
Taxes payable on this year's result	0	0
Total taxes payable	0	0

Amounts in NOK 1,000	IDEX group and IDEX ASA	
	2011	2010
Specification of actual tax expense		
Result (loss) before tax	(37 355)	(27 928)
Theoretical tax expense (income)	(10 459)	(7 819)
Adjustment permanent differences in prior years	1 647	
Permanent differences	467	(510)
Deferred tax asset not recognised	8 345	8 329
Actual tax expense (income)	0	0

The accumulated deferred tax asset of NOK 79,369 thousand is virtually entirely related to tax losses carry forward. IDEX has not generated taxable profits in prior years. At 31 December 2011 there was not sufficiently convincing evidence that sufficient taxable profit will be generated, against which the unused tax losses could be applied. There are no restrictions as to how long tax losses may be carried forward.

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

There is one class of shares, and all shares have equal rights and are freely negotiable. There were 271,960,641 shares in the company on 31 December 2011, compared to 214,933,142 shares on 31 December 2010. The share capital is fully paid in. The par value of the shares after the 3:1 consolidation on 10 March 2010 is NOK 0.15 (15 Norwegian øre) per share.

2011		
	Number of shares	Number of warrants
Balance at 1 January	214 933 142	39 205 778
Private placement on 8 April	18 098 222	9 049 103
Share issued (board remuneration) on 19 May	124 966	
Warrants exercised on 8 July	4 941 579	(4 941 579)
Warrants exercised on 12 August	33 862 732	(33 862 732)
Expiry of warrants on 12 August		(401 467)
Balance at 31 December	271 960 641	9 049 103

2010		
	Number of shares	Number of warrants
Balance at 1 January	354 233 139	312 558 652
Conversion of debt on 17 February	65 651 250	
Warrants exercised on 9 March	181 631 781	(181 631 781)
Accumulated	601 516 170	130 926 871
Consolidation 3:1 on 10 March	200 505 390	43 642 230
Private placement on 10 March	9 877 500	
Share issue (board remuneration) on 11 May	113 800	
Warrants exercised on 30 September	4 436 452	(4 436 452)
Balance at 31 December	214 933 142	39 205 778

At the end of 2011 there were 1,186 shareholder accounts compared to 840 at the end of 2010. Investors who participated in the private placement in April 2011 received one warrant for each two new issued shares. The warrants are exercisable at NOK 2.10 per share in the period 16-27 April 2012 whereafter the warrants expire.

In the 3:1 consolidation of shares on 10 March 2010, a resulting fractional share per shareholder was rounded up and a corresponding total number of shares was taken from shareholder A. S. Holding A/S. A resulting fractional warrant per shareholder was rounded down.

Top 20 shareholders at 31 December 2011	Number of shares	Percent of shares
A. S. Holding A/S	73 632 177	27.1
Charles Street International Ltd	36 935 940	13.6
Colargol Invest AS	17 543 118	6.5
Euroclear Bank S.A./N.V. (Nominee)	16 579 881	6.1
Rønne, Lars Frithjof	5 700 000	2.1
Rønne, Sven Christian	4 760 953	1.8
Marc O'Polo Norge AS	4 413 268	1.6
Sundvall, Audar	4 324 653	1.6
Storebrand Vekst	3 658 988	1.3
Big Top Holding AS	3 379 679	1.2
Henriksen, Jens Andreas	3 097 000	1.1
Frankplads, Jon Ola	2 814 320	1.0
Hedger Management SA	2 777 778	1.0
Voigt, Harald	2 571 402	0.9
Heap, John Andrew	2 240 420	0.8
Wiermyhr, Kristian	2 121 890	0.8
Tortin Holdings Limited	1 665 971	0.6
Nimeco AS	1 494 574	0.5
Fredricsson, Björn-Olof	1 471 971	0.5
Saugestad, Kristin	1 467 486	0.5
Others	79 309 172	29.2
Total	271 960 641	100.0

Top 22 warrant holders at 31 December 2011	Number of warrants	Percent of warrants
Hedger Management SA	1 388 889	15,3
Storebrand Vekst	1 388 889	15,3
Stålhe Invest AS	555 555	6,1
Alpine AS	500 000	5,5
Bergsvand, Rune	416 666	4,6
Ruten AS	333 333	3,7
Sundvall, Audar	277 777	3,1
A. S. Holding A/S	277 777	3,1
Monsen, Svein Laurits	277 777	3,1
Acier AS	250 000	2,8
Lupum AS	208 333	2,3
Wiermyhr, Kristian	208 333	2,3
Hyseni, Driton	200 000	2,2
Harma Holding AS	162 500	1,8
Tigerstaden AS	150 000	1,7
Forsland, Runar	150 000	1,7
Kragset, Jørgen	138 889	1,5
Jaras Eiendom AS	138 889	1,5
Kvaase, Truls	137 500	1,5
Tauler, Torgeir	125 000	1,4
Evermore AS	125 000	1,4
Bustnes, Brynjar	125 000	1,4
Orhers	1 512 996	16,7
Total	9 049 103	100,0

Shares, warrants and subscription rights held or controlled by primary insiders and their close relations at 31 December	2011			2010(*)		
	Shares	Warrants	Incentive subscription rights	Shares	Warrants	Incentive subscription rights
Morten Opstad, chairman	6 359 845	0	0	5 444 728	915 117	0
Jon Ola Frankplads, board member	3 712 552	0	0	1 480 988	1 333 332	0
Hanne Høvdning, board member	255 997	0	29 657	152 664	103 333	29 657
Joan Frost Urstad, board member	110 234	0	59 314	96 944	13 290	59 314
Harald Voigt, board member	2 571 402	0	59 314	2 446 436	0	59 314
Ralph W. Bernstein, CEO	334 638	0	2 731 963	177 319	157 319	2 231 963
John R. Robinson, VP of sales and marketing	0	0	1 100 000	0	0	850 000
Erling Svela, CFO	0	0	706 666	0	0	66 666
Total	13 344 668	0	4 686 914	9 799 079	2 522 391	3 296 914

* Note: Because of the 3:1 consolidation of shares on 10 March 2010, the outstanding shares, warrants and subscription rights were correspondingly consolidated.

The board may grant up to 23,303,136 incentive subscription rights under the 2011 subscription rights based incentive programme resolved by the annual general meeting on 19 May 2011, but limited in such a way that the total number of subscription rights outstanding may not exceed 10 per cent of the number of shares. The subscription rights may be granted to employees and individual contractors performing similar work in IDEX. The exercise price shall be equal to the average closing price of the IDEX share on ten trading days preceding the date of the grant. The subscription rights vest in four equal tranches every 12 months after the date of the grant and lapse on the fifth anniversary after the programme was resolved. Grants under programmes for prior years have the same vesting schedule and duration. The recipient must remain an employee or working contractor in IDEX at the time of vesting or exercise. There are no cash settlement alternatives.

	2011		2010(*)	
Incentive subscription rights	Number of subscription rights	Weighted average exercise price	Number of subscription rights	Weighted average exercise price
Outstanding at 1 January	8 917 096	1.31	6 879 774	1.51
Granted	5 707 500	1.40	2 849 660	1.30
Exercised				
Forfeited			(715 091)	1.32
Expired	(28 330)	15.25	(97 247)	15.10
Outstanding at 31 December	14 596 266	1.32	8 917 096	1.31
Number which were exercisable at 31 December	3 766 939	1.34	1 571 412	1.69
Weighted average fair value of subscription rights granted in the year	5 707 500	1.00	2 849 660	0.87

* Note: Because of the 3:1 consolidation of shares on 10 March 2010, the outstanding shares, warrants and subscription rights were correspondingly consolidated. This consolidation has been made on 1 January 2010 in this table.

The fair value for the subscription rights granted in the year has been calculated by use of the Black & Scholes option pricing model applying the following assumptions applied in 2011:

- Exercise price NOK 0.94-1.96 per share, weighted average NOK 1.40 per share
- Actual share price at date of grant average NOK 1.44 per share
- Duration up to 4.6 years
- Volatility of share price based on share price history 110 per cent
- Risk free interest rate of 1.9-3.2 per cent, average 2.4 per cent
- No payment of dividends
- Actual population of subscription rights holders, no attrition

Incentive subscription rights outstanding at 31 December 2011	Grant date	Expiry date	Grantee capacity	Number of subscription rights	Exercise price NOK
Hanne Høvdning, board member	18 Jun. 2008	18 Jun. 2013	board remun.	3 125	10.83
	11 May 2010	11 May 2015	board remun.	26 532	1.20
Joan Frost Urstad, board member	18 Jun. 2008	18 Jun. 2013	board remun.	6 250	10.83
	11 May 2010	11 May 2015	board remun.	53 064	1.20
Harald Voigt, board member	18 Jun. 2008	18 Jun. 2013	board remun.	6 250	10.83
	11 May 2010	11 May 2015	board remun.	53 064	1.20
Ralph W. Bernstein, CEO	8 Aug. 2008	10 May 2012	employee	16 666	9.75-21.00
	26 Aug. 2008	18 Jun 2013	employee	42 342	8.85
	8 Oct. 2009	8 May 2014	employee	339 622	0.90
	8 Oct. 2009	8 May 2014	employee	1 333 333	1.20
	2 Nov. 2010	11 May 2015	employee	250 000	1.02
	2 Nov. 2010	11 May 2015	employee	250 000	1.50
	10 Apr. 2011	11 May 2015	employee	500 000	1.96
John R. Robinson, VP of sales and marketing	2 Aug. 2010	11 May 2015	employee	850 000	0.98
	10 Apr. 2011	11 May 2015	employee	250 000	1.96
Erling Sveta, CFO	8 Oct. 2010	8 May 2014	employee	66 666	1.20
	10 Apr. 2011	11 May 2015	employee	640 000	1.96
Other employees	26 Aug. 2008	18 Jun. 2013		48 648	8.85
	8 Oct. 2009	8 May 2014		2 377 355	0.90
	8 Oct. 2009	8 May 2014		1 798 849	1.20
	7 May 2010	8 May 2014		250 000	1.20
	16 Dec. 2010	11 May 2015		1 117 000	1.60
	10 Apr. 2011	11 May 2015		1 167 500	1.96
	23 Oct. 2011	19 May 2016		3 150 000	0.94
Total				14 596 266	

9. Board authorisations to issue shares or acquire own shares

Only authorisations valid on 31 December 2011 have been included.

The authorisations were resolved at the annual general meeting 2011 and are valid until the annual general meeting 2012 but no longer than 30 June 2012. The combined issue under both authorisations may not exceed 27,963,764 shares.

Purpose of the authorization	Authorised number of shares	Issued number of shares
Private placement of shares to raise additional capital	27 963 764	0
Issue of shares in a rights issue to raise additional capital	27 963 764	0

There were no authorisations to purchase own shares in effect at the end of 2011.

10. Events after 31 December 2011

Between 31 December 2011 and the date of these annual financial statements no events have occurred which may significantly impact the result for 2011 or the value of the company's assets and debt at the end of 2011.

The board resolved on 23 April 2012 to issue 9,049,103 shares in a private placement of shares at a price of NOK 1.00 per share. The board also resolved to propose to the 2012 annual general meeting to issue one warrant for each new share that is issued in the placement. The warrants will be exercisable in September 2012 at a price of NOK 1.30 per share.

11. Earnings per share

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

	IDEX group	
	2011	2010
Net profit (loss) for the year (NOK 1,000)	(37 355)	(27 928)
Number of ordinary shares in issue at 31 December	271 960 641	214 933 142
Weighted average basic number of ordinary shares	242 434 609	195 543 310
Weighted average diluted number of shares	264 397 686	238 824 595
Basic and diluted profit (loss) per share in the year (NOK per share)	(0.15)	(0.14)

12. Audit fees

Audit fees for the statutory audit of 2011 amounted to NOK 195 thousand (2010: NOK 195 thousand) and for other assurance services NOK 8 thousand (2010: NOK 115 thousand). Fees related to tax assistance amounted to NOK 38 thousand (2010: NOK 42 thousand) and other services, such as confirmations related to capital increases NOK 38 thousand (2010: NOK 69 thousand). Total fees for 2011 amounted to NOK 279 thousand (2010: NOK 421 thousand).

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

At the end of 2009, IDEX had convertible debt to shareholder A. S. Holding A/S. The principal amounted to NOK 12,505 thousand and accrued payable interest of NOK 625 thousand had been added to the loan. The lender gave notice of conversion in January 2010 and the loan including interest was converted to equity on 17 February 2010.

Because the lender could request conversion of the loan to shares at a fixed price per share, there was a notional equity element related to the loan. The equity element was the difference between the nominal value of the loan (amount received from lender) and the net present value of the repayment and interest payment. When the debt was converted early, a part of the equity element was reversed.

Interest expense specification	Amounts in NOK 1,000	
	IDEX group and IDEX ASA	
	2011	2010
Interest and compound interest due to lender accrued in the year	-	171
Expensed notional interest cost and financial cost	-	268

IDEX had no significant financial obligations at the end of 2011 or 2010. Ongoing expenses are generally paid monthly and accounts payable were largely due in less than one month. In 2009, the company entered into a five-year leasehold agreement for facilities. The annual rent and cost sharing is prepaid quarterly and the lease obligation amounted to about NOK 500 thousand per year, with annual adjustment in line with price indices.

Other short-term liabilities, amounting to NOK 4,182 thousand, were mainly for accrued expenses, and all were due in 12 months or less. NOK 1,299 thousand were due in less than 3 months, NOK 2,404 thousand were due in 3-6 months and NOK 479 thousand in more than 6 months. Other receivables, amounting to NOK 3,161 thousand,

were all due in less than 12 months. NOK 2,028 thousand, were due in less than 3 months, related to VAT refund and government support, and NOK 1,133 thousand, related to Skattefunn contribution for 2011, were due in more than 6 months.

The company will need to obtain additional liquidity during the first half of 2012. See note 1 regarding the going concern assumption and note 10 regarding events after 31 December 2011.

IDEX had no contingent assets or liabilities at the end of 2011 or 2010.

14. Related party transactions

The company's shareholders, board members and management are considered related parties. All transactions with related parties have been carried out on arm's length principle.

A financial loan from a shareholder was settled in 2010. See note 13.

The chairman is a partner and chairman of the board in Advokatfirma Ræder DA. The law firm provided services to the company amounting to NOK 2,061 thousand in 2011 (2010: NOK 1,973 thousand). The amount in 2011 includes, among other assignments, Ræder's work with the private placement in April and the warrants exercise in the third quarter. (2010: significant work related to the share issues in March and work in connection with the listing at Oslo Axess.) The amount includes accruals. The board approved in December 2011 that the company entered into a limited service agreement with a company controlled by board member Joan Frost Urstad. The agreement was entered into in January 2012.

There were no overdue open items with related parties at the end of 2011 or 2010. See also note 4.

The subsidiaries in the USA are also close relations to the parent company IDEX ASA. See note 17. The parent company purchases sales and marketing services from the subsidiary Idex America Inc. The services are purchased at actual full cost without profit. The purchases amounted to NOK 70 thousand in 2011 (2010: NOK 1,093 thousand). At the end of 2011 and 2010, only the amount for the fourth quarter of each preceding year was unsettled and was paid early in the following year.

15. Government grants

Grants during the year	Amounts in NOK 1,000	
	IDEX group and IDEX ASA	
	2011	2010
SkatteFunn	1 133	1 140
VerdIKT	1 204	-
Other schemes	50	-

To receive grants from SkatteFunn, the company has to be a research and development company. It is also required that the company reports progress and achievements to the Research Council of Norway. The grant for 2011 will be paid out in the second half of 2012. There are similar conditions for the VerdIKT scheme, where the support for 2011 will be paid out in the first quarter of 2012. See also note 6.

16. Restricted assets

IDEX has placed an amount corresponding to 6 months' rent, allocations and VAT of its leasehold facilities on an escrow account. At the end of 2011, the escrow account amounted to NOK 325 thousand (2010: NOK 319 thousand).

At the end of 2011, NOK 170 thousand of bank deposits were restricted to cover credit lines on purchasing cards (2010: NOK 166 thousand).

17. Subsidiaries

The following subsidiaries have been included in the consolidated financial statements. The companies were inactive at the end of 2010 and through 2011.

Subsidiaries at 31 Desember 2011	Ownership	Share of votes
IDEX Holding Company Inc., Delaware, USA	100 %	100 %
IDEX America Inc., Delaware, USA	100 %	100 %

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

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Responsibility statement

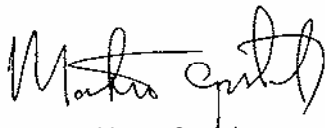
The board and the managing director have today reviewed and approved this report from the board of directors as well as the annual financial statements for the IDEX group and the parent company IDEX ASA as at 31 December 2011.

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

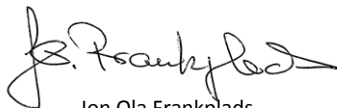
We confirm, to the best of our knowledge, that the information presented in the financial statements gives a true and fair view of the group's and the parent company's assets, liabilities, financial position and result for the period viewed in their entirety, and that the report from the board of directors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

Oslo, 23 April 2012

The board of directors of IDEX ASA



Morten Opstad
chairman



Jon Ola Frankplads
board member



Hanne Høvdning
board member



Joan Frost Urstad
board member



Harald Voigt
board member



Ralph W. Bernstein
CEO



To the Annual Shareholders' Meeting of
IDEX ASA

State Authorised Public Accountants
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Oslo Atrium, P.O.Box 20, NO-0051 Oslo

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Member of the Norwegian Institute of Public
Accountants

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of IDEX ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company and the Group comprise the statement of financial position as at 31 December 2011, the statements of comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

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

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

Auditor's responsibility

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

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

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

*Opinion*

In our opinion, the financial statements of IDEX ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Parent Company and the Group as of 31 December 2011 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Matter of emphasis

Without qualifying our opinion in the paragraph above, we emphasize that the continued operation requires additional funding of the company. The company states in note 1 and 13 and in the report from the Board of Directors that the company will need additional financing during the first half of 2012. The financial statements are prepared on the going concern basis and realization of assets and settlements of liabilities in course of normal business. There has been no provision or write downs for losses that may occur if this assumptions will not be present.

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

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

Opinion on registration and documentation

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

Oslo, 24 April 2012
ERNST & YOUNG AS

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

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

Report from the board of directors 2010

IDEX ASA is a Norwegian public company specialised in fingerprint imaging and recognition technology. IDEX has developed the SmartFinger® technology platform including the patented fingerprint imaging principle, sensing scheme and chip design. Combined with core software solutions for imaging and authentication SmartFinger enables on-device enrollment, template storage and verification within the very same module.

The company is located at Fornebu in Bærum municipality, Norway. A sales and marketing subsidiary company in California, USA has been dormant since July 2010. The shares were admitted to trading at Oslo Axess as of 12 March 2010. Before that date, trades were reported at the A list of the Norwegian Stock-brokers' Association information system. The company has about 1,100 shareholders at the date of this report.

IDEX has made significant investments in research and product development in biometry and related technology. The technical work in 2010 has focused on polymer-based sensor technology and embedded software solutions suitable for on-device and on-card fingerprint verification systems.

The novel SmartFinger Film technology was presented to the market at the CARTES in Asia exhibition in March 2010. The SmartFinger Film is ultra-thin and bendable, and is especially well suited for ID cards, access control and financial cards. One month later, IDEX' manufacturing partner, Ionics EMS Inc., completed the first fingerprint sensor prototypes based on the SmartFinger Film technology. Later in the year, Validus Technologies Inc. designed the sensor into its biometric-powered VALIDcard™.

IDEX and its partners demonstrated SmartFinger Film integrated into a one-time password cards at the CARTES and IDentification 2010 exhibition in December. IDEX won the prestigious SESAMES Award for SmartFinger Film, also at the CARTES & IDentification 2010 exhibition. At the event and into 2011, IDEX has experienced strong interest from prospective customers and partners, and received in January 2011 an order for a trial batch. The company has also in 2011 responded to numerous requests and shipped development kits to important suppliers in the card industry. A development kit includes the sensor, electronics and software to demonstrate and test the sensor as well as to develop applications based on the SmartFinger technology.

Into 2011, IDEX conducts qualification and ramp-up to volume production of the SmartFinger Film sensor.

IDEX is a partner in the eGo™ project with twelve European R&D and industrial partners, such as Gemalto, ST Microelectronics, Precise Biometrics and Atos Worldline. The project started in 2010. IDEX will develop new technologies for simple, safe and secure transactions, log-on and physical access control. The eGo project also won the SESAMES award in its category.

The technical activities in the evaluation project with a major semiconductor manufacturer announced in 2009 were completed in the fourth quarter 2010. This project focused on a silicon-based sensor, as opposed to the polymer-based SmartFinger Film. Functional sensors have been made and tested. The quality of the fingerprint images complied with or exceeded specifications and confirmed a functionally successful SmartFinger design and implementation. No final conclusion had been reached by end of the year, and the work on specific product prospects and business opportunities continues in 2011.

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

Continuous innovation and technology development is therefore important to IDEX. It is expected that during the years ahead IDEX will need to develop further products which performance is adapted to the market of various appliances. Particularly autonomous, stand-alone authentication systems such as biometric cards and tokens, offers potentially huge volumes. Also mobile phones, PDAs, computers and data storage units represent substantial volume opportunities.

The board was elected for two years at the annual general meeting in 2009, with supplementing election at the annual general meeting in 2010. The board comprised in 2010 Mr. Morten Opstad (chairman), Mr. Jon Ola Frankplads (elected for two years at the annual general meeting 2010), Mr. Andrew Heap (until the annual general meeting 2010), Ms. Hanne Høvding, Ms. Joan Frost Urstad and Mr. Harald Voigt.

Group annual financial statements

Revenue: IDEX has earned NOK 66 thousand from product sales and NOK 77 thousand from administrative services in 2010. In 2009, revenue was NOK 68 thousand.

Payroll expenses: There were ten persons employed in the company at yearend, up from nine at the end of 2009. Two employees work part time. Payable payroll expenses increased from NOK 9.0 million in 2009 to NOK 10.4 million in 2010. Notional cost of share-based compensation increased to NOK 3.3 million (2009: NOK 3.0 million). The increase was largely due to grants to new staff members and additional grants to continuing staff.

Research and development expenses: Payroll cost of research and development conducted by IDEX employees amounted to about NOK 3.0 million in 2010 versus NOK 2.1 million the year

before. This cost is included in the payroll expenses line. Gross external research and development expenses increased to NOK 7.4 million versus NOK 6.0 million in 2009. Contributions from the 'SkatteFunn' R&D grant scheme managed by the Research Council of Norway amounted to NOK 1.1 million in 2010 versus NOK 1.0 million in 2009. These grants have been set off against research and developments expenses.

Other operating expenses: Other operating expenses were slightly reduced from NOK 8.3 million in 2009 to NOK 7.9 million in 2010. Marketing activities were increased, while other contracted services were reduced. In each of the fourth quarter of 2009 and the first quarter of 2010, IDEX incurred about NOK 1.0 million expenses related to the listing at Oslo Axess.

Depreciation: amounted to NOK 134 thousand in 2010 and NOK 43 thousand in 2009. IDEX has invested in total NOK 0.8 million in its office facility, computers and laboratory equipment in 2009-2010.

Net financial items: Net financial items amounted to nought in 2010, compared to a cost of NOK 2.3 million NOK in 2009. The decrease is primarily caused by the relief from interest cost on the financial debt which was converted to equity in February 2010.

Taxes: IDEX operated at a loss and did not incur deferred or payable income taxes in 2010 or 2009.

Net result in the year: Net loss for the year resulting from the above was NOK 27.9 million, which is on par with 2009. In order to be viable, IDEX needs to obtain revenue.

Total cash and bank deposits: amounted to NOK 12.6 million at the end of 2010, compared to NOK 5.3 million at the preceding year-end. The operations have consumed cash in an amount of NOK 23.2 million in 2010 and NOK 24.1 million in 2009. New funds have been obtained by share issues amounting to net cash inflow of NOK 30.7 million in 2010 and NOK 25.1 million in 2009.

Equity: Equity was negative at the start of 2010, at minus NOK 8.2 million. NOK 45.7 million was added by several transactions in 2010 (2009: added NOK 29.2 million). Three major transactions took place in the first quarter of 2010: The debt conversion added NOK 13.1 million. Early exercise of warrants raised new equity and working capital amounting to NOK 18.1 million. In a private placement, conducted to satisfy the listing conditions at Oslo Axess, a further NOK 11.9 million new equity and liquidity was added. The first ordinary exercise period of warrants was in the third quarter, with NOK 1.3 million received in September-October. Equity at the end of 2010 amounted to NOK 9.6 million.

The substantial annual losses have eroded the company's equity.

There was no unrestricted equity at the end of 2010 or the preceding year. At 31 December 2010, 70 per cent of the share capital had been lost.

The company conducted a successful private placement of shares in April 2010. At the date of this report, the company has received subscriptions for 18.1 million shares at a price of NOK 1.80 per share, amounting to NOK 32.6 million.

Liquidity and capital resources: The net current assets and liabilities at the end of the year was NOK 8.7 million. The available liquidity was insufficient to meet the expected need for working capital and capital expenditures until the end of 2011.

The company raised NOK 32.6 million new equity and liquidity in the private placement conducted in April 2011, whereafter the company has sufficient liquidity and working capital.

Financial statements of the parent company

The subsidiaries have limited activities. IDEX Holding Inc. performs solely holding company functions for IDEX America Inc., and does not have any employees. IDEX America Inc. performed marketing and sales activities on behalf of the parent company, primarily in the USA, and had one employee until July 2010. There are few and insignificant differences between the consolidated financial statements and the parent company's financial statements. The comments and rationale above regarding the consolidated financial statements applies also to the parent company itself.

Events after 31 December 2010

On 10 April 2011, the board granted 2,557,500 subscription rights to employees under the subscription rights-based incentive programme resolved by the annual general meeting 2010. The exercise price of the subscription rights is NOK 1.96 per share.

The company conducted a private placement of 18,098,222 shares in April 2011 at a price of NOK 1.80 per share, amounting to NOK 32.6 million before expenses. For each two shares issued in the placement, the board will propose to the annual general meeting 2011 that the company issues one warrant with a term of one year and exercise price of NOK 2.10 per share. If the warrants are exercised, the company will raise another NOK 19.0 million.

Between 31 December 2010 and the date of the annual financial statements no events have occurred which may significantly impact the result for 2010 or the value of IDEX' assets and debt at the end of 2010.

Going concern

70 per cent of the share capital of the parent company had been lost by the end of 2010. The board acknowledges its duty to act

which follows from the loss of more than half the share capital. IDEX does not earn recurring revenue and there are limited funds and assets available for sale to cover future expenses. The going concern assumption has nevertheless been applied when preparing the financial statements of the group and the parent company.

The remaining outstanding warrants issued in connection with the rights issue in 2009 expires on 12 August 2011. If the warrants are exercised, NOK 11.8 million equity and liquidity will be added to the company. The board takes for its basis that the warrants will be exercised.

The company conducted a private placement of shares in April 2011 amounting to NOK 32.6 million before expenses. The payment is due on 15 April 2011. The additional equity provides that IDEX under current plans will have sufficient liquidity and working capital for more than 12 months after the date of this report. Consequently, the board considers it prudent to resolve the financial statements prepared under the going concern assumption.

Allocation of net profit (loss) for the year

The net loss for 2010 of the parent company IDEX ASA was NOK 27,928,197. The board proposes that the loss shall be carried forward as uncovered losses. IDEX ASA had no unrestricted equity at the end of 2010, and the board does not propose any dividend payments for 2010.

Financial risk

IDEX is exposed to certain financial risks related to exchange rates and interest level. These are, however, insignificant compared to the Company's financial position at the end of 2010 and the long term business risk.

The financial situation of the Company was vulnerable at the end of 2010. The equity of the group as well as that of the parent company were inadequate and IDEX needed additional working capital in the first half of 2011. IDEX obtained adequate funding in April 2011.

Business risk may be summarised in the following points: (i) IDEX has had minimal revenue to date. The company has reported accumulating accounting losses and expects losses also in 2011. (ii) IDEX' business plan assumes revenue from products which IDEX has not yet traded commercially. (iii) Revenue from the company's products depend among other things on market factors, which are not controlled by IDEX. (iv) Competing companies' products have entered the commercial stage. (v) IDEX' intended market is immature and undergoing rapid technological changes.

IDEX does not have financial debt or financial instruments.

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

Share capital and shareholders

The issued share capital of the company at the end of 2010 amounted to NOK 32,239,971.30, consisting of 214,933,142 ordinary shares, each share having a par value of NOK 0.15. At the end of 2010 there were a total of 840 registered shareholder accounts, compared to 641 one year earlier.

The closing share price on the last day of trading in 2010 was NOK 1.80, compared to NOK 0.96 at the last date of 2009 when adjusted for the share issues and the 3:1 consolidation of shares

in 2010. From the listing on 12 March 2010 and until the end of 2010, there were about 1,700 trades with a total turnover of NOK 29.0 million, compared to 172 reported trades and turnover amounting to NOK 3.3 million in 2009.

In connection with the listing at Oslo Axess, the lender converted the loan to shares, and warrant holders exercised warrants. The number of shares increased by 247.3 million. 10 March 2010 the shares were consolidated 3:1 in order to secure a trading price higher than NOK 1.00. The company conducted a private placement of 9.9 million consolidated shares on the same day. In the first planned exercise period, in the third quarter of the year, 4.4 million warrants were exercised. Counting consolidated shares, the number of shares increased from 118,077,713 at the beginning of the year to 214,933,142 at the end of 2010.

The board was authorised by the annual general meeting to issue up to 31,557,433 shares or 15 per cent of the share capital when the resolution was made. The authorisation is valid until the annual general meeting 2011. The authorisation had not been used by the end of 2010.

The board may grant up to 21,038,289 incentive subscription rights under the 2010 subscription rights based incentive programme, but limited in such a way that the total number of subscription rights outstanding may not exceed 10 per cent of the number of shares. The subscription rights may be granted to employees and individual contractors performing similar work in IDEX.

In 2010 the board granted 1,617,000 subscription rights under the 2010 programme. At the end of 2010, there were a total of 8,917,096 subscription rights outstanding under various programmes. Weighted average exercise price was NOK 1.31 per share.

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

The equity of the group and the parent company was inadequate at the end of 2009. This is not a sustainable position and additional equity was secured in April 2010.

Organisation; health, safety and environment

At the end of the year IDEX had ten employees (2009: nine), all employed in the parent company. Two worked part time. In addition, the company had four individual technical/scientific specialists on contract working on its premises. All employees are male. In addition to its employees IDEX makes use of contractors and service providers in functions like patenting, finance and administration.

The board and the management seek to create a working environment that is pleasant, stimulating, safe and to the benefit of all employees. The working environment complies with the existing rules and regulations. The company offers flexible working hours for all employees, and those who so wish have been equipped with a portable PC and a mobile phone, which enable them to work equally efficiently from other places than the company's facilities. The board has not found reason to implement special measures. No employee has suffered work-related injury resulting in sick leave. No accidents or incidents involving the assets of the company have occurred. The sick leave was less than 1 per cent in 2010 like in 2009.

The Company practices equal opportunities in all aspects. All facilities at IDEX are equally well equipped for females and males. Traditionally, fewer women than men have graduated in IDEX'

fields of work: solid state physics, software development and design of electronic components. Because of the highly specialized positions, the candidates available for recruiting have often solely been males. The management structure reflects the composition of the technical staff. The board has not taken any special measures.

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

Corporate governance

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

Statement on management remuneration

The annual general meeting in 2010 considered and resolved guiding and mandatory guidelines for management remuneration. The guidelines and the actual remuneration in 2010 have been included in a note to the financial statements.

The managing director of the parent company is also CEO for the group and has performed this duty as a part of his employment for no additional remuneration.

Outlook

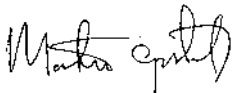
IDEX' vision is to ensure individuals a safe, secure and simple use of personal ID. IDEX has developed the award-winning SmartFinger Film technology. SmartFinger Film is the next-generation fingerprint sensor technology and suitable for a range of mass market applications. IDEX offers solutions that can significantly improve card ID and financial security by incorporating biometric ID with existing systems. In particular, system-on-card implementations, which avoid external exchange of fingerprint data, represent a strong selling point.

The SmartFinger Film sensor is thin and bendable and can be embedded in ID cards and smartcards of standard size and thickness. The first delivery of sensors to a customer is scheduled in the second quarter of 2011.

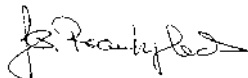
IDEX is now in a commercial phase and will ramp up to volume production of SmartFinger Film sensors to be able to take orders in commercial volumes. IDEX builds its go-to-market strategy on partnerships with its suppliers and customers. The overall goal of 2011 is to have the SmartFinger Film technology implemented in products on the market as well increasing the customer base.

Fornebu 14 April 2011

The board of directors of IDEX ASA



Morten Opstad
chairman



Jon Ola Frankplads
board member



Hanne Hovding
board member



Joan Frost Urstad
board member



Harald Voigt
board member



Ralph W. Bernstein
CEO

Statements of financial position

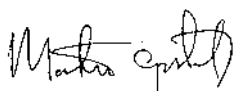
Amounts in NOK 1,000

31 December	Note	IDEX Group		IDEX ASA	
		2010	2009	2010	2009
Assets					
Long-term assets					
Fixed assets					
Fixed assets	5	632	409	632	405
Total fixed assets		632	409	632	405
Financial assets					
Shares in subsidiary	17	-	-	6	6
Other long-term receivables	16	319	313	319	313
Total financial assets		319	313	325	319
Total long-term assets		951	722	957	724
Current assets					
Receivables					
Accounts receivable		32	16	32	16
Receivables from group companies	14	-	-	53	448
Other receivables	13	1 572	3 189	1 572	3 189
Prepaid expenses		318	125	318	125
Total receivables		1 922	3 330	1 975	3 778
Cash and bank deposits					
Cash and bank deposits	3	12 649	5 286	12 648	5 203
Total cash and bank deposits		12 649	5 286	12 648	5 203
Total current assets		14 571	8 616	14 623	8 981
Total assets		15 522	9 338	15 580	9 705

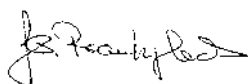
Amounts in NOK 1,000

31 December	Note	IDEX Group		IDEX ASA	
		2010	2009	2010	2009
Equity and liabilities					
Equity					
Paid-in capital					
Share capital	8	32 240	17 712	32 240	17 712
Share premium reserve		29 274	0	29 274	0
Other paid-in capital		3 000	0	3 000	0
Total paid-in capital		64 514	17 712	64 514	17 712
Other equity		(54 911)	(25 903)	(54 890)	(25 882)
Total equity		9 603	(8 191)	9 624	(8 170)
Liabilities					
Short-term liabilities					
Short-term loan	13, 14	0	11 954	0	11 954
Accounts payable		1 553	2 796	1 547	2 769
Accounts payable intercompany	14	-	-	46	373
Public duties payable		840	638	840	638
Other short-term liabilities	13	3 526	2 141	3 523	2 141
Total liabilities		5 919	17 529	5 956	17 875
Total equity and liabilities		15 522	9 338	15 580	9 705

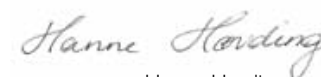
Fornebu 14 April 2011
The board of directors of IDEX ASA



Morten Opstad
 chairman



Jon Ola Frankplads
 board member



Hanne Høvdning
 board member



Joan Frost Urstad
 board member



Harald Voigt
 board member



Ralph W. Bernstein
 CEO

Statements of comprehensive income

Amounts in NOK 1,000

1 January-31 December

		IDEX Group		IDEX ASA	
	Note	2010	2009	2010	2009
Operating revenue					
Sales revenue		66	3	66	3
Other operating revenue		77	65	77	65
Total revenue		143	68	143	68
Operating expenses					
Payroll expenses	4	13 739	12 006	12 864	10 586
Research and development expenses	6	6 278	4 989	6 278	4 989
Other operating expenses	14	7 912	8 296	8 790	9 708
Profit (loss) before interest, tax, depreciation and amortisation (EBITDA)					
		(27 786)	(25 223)	(27 789)	(25 215)
Depreciation expenses	5	134	43	131	35
Profit (loss) before interest and tax (EBIT)					
		(27 920)	(25 266)	(27 920)	(25 250)
Financial income and expenses					
Interest income		221	116	221	116
Agio		69	114	69	114
Interest expenses	13	(271)	(2 420)	(271)	(2 420)
Disagio		(27)	(129)	(27)	(129)
Net financial items		(8)	(2 319)	(8)	(2 319)
Net result before tax (EBT)		(27 928)	(27 585)	(27 928)	(27 569)
Taxes	7	0	0	0	0
Net loss for the year		(27 928)	(27 585)	(27 928)	(27 569)
Profit (loss) per share basic and diluted	11	(0.14)	(0.20)		
Other comprehensive income					
		0	0	0	0
Total comprehensive income for the year, net of tax		(27 928)	(27 585)	(27 928)	(27 569)

Cash flow statements

Amounts in NOK 1,000

1 January-31 December	IDEX Group		IDEX ASA	
	2010	2009	2010	2009
Cash flows from operating activities				
Profit (loss) before interest and taxes	(27 920)	(25 266)	(27 920)	(25 250)
Share-based remuneration (equity part)	3 000	2 882	3 000	2 882
Depreciation	134	43	131	35
Interest paid	(174)	(1 287)	(174)	(1 287)
Change in receivables	1 408	(1 125)	1 803	1 816
Change in payables, accruals	344	668	35	(2 340)
Net other items	41	7	40	6
Net cash flow from operational activities	(23 167)	(24 078)	(23 085)	(24 138)
Cash flows from investing activities				
Investments	(357)	(420)	(357)	(420)
Changes in long-term receivables	(6)	507	(6)	484
Interest received	221	116	221	116
Net cash flow from investing activities	(142)	203	(142)	180
Cash flows from financing activities				
Share issues	30 672	25 137	30 672	25 137
Net cash flow from financing activities	30 672	25 137	30 672	25 137
Net change in cash and bank deposits	7 363	1 262	7 445	1 179
Cash and bank deposits at 1 January	5 286	4 024	5 203	4 024
Cash and bank deposits at 31 December	12 649	5 286	12 648	5 203

Statements of changes in equity IDEX Group

Amounts in NOK 1,000

	Share capital	Share premium fund	Other paid-in capital	Other equity	Total
Balance at 1 January 2010	17 712	0	0	(25 903)	(8 191)
Conversion of debt 17 February	3 282	9 848	-	(1 080)	12 050
Exercise of warrants 9 March	9 081	9 042	-	-	18 123
Private placement 10 March	1 482	9 834	-	-	11 316
Share issue 11 May (board remuneration)	17	-	-	-	17
Exercise of warrants 30 September	666	550	-	-	1 216
Share-based remuneration	-	-	3 000	-	3 000
Comprehensive income (loss) for the year	-	-	-	(27 928)	(27 928)
Balance at 31 December 2010	32 240	29 274	3 000	(54 911)	9 603
Balance at 1 January 2009	16 206	0	0	(25 983)	(9 777)
Share issue 20 February	4 632	5 350	-	-	9 982
Capital reduction 12 August	(18 754)	-	-	18 754	0
Share issue 8 September	15 628	(473)	-	-	15 155
Convertible loan 20 November	-	-	1 152	-	1 152
Share-based remuneration	-	-	2 882	-	2 882
Comprehensive income (loss) for the year	-	(4 877)	(4 034)	(18 674)	(27 585)
Balance at 31 December 2009	17 712	0	0	(25 903)	(8 191)

Statements of changes in equity IDEX ASA

Amounts in NOK 1,000

	Share capital	Share premium fund	Other paid-in capital	Other equity	Total
Balance at 1 January 2010	17 712	0	0	(25 882)	(8 170)
Conversion of debt 17 February	3 282	9 848	-	(1 080)	12 050
Exercise of warrants 9 March	9 081	9 042	-	-	18 123
Private placement 10 March	1 482	9 834	-	-	11 316
Share issue 11 May (board remuneration)	17	-	-	-	17
Exercise of warrants 30 September	666	550	-	-	1 216
Share-based remuneration	-	-	3 000	-	3 000
Comprehensive income (loss) for the year	-	-	-	(27 928)	(27 928)
Balance at 31 December 2010	32 240	29 274	3 000	(54 890)	9 624
Balance at 1 January 2009	16 206	0	0	(25 978)	(9 772)
Share issue 20 February	4 632	5 350	-	-	9 982
Capital reduction 12 August	(18 754)	-	-	18 754	0
Share issue 8 September	15 628	(473)	-	-	15 155
Convertible loan 20 November	-	-	1 152	-	1 152
Share-based remuneration	-	-	2 882	-	2 882
Comprehensive income (loss) for the year	-	(4 877)	(4 034)	(18 658)	(27 569)
Balance at 31 December 2009	17 712	0	0	(25 882)	(8 170)

Notes to the financial statements

1. Group information

IDEX ASA ("IDEX") is a Norwegian Public Limited Company with registered office in Bærum municipality. Trades in the company's shares were reported on the A-list of the Norwegian Stockbrokers Association's OTC system throughout 2009 and until IDEX was admitted to listing at the Oslo Axess marketplace of Oslo Børs on 12 March 2010.

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

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

The annual financial statements for 2010 were resolved by the board on 14 April 2011.

2. Accounting principles

Basis of preparation

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

Changes in accounting policies

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

IFRS is continuously developed and recently published standards, amendments and interpretations have been reviewed and considered. None of the new standards, amendments and interpretations that apply as of 1 January 2010 had any impact on the result or equity of IDEX in 2010, or the company does not have transactions or balance sheet items that shall be disclosed under the new or amended rules.

The company considers that new standards which have been resolved by the date of these financial statements and which standards will apply to the accounting year 2011, will not have any significant impact on the annual financial statements for 2011.

The company does not operate business segments, geographical

segments or have significant revenue and has therefore not presented segment reports. IDEX will apply IFRS 8 Operating segments in due course.

Significant accounting judgements and estimates

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

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

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

Financial risk, capital management

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

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

IDEX had in 2007 taken up a financial loan with principal amounting to NOK 12,505 thousand with payable fixed interest and the lender had the right to convert the receivable to shares.

The lender gave notice of conversion in January 2010 and the loan including interest was converted to NOK 13.1 million new equity on 17 February 2010.

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

IDEX does not hold any other financial instruments in the balance sheet or any such instruments outside the balance sheet. IDEX manages its liquidity passively, which means that funds are placed in floating-interest bank accounts. Investments in fixed assets are only made when mandatory for the needs of the company's core business. The company has been funded by equity in the past, but practical circumstances implied that the company took up a short-term financial loan in June 2007. The loan was repaid by conversion to equity in 2010. The company will prepare and implement comprehensive capital management and funding policies as and when needed.

The financial situation of the Company was vulnerable at the end of 2010. The equity of the group as well as that of the parent company were inadequate and IDEX needed additional working capital in the first half of 2011. IDEX obtained adequate funding in April 2011.

Summary of significant accounting policies

Consolidation

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

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

Revenue

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

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

Development and milestone payments: Revenue will be recognised at the time of performance, and when the risk of the delivered

items have passed to the buyer and can be reliably measured.

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

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

Currency

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

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

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

Research and development costs

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

Fixed assets

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

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

The assets are depreciated using the straight-line method over

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

Impairment of fixed assets

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

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

Provisions

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

Interest bearing debt

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

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

Accounts receivable

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

Cash and bank deposits

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

Taxes

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

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

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

Contingent liabilities and assets

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

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

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

Share-based remuneration

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

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

Leasing agreements

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

Earnings per share

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

Cash flow

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

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as a reduction in expense.

Segment reporting

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

3. Cash and bank deposits

Cash and bank deposits amounted to NOK 12,649 thousand at the end of 2010. Of this amount, NOK 501 thousand were employees' withheld payroll tax deposits and NOK 166 thousand were restricted deposits to cover credit lines on purchasing cards. Virtually all cash was held in NOK. At the end of 2010 cash and bank deposits amounted to NOK 5,286 thousand of which NOK 298 thousand were employees' withheld payroll tax deposits and NOK 164 thousand were restricted deposits to cover credit lines on purchasing cards. No amounts were held in foreign currency. Deposits for rent of facilities have not been included in bank deposits.

4. Payroll expenses and remuneration 1 January-31 December

Amounts in NOK 1 000	IDEX Group		IDEX ASA	
	2010	2009	2010	2009
Payroll expense				
Salaries, fees	8 757	7 527	7 986	6 271
Share-based remuneration (notional salary)	3 000	2 882	3 000	2 882
Share-based remuneration (accrual of employer's tax)	323	111	323	111
Pension contribution	134	85	134	85
Social security taxes	1 169	940	1 116	881
Other personnel expenses	356	461	305	356
Total	13 739	12 006	12 864	10 586
Average number of employees	9	8	8	7

The parent company provides a contribution based pension insurance scheme for all employees. The scheme satisfies the mandatory service pension ('OTP') in Norway. The contribution is 2 per cent of the employee's annual salary between 2G and 12G, where G is the basic amount in the Norwegian social security system, and amounted to NOK 75 thousand in 2010.

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

Actual remuneration for senior managers

2010

Amounts in NOK 1 000

	Salary	Bonus	Other benefits	Pension cost	Share based remuneration	Total remuneration
Ralph W. Bernstein, CEO	1 366	-	9	17	827	2 219
John R. Robinson, VP of sales and marketing	354	62	3	6	120	545
Erling Svela, CFO	1 395	-	6	25	24	1 450
Total remuneration	3 115	62	18	48	971	4 214

Salary, bonus and other benefits in 2010 are the amounts as declared for tax purposes, while pension cost and share based remuneration are expensed amounts in the year. All amounts exclude employer's tax. No subscription rights were exercised in 2010.

Mr. Robinson joined IDEX on 2 August 2010.

Mr. Svela worked flexible hours as required by IDEX in 2010, and the remuneration was based on the number of hours worked. Mutual minimum work and pay obligation was 40 per cent of full time.

2009

Amounts in NOK 1 000

	Salary	Bonus	Other benefits	Pension cost	Share based remuneration	Total remuneration
Ralph W. Bernstein, CEO	1 257	-	12	15	462	1 746
Erling Svela, CFO	877	-	-	-	6	883
Total remuneration	2 134	0	12	15	468	2 629

Salary, bonus and other benefits in 2009 are the amounts as declared for tax purposes, while pension cost and share based remuneration are expensed amounts in the year. All amounts exclude employer's tax. No subscription rights were exercised in 2009.

Mr. Svela worked flexible hours as required by IDEX in 2009, and the remuneration was based on the number of hours worked.

Guidelines for remuneration to senior managers

In order to attract and retain the competence the company needs, the remuneration of senior managers, and all other employees, shall be competitive and comprise a basic salary which may be supplemented by performance-based cash bonus and subscription rights. Any cash bonus schemes are limited by a fixed amount or a percentage of base salary. All parts of the remuneration – fixed as well as variable – shall reflect the responsibility and performance over time of the respective manager and employee. The basic salary is evaluated annually. The board determines the salary and other remuneration to the CEO. The CEO determines the salary and other remuneration of all other employees, within the framework set by the board.

There is no post-employment remuneration beyond notice periods of 3-6 months.

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

Share-based remuneration

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

Implementation and effect of the policies

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

The notional cost of subscription rights as share based remuneration is expensed but the equity effect is nil because the contra item is a notional equity injection of equal amount. In addition employer's tax is accrued on the net present value of the subscription right as an option on the balance sheet date. The value varies with the share price and may entail a net reversal of costs. In 2001 NOK 83 thousand was expensed and the accumulated accrual amounted to NOK 102 thousand for employer's tax on

the subscription rights to management.

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

For the shareholders a possible exercise will represent a dilution. At the end of 2010, the number of outstanding subscription rights to management amounted to 2,298,629, corresponding to 1.1 per cent of the share capital.

Board remuneration

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

The annual general meeting 2010 resolved an annual board remuneration amounting to NOK 100 thousand per board member for the period from the annual general meeting 2009 to the annual general meeting 2010. The chairman shall receive an additional NOK 30 thousand for the service as chairman. The board members had the option to receive part or all of the remuneration in the form of shares. The number of shares corresponded to a gross value of 133 per cent of the board remuneration, for which the board paid the par value and the shares were locked up for one year. Board members Joan Frost Urstad and Harald Voigt chose this option, in a manner where the cash part covered the withholding tax and the exercise price.

The company has accrued a corresponding amount for board remuneration in the period June-December 2010. The accrual amounted to NOK 403 thousand at the end of 2010. Such remuneration, if any, shall be resolved by the annual general meeting 2011.

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

5. Fixed assets 1 January-31 December

Amounts in NOK 1 000	IDEX Group		IDEX ASA	
	2010	2009	2010	2009
Cost at 1 January	497	1 822	474	1 794
Additions	357	420	357	420
Disposals at cost	(59)	(1 740)	(36)	(1 740)
Currency adjustment		(5)		
Cost at 31 December	795	497	795	474
Accumulated depreciation at 1 January	88	1 788	69	1 774
Accumulated depreciation of disposed items	(59)	(1 740)	(36)	(1 740)
Depreciation	134	43	131	35
Currency adjustment		(3)		
Accumulated depreciation at 31 December	163	88	163	69
Book value at 31 December	632	409	632	405
Depreciation period (straight line), years	3-5	3-5	3-5	3-5

Fixed assets at the end of 2010 were mainly upgrade of leased facilities, personal computers, office furniture.

6. Research and development expenses

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

External direct costs for research and development (R&D) including patenting costs have been expensed, and any grants and contributions have been credited. The gross expense amounted to NOK 7,418 thousand in 2010 compared to NOK 6,025 thousand in 2009. Since 2005, IDEX

has received R&D grants from the 'SkatteFunn' scheme, a governmental R&D grant scheme operated by the Research Council of Norway. For 2010, IDEX expects to receive NOK 1,140 NOK which has been set off against R&D expenses. For 2009 the grant amounted to NOK 1,036 thousand. Net R&D cost was NOK 6,278 thousand in 2010 versus NOK 4,989 thousand in 2009.

In addition, about NOK 3.3 million of the payroll expenses in 2010 were related to R&D (2009: NOK 2.1 million). Infrastructure costs are not included.

7. Income tax expense 1 January-31 December

Amounts in NOK 1 000	IDEX Group and IDEX ASA	
	2010	2009
Specification of the tax expense for the year		
Payable taxes on the result of the year	0	0
Change in deferred tax asset/liability	0	0
Tax expense on net result	0	0
Computation of taxes payable for the year		
Net result before taxes	(27 928)	(27 569)
Permanent differences	(1 824)	(1 222)
Changes in temporary differences	(62)	(140)
Basis for taxes payable	(29 814)	(28 931)
28% tax, representing total taxes payable on current year's result	0	0
Temporary differences at 31 December		
Fixed Assets	18	(44)
Temporary differences	18	(44)
Change in temporary differences		
Temporary differences	(62)	(140)
Specification of deferred taxes at 31 December		
Losses carried forward	(253 876)	(223 845)
Temporary differences	18	(44)
Basis for deferred taxes	(253 858)	(222 889)
Calculated deferred tax, 28%	71 080	62 689
Deferred tax asset in the balance sheet	0	0
Specification of payable taxes in the balance sheet at 31 December		
Taxes payable on this year's result	0	0
Total taxes payable	0	0

Amounts in NOK 1 000	IDEX Group		IDEX ASA	
	2010	2009	2010	2009
Specification of actual tax expense				
Result (loss) before tax	(27 928)	(27 585)	(27 928)	(27 569)
Theoretical tax expense (income)	(7 819)	(7 724)	(7 819)	(7 719)
Permanent differences	(510)	(342)	(510)	(342)
Deferred tax asset not recognised	8 329	8 066	8 329	8 061
Actual tax expense (income)	0	0	0	0

The deferred tax asset of NOK 71,080 thousand is virtually entirely related to tax losses carry forward. IDEX has not generated taxable profits in prior years. At 31 December 2010 there was not sufficiently convincing evidence that sufficient taxable profit will be generated, against which the unused tax losses could be applied. There are no restrictions as to how long tax losses may be carried forward.

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

There is one class of shares, and all shares have equal rights and are freely negotiable. There were 214,933,142 shares in the company on 31 December 2010, after several share issues and a 3:1 consolidation in 2010.

2010	Number of shares	Number of warrants
Balance at 1 January	354 233 139	312 558 652
Conversion of debt 17 February	65 651 250	
Exercise of warrants 9 March	181 631 781	(181 631 781)
Accumulated	601 516 170	130 926 871
Consolidation 3:1 10 March	200 505 390	43 642 230
Private placement 10 March	9 877 500	
Share issue (board remuneration) 11 May	113 800	
Exercise of warrants 30 September	4 436 452	(4 436 452)
Balance at 31 December	214 933 142	39 205 778

2009	Number of shares	Number of warrants
Balance at 1 January	32 411 588	0
Private placement 20 February	9 262 899	
Rights issue 8 September	312 558 652	312 558 652
Balance at 31 December	354 233 139	312 558 652

The share capital is fully paid in. The par value of the shares after the 3:1 consolidation on 10 March 2010 is NOK 0.15 (15 Norwegian øre) per share.

In the 3:1 consolidation of shares on 10 March 2010, a resulting fractional share per shareholder was rounded up and a corresponding total number of shares was taken from shareholder A. S. Holding A/S. A resulting fractional warrant per shareholder was rounded down.

At the end of 2010 there were 840 shareholder accounts compared to 641 at the end of 2009. Subscribers in the rights issue in September 2009 received one warrant for each new issued share. Following the exercise period in 2010, there remained 170 warrant holders holding total 39,205,778 warrants at the end of 2010. The warrants are exercisable at NOK 0.30 per share in the period 1 May-12 August 2011 whereafter the warrants expire. Because of the 3:1 consolidation of shares on 10 March 2010, the outstanding warrants were correspondingly consolidated.

Top 20 shareholders at 31 December 2010	Number of shares	Percent of shares
A. S. Holding A/S	73 076 622	34.0
Charles Street International Ltd	36 935 940	17.2
Euroclear Bank S.A./N.V. (Nominee)	17 252 681	8.0
Colargol Invest AS	10 021 700	4.7
Tortin Holdings Limited	5 577 238	2.6
Marc O'Polo Norge AS	4 413 268	2.1
Sundvall, Audar	3 694 258	1.7
Rønne, Lars Frithjof	3 027 322	1.4
Rønne, Sven Christian	2 522 750	1.2
Voigt, Harald	2 446 436	1.1
Wiermyhr, Kristian	1 922 012	0.9
Henriksen, Jens Andreas	1 792 854	0.8
Frankplads, Jon Ola	1 480 988	0.7
Big Top Holding AS	1 477 644	0.7
Stålhe Invest AS	1 377 000	0.6
A. Sundvall Invest AS	1 334 959	0.6
Sundvall, Rune	1 297 623	0.6
Saugestad, Kristin	1 266 140	0.6
JAAS AS	1 240 451	0.6
Bank of New York Mellon S/A Greig Middleton	1 149 921	0.5
Others	41 625 335	19.4
Total	214 933 142	100.0

Top 20 warrant holders at 31 December 2010	Number of warrants	Percent of warrants
Colargol Invest AS	8 521 418	21.7
Rønne, Lars Frithjof	2 641 564	6.7
Rønne, Sven Christian	2 238 203	5.7
Heap, John Andrew	2 182 468	5.6
Wiermyhr, Kristian	1 705 223	4.4
Henriksen, Jens Andreas	1 585 432	4.0
Frankplads, Jon Ola	1 333 332	3.4
Big Top Holding AS	1 310 976	3.4
Euro Hage og Anlegg AS	940 408	2.4
Saugestad, Kristin	812 806	2.1
Fredricsson, Bjørn-Olof	688 080	1.8
Nimeco AS	655 612	1.7
Charlie Brown AS	592 267	1.5
Frankplads, Jon Morten	578 414	1.5
K-konsult AS	552 418	1.4
Heap, David Anthony	541 862	1.4
Moell Prosjektutvikling AS	526 662	1.3
Taanevig, Kjell Michael	524 392	1.3
Margalit, Zvi	500 000	1.3
Harma Holding AS	476 719	1.2
Others	10 297 522	26.3
Total	39 205 778	100.0

Shares, warrants and subscription rights held or controlled by primary insiders and close relations at 31 December

	2010 (*)			2009		
	Shares (consolidated 3:1)	Warrants (consolidated 3:1)	Subscription rights (consolidated 3:1)	Shares	Warrants	Subscription rights
Morten Opstad chairman	5 444 728	915 118	0	10 109 927	8 969 608	0
Jon Ola Frankplads board member from 7 May 2010	1 480 988	1 333 332	0	-	-	-
Andrew Heap board member until 7 May 2010	-	-	-	7 179 789	6 547 406	0
Hanne Høvdig board member	152 664	103 333	29 657	357 358	310 000	9 375
Joan Frost Urstad board member	96 944	13 290	59 314	85 000	75 000	18 750
Harald Voigt board member	2 446 436	0	59 314	3 103 053	2 753 053	18 750
Ralph W. Bernstein CEO	177 319	157 319	2 231 963	531 957	471 957	5 295 895
John R. Robinson VP of sales and marketing from 2 August 2010	0	0	850 000	-	-	-
Erling Sveta CFO	0	0	66 666	0	0	200 000
Total	9 799 079	2 522 392	3 296 914	21 367 084	19 127 024	5 542 770

* Note: Because of the 3:1 consolidation of shares on 10 March 2010, the outstanding shares, warrants and subscription rights were correspondingly consolidated.

The board may grant up to 21,038,289 incentive subscription rights under the 2010 subscription rights based incentive programme, but limited in such a way that the total number of subscription rights outstanding may not exceed 10 per cent of the number of shares. The subscription rights may be granted to employees and individual contractors performing similar work in IDEX. The exercise price shall be equal to the average closing price of the IDEX share on ten trading days preceding the date of the grant. The subscription rights vest in four equal tranches every 12 months after the date of the grant and lapse on the fifth anniversary after the programme was resolved. Grants under programmes for prior years have the same vesting schedule and duration. The recipient must remain an employee or working contractor in IDEX at the time of vesting or exercise. There are no cash settlement alternatives.

	2010 (*)		2009	
	Number of subscription rights (consolidated 3:1)	Weighted average exercise price	Number of subscription rights	Weighted average exercise price
Incentive subscription rights				
Outstanding at 1 January	6 879 774	1.51	2 396 875	3.41
Granted	2 849 660	1.30	19 847 500	0.35
Exercised				
Forfeited	(715 091)	1.32	(1 590 000)	3.00
Expired	(97 247)	15.10	(15 000)	5.08
Outstanding 31 December	8 917 096	1.31	20 639 375	0.50
Number which were exercisable at 31 December	1 571 412	1.69	377 961	4.61
Weighted average fair value of subscription rights granted in the year	2 849 660	0.87	19 847 500	0.32

(*) Note: Because of the 3:1 consolidation of shares on 10 March 2010, the outstanding shares, warrants and subscription rights were correspondingly consolidated. This consolidation has been made on 1 January 2010 in this table.

The fair value for the subscription rights granted in 2010 has been calculated by use of the Black & Scholes option pricing model applying the following assumptions:

- Exercise price NOK 0.98-1.60 per share, weighted average NOK 1.30 per share
- Actual share price at date of grant average NOK 1.28 per share
- Duration up to 4.8 years
- Volatility of share price based on share price history 110 per cent
- Risk free interest rate of 2.1-2.9 per cent, average 2.5 per cent
- No payment of dividends
- Actual population of subscription rights holders, no attrition

Incentive subscription rights outstanding at 31 December 2010

	Grant date	Expiry date	Grantee capacity	Number of subscription rights (consolidated 3:1)	Exercise price NOK
Hanne Høvdig board member	18 June 2008	18 June 2013	Board remuneration	3 125	10.83
	11 May 2010	11 May 2015	Board remuneration	26 532	1.20
Joan Frost Urstad board member	18 June 2008	2013-06-18	Board remuneration	6 250	10.83
	11 May 2010	11 May 2015	Board remuneration	53 064	1.20
Harald Voigt board member	18 June 2008	18 June 2013	Board remuneration	6 250	10.83
	11 May 2010	11 May 2015	Board remuneration	53 064	1.20
Ralph W. Bernstein CEO	8 August 2007	10 May 2012	Employee	16 666	9.75-21.00
	26 August 2008	18 June 2013	Employee	42 342	8.85
	8 October 2009	8 May 2014	Employee/ansatt	339 622	0.90
	8 October 2009	8 May 2014	Employee/ansatt	1 333 333	1.20
	2 November 2010	11 May 2015	Employee	250 000	1.50
	2 November 2010	11 May 2015	Employee	250 000	1.02
John R. Robinson VP of sales and marketing	2 August 2010	11 May 2015	Employee	850 000	0.98
Erling Svela CFO	8 October 2009	8 May 2014	Employee	66 666	1.20
Other employees	2006-2007	11 May 2011		28 330	9.75-21.00
	26 August 2008	18 June 2013		48 648	8.85
	8 October 2009	8 May 2014		2 377 355	0.90
	8 October 2009	8 May 2014		1 798 849	1.20
	7 May 2010	8 May 2014		250 000	1.20
	16 December 2010	11 May 2015		1 117 000	1.60
Total				8 917 096	

9. Board authorisations to issue shares or acquire own shares

Only authorisations valid on 31 December 2010 have been included.

The authorisations were resolved at the annual general meeting 2010 and are valid until the annual general meeting 2011 but no longer than 30 June 2011. The combined issue under all three authorisations may not exceed 31,557,433 shares.

Purpose of the authorization	Authorised numbers of shares	Issued numbers of shares
Private placement of shares to raise additional capital	31 557 433	0
Issue of shares in a rights issue to raise additional capital	31 557 433	0
Issue of shares earned by employees in an option-based incentive programme: The number of options and subscription rights may not exceed 21 038 289	21 038 289	0

There were no authorisations to purchase own shares in effect at the end of 2010.

10. Events after 31 December 2010

On 10 April 2011, the board granted 2,557,500 subscription rights to employees under the subscription rights-based incentive programme resolved by the annual general meeting 2010. The exercise price of the subscription rights is NOK 1.96 per share.

The company conducted a private placement of 18,098,222 shares in April 2011 at a price of NOK 1.80 per share, amounting to NOK 32.6 million before expenses. For each two shares issued in the placement, the board has proposed to the annual general meeting 2011 that the company issues one warrant with a term of one year and exercise price of NOK 2.10 per share. If the warrants are exercised, the company will raise another NOK 19.0 million.

Between 31 December 2010 and the date of these annual financial statements no events have occurred which may significantly impact the result for 2010 or the value of the company's assets and debt at the end of 2010.

11. Earnings per share

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

	IDEX Group	
	2010	2009
Net profit (loss) for the year (NOK 1,000)	(27 928)	(27 585)
Number of ordinary shares in issue at 31 December	214 933 142	354 233 139
Weighted average basic number of ordinary shares	195 543 310	135 609 947
Weighted average diluted number of shares	238 824 595	213 408 979
Profit (loss) per share in the year, basic and diluted (NOK per share)	(0.14)	(0.20)

12. Audit fees

Audit fees for the statutory audit amounted to NOK 195 thousand in 2010 (2009: NOK 185 thousand) and for other assurance services NOK 115 thousand. Fees related to tax assistance amounted to NOK 42 thousand (2009: NOK 42 thousand) and other services, such as confirmations related to capital increases NOK 69 thousand (2009: NOK 20 thousand). Total fees amounted to NOK 421 thousand in 2010 (2009: NOK 247 thousand).

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

At the end of 2009, IDEX had convertible debt to shareholder A. S. Holding A/S. The principal amounted to NOK 12,505 thousand and accrued payable interest of NOK 625 thousand had been added to the loan. The lender gave notice of conversion in January 2010 and the loan including interest was converted to equity on 17 February 2010.

Because the lender could request conversion of the loan to shares at a fixed price per share, there was a notional equity element related to the loan. The equity element was the difference between the nominal value of the loan (amount received from lender) and the net present value of the repayment and interest payment. When the debt was converted early, a part of the equity element was reversed.

Amounts in NOK 1 000	IDEX Group and IDEX ASA	
Interest expense specification	2010	2009
Interest and compound interest due to lender accrued in the year	171	1 287
Expensed notional interest cost and financial cost	268	2 406

IDEX had no other significant financial obligations at the end of 2010 or 2009. Ongoing expenses are generally paid monthly and accounts payable were largely due in less than one month. In 2009, the company entered into a five-year leasehold agreement for facilities. The annual rent and cost sharing is prepaid quarterly and the lease obligation amounted to about NOK 500 thousand per year, with annual adjustment in line with price indices.

Other short-term liabilities, amounting to NOK 3,526 thousand, were mainly for accrued expenses, and were all due in 12 months or less. NOK 914 thousand were due in less than 3 months, NOK 1,981 thousand were due in 3-6 months and NOK 631 thousand in more than 6 months.

Other receivables, amounting to NOK 1,572 thousand, were all due in less than 12 months. NOK 446 thousand, related to VAT refund, were due in less than 3 months, and NOK 1,126 thousand, related to SkatteFunn contribution for 2010, were due in more than 6 months.

IDEX had no contingent assets or liabilities at the end of 2010 or 2009.

14. Related party transactions

The company's shareholders, board members and management are considered related parties. All transactions with related parties have been carried out on arm's length principle.

A financial loan from a shareholder was settled in 2010. See note 13.

The chairman is a partner and chairman of the board in Advokatfirma Ræder DA. The law firm provided services to the company amounting to NOK 1,973 thousand in 2010 (2009: NOK 1,686 thousand). The amount in 2010 includes, among other assignments, Ræder's work with preparing and conducting the share issue in March and work in connection with the listing at Oslo Axess. (2009: Share issues in February and September and the application for listing at Oslo Axess.) The amount includes accruals.

Andrew Heap who was board member until 7 May 2010 has charged NOK 16 thousand plus out-of-pocket expenses for sales support services beyond board duty in 2010 (2009: NOK 127 thousand). The services have been provided on request from IDEX. IDEX does not have any ongoing obligation to purchase services from Mr. Heap.

There were no overdue open items with related parties at the end of 2010 or 2009. See also note 4.

The subsidiaries in the USA are also close relations to the parent company IDEX ASA. See note 17. The parent company purchases sales and marketing services from the subsidiary IDEX America Inc. The services are purchased at actual full cost without profit. The purchases amounted to NOK 1,093 thousand in 2010 (2009: NOK 1,745 thousand). At the end of 2010 and 2009, only the amount for the fourth quarter of each preceding year was unsettled and was paid early in the following year.

15. Government grants

Amounts in NOK 1 000	Idex Group and IDEX ASA	
Grants during the year	2010	2009
SkatteFunn	1 140	1 036

To receive grant from SkatteFunn, the company has to be a research and development company. It is also required that the company reports progress and achievements to the Research Council of Norway. The grant for 2010 will be paid out in the second half of 2011. See also note 6.

16. Restricted assets

IDEX has placed an amount corresponding to 6 months' rent, allocations and VAT of its leasehold facilities on an escrow account. At the end of 2010, the escrow account amounted to NOK 319 thousand (2009: NOK 313 thousand).

At the end of 2010, NOK 164 thousand of bank deposits were restricted to cover credit lines on purchasing cards.

17. Subsidiaries

The following subsidiaries have been included in the consolidated financial statements. The companies were dormant at the end of 2010.

Subsidiaries at 31 December 2010	Ownership	Share of votes
IDEX Holding Company Inc., Delaware, USA	100%	100%
IDEX America Inc., Delaware, USA	100%	100%

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

Responsibility statement

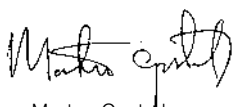
The board and the managing director have today reviewed and approved this report of the board of directors as well as the annual financial statements for the IDEX group and the parent company IDEX ASA as at 31 December 2010.

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

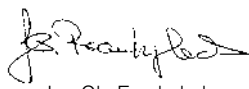
accordance with the Norwegian accounting act and generally accepted accounting practice in Norway.

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

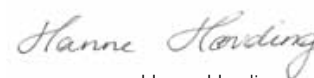
Fornebu 14 April 2011
The board of directors of IDEX ASA



Morten Opstad
 chairman



Jon Ola Frankplads
 board member



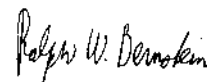
Hanne Høvdning
 board member



Joan Frost Urstad
 board member




Harald Voigt
 board member



Ralph W. Bernstein
 CEO

Auditor's report



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 Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of IDEX ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of IDEX ASA, comprising the financial statements for the Parent Company and the Group. The financial statements for the Parent Company and the Group comprise the statement of financial position as at 31 December 2010, the statements of comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

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

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements of IDEX ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Parent Company and

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the Group as of 31 December 2010 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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

Opinion on registration and documentation

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

Oslo, 26 April 2011
ERNST & YOUNG AS

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

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

Report from the board of directors 2009

Årsberetning 2009

IDEX ASA is a Norwegian public company specialized in research, development and commercialisation of technology related to fingerprint technology.

The company's customers and partners are international component and equipment manufacturers.

The company's main facility is at Fornebu in Bærum municipality, Norway and the company operates a sales and marketing company in California, USA. The company has more than 600 shareholders and the shares are freely negotiable. Trades in the company's shares were reported on the A-list of the Norwegian Stockbrokers Association, the NOTC list, on ticker code IDEX in 2009. On 12 March 2010, the shares were admitted to listing at Oslo Axess.

The general economic downturn in 2008 continued into 2009 and affected also the biometric sector, particularly related to PCs and mobile telephones. On the other hand, increasing theft, and fraud drives the demand for integrated security solutions from vertical market sectors such as financial sector, education, local government, and industrial facilities.

IDEX has experienced an increasing number of customer enquiries for SmartFinger® sensors for personal ID, access control, commerce and financial transactions. Our sales and marketing as well as development activities have been directed towards these application areas.

IDEX has made significant investments in research and development of biometry and related technology. The work in 2009 has concentrated on sensor technology and embedded software solutions suitable for on-device and on-card fingerprint verification systems.

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

Continuous innovation and technology development is therefore important to IDEX. It is expected that during the years to come IDEX will need to develop new products which performance is adapted to the market of various appliances. Particularly autonomous, stand-alone authentication systems such as biometric cards and tokens, offers potentially huge volumes. Also mobile telephones, PDAs, computers and data storage units represent large volumes.

IDEX ASA er et norsk allmennaksjeselskap som har spesialisert seg på forskning, utvikling og kommersialisering av løsninger knyttet til fingeravtrykkteknologi. Kunder og partnere er internasjonale komponent- og utstyrsprodusenter.

Selskapet har sete på Fornebu i Bærum og et salgs- og markedsføringselskap i California, USA. Selskapet har mer enn 600 aksjonærer og aksjene er fritt omsettelige. I 2009 ble aksjehandel rapportert på A-listen for noterte selskaper hos Norges Fondsmeglerforbund, benevnt OTC-listen, med ticker kode IDEX. 12. mars 2010 ble aksjen tatt opp til notering på Oslo Axess.

Den generelle økonomiske nedgangen i 2008 vedvarte i 2009 og påvirket også biometrisektoren, særlig knyttet til PC og mobiltelefoner. På den annen side medfører stadig økende tyveri og svindel at etterspørselen etter integrerte sikkerhetsløsninger i markedssegmenter som finans, utdanning, lokal forvaltning og industrisikring.

IDEX har mottatt økende antall kundebehovendelser om SmartFinger®-sensorer for bruk innen personlig ID, adgangskontroll, handel og finanstransaksjoner. Våre salgs- og markedsføringsaktiviteter så vel som utviklingsaktiviteter har vært rettet inn mot disse bruksområdene.

IDEX har foretatt betydelige investeringer i forskning og utvikling innen biometri og tilknyttet teknologi. Arbeidet i 2009 har vært konsentrert om sensorteknologi og såkalte 'embedded' programvareløsninger som passer for fingeravtrykksverifikasjonssystemer innebygd i enheter eller kort.

IDEX søker å oppnå inntekt fra selskapets immaterielle rettigheter gjennom lisensiering og salg av fingeravtrykksmoduler. Lisensmodellen er rettet mot volumprodusenter, og gir partnere mulighet til å utvikle og produsere fingeravtrykkteknologien på en ikke-eksklusiv basis. IDEX vil også søke å få sensoren produsert for å selge fingeravtrykksensorenheter direkte til utstyrsprodusenter innenfor utvalgte segmenter.

Det er derfor nødvendig for IDEX å drive kontinuerlig innovasjon og teknologiutvikling. Det forventes at selskapet i løpet av de neste årene vil måtte utvikle nye produkter for å kunne tilby fingeravtrykksmoduler som er tilpasset markedet for ulike apparater. Det er særlig autonome, stand-alone autentiseringssystemer som biometriske kort og brikker som representerer potensielt kolossale volumer. Det er også store volumer innen mobiltelefoner, PDAer, datamaskiner og datalagringsenheter.

Sales and marketing activities have addressed potential customers and partners, mainly within the semiconductor and EMS industry as well as OEMs. Important manufacturing, licensing and evaluation agreements were closed in 2009.

Important events in 2009

- IDEX announced an agreement with a major semiconductor company in January. The aim of the agreed program is to assess the manufacturability, cost and commercialisation of the SmartFinger[®] sensor with an overall goal to enter high volume markets, such as mobile telephones. The agreement was recently extended until second quarter of 2010.
- In April IDEX received the 2009 Frost & Sullivan Global Swipe Sensor Product Differentiation Innovation of the Year Award, representing recognition from leading industry analysts of IDEX' excellence in the invention of new products and technologies.
- IDEX and Validus Technologies Corporation announced in July a strategic commercial licensing agreement for use of IDEX's patented SmartFinger[®] technology in Validus' new generation biometric cards, VALIDcard™.
- In September IDEX and Ionics EMS Inc. announced a strategic IP licensing agreement providing Ionics rights to manufacturing and sales of fingerprint sensor products based on IDEX' patented SmartFinger[®] technology.
- IDEX entered into an inbound licensing agreement with IKENDI Software AG in the third quarter. IKENDI holds a leading position within embedded and PC BIOS solutions using fingerprint recognition.
- The software solution for stand-alone, embedded fingerprint authentication modules was completed in the third quarter.
- Prototypes of the next generation SmartFinger[®] sensors were manufactured in the third quarter. The first development modules for test and verification were completed in the fourth quarter. The technology, SmartFinger[®] Film, was presented in March 2010.
- The design of an updated version of IDEX' Application Specific Integrated Circuit (ASIC) was completed in the fourth quarter and manufacturing was initiated in early November.
- Two new patent applications were filed in the fourth quarter. The patents will strengthen IDEX' protection of its core technology.

Group annual financial statements

Revenue: Operating revenue in 2009 was insignificant and amounted to less than NOK 0.1 million. In 2008, the revenue amounted to NOK 2.3 million which were receipts following a settlement entered into in 2007. IDEX does not expect further receipts of such payments.

Payroll expenses: There have been nine employees in the year, of which two work part time. Payable payroll cost was practically unchanged at NOK 9.0 million. Notional cost of share-based compensation amounted to NOK 1.3 million in 2008 and increased to NOK 3.0 million in 2009. The increase was largely due to the cost in 2008 being reduced by reversal of accruals for departing employees.

Salgs- og markedsføringsaktivitetene har vært spesielt rettet mot potensielle kunder og samarbeidspartnere, hovedsakelig innen halvlederindustrien og kontraktsprodusenter (EMS-industrien) samt OEM-produsenter. Viktige produksjonsavtaler, lisensavtaler og utprøvningsavtaler ble inngått i løpet av året.

Viktige hendelser i 2009

- IDEX annonserte i januar en avtale med en ledende halvlederprodusent. Målet med avtalen er å fastslå produserbarhet, kostnader og forretningsmuligheter for SmartFinger[®]-sensoren med sikte på å gå inn i høyvolummarkeder, f. eks. mobiltelefoner. Avtalen ble nylig forlenget inn i andre kvartal 2010.
- I april mottok IDEX Frost & Sullivans pris for 2009 for Global Swipe Sensor Product Differentiation Innovation of the Year. Prisen markerte anerkjennelse fra ledende industrianalytikere for IDEX' fremragende oppfinnelser, teknologi og produkter.
- IDEX og Validus Technologies Corporation annonserte i juli en strategisk, kommersiell lisensavtale for bruk av IDEX' patenterte SmartFinger[®]-teknologi i Validus' nye generasjon biometrikort, VALIDcard™.
- I september annonserte IDEX og Ionics EMS Inc. en strategisk lisensavtale som gir Ionics rett til produksjon og salg av fingeravtrykk-sensorprodukter bygget på IDEX' patenterte SmartFinger[®]-teknologi.
- IDEX inngikk en avtale med IKENDI Software AG i tredje kvartal. IKENDI er ledende innen embedded-løsninger og PC BIOS-løsninger som bruker fingeravtrykksgjenkjenneelse.
- Softwareløsningen for frittstående moduler med embedded fingeravtrykksskontroll ble ferdigstilt i tredje kvartal.
- Prototyper av neste generasjon SmartFinger[®] sensorer ble produsert i tredje kvartal. De første utviklingsmodulene for utprøving og kontroll ble ferdigstilt i fjerde kvartal. Teknologien, SmartFinger[®] Film, ble lansert i mars 2010.
- Designet av en oppdatert versjon av IDEX' mikrobrikke (Application Specific Integrated Circuit, ASIC) ble ferdigstilt i fjerde kvartal og produksjonsforberedelsene ble påbegynt i november.
- To nye patentsøknader ble innlevert i fjerde kvartal. Patentene vil styrke IDEX' beskyttelse av selskapets kjerneteknologi.

Konsernregnskapet

Inntekter: Driftsinntekter i 2009 var uvesentlige og utgjorde mindre enn 0,1 millioner NOK. I 2008 var inntekten 2,3 millioner NOK, som var mottatt erstatning etter et forlik inngått i 2007. IDEX forventer ikke å motta ytterligere erstatning.

Lønnskostnader: Det har vært ni ansatte i hele 2009, derav to på deltid. Betalbare lønnskostnader var tilnærmet uendret på 9,0 millioner NOK. Kalkulatorisk kostnad for aksjesbasert avlønning utgjorde i 2008 1,3 millioner NOK og økte til 3,0 millioner NOK i 2009. Økningen skyldes i hovedsak at kostnadene i 2008 i stor grad ble motvirket av reverserte avsetninger for ansatte som sluttet.

Research and development expenses: Cost of research and development conducted by IDEX employees amounted to about NOK 2.1 million in 2009 versus NOK 2.0 million the year before. This cost is included in the payroll expenses line. Gross external research and development expenses increased to NOK 6.0 million versus NOK 5.1 million in 2008. Contributions from the 'SkatteFunn' R&D grant scheme managed by the Research Council of Norway amounted to NOK 1.0 million in 2009 versus NOK 0.8 million in 2008. These grants have been set off against research and developments expenses.

Other operating expenses: Other operating expenses increased from NOK 6.8 million in 2008 to NOK 8.3 million in 2009. Marketing activities were increased and in 2009 IDEX incurred expenses related to the application for listing at Oslo Axess amounting to NOK 1.0 million.

Depreciation amounted to merely NOK 43 thousand in 2009 and NOK 20 thousand in 2008. IDEX invested NOK 0.4 million in connection with relocation to other facilities in the fourth quarter 2009, but no significant investments or sales of assets were made in 2008 or 2009.

Net financial items: Net financial items amounted to a cost of NOK 2.3 million NOK in 2009, compared to a cost of NOK 1.9 million the year before. The increase is primarily caused by the full-year interest cost effect of the financial loan which was made convertible from July 2008, and less interest income.

Taxes: IDEX operated at a loss and did not incur deferred or payable income taxes in 2009 or 2008.

Net result in the year: Net loss for the year resulting from the above was NOK 27.6 million, which is a larger loss than in 2008 at NOK 21.1 million. The increase of the loss is partly due to the compensation received in 2008 and partly cost increases mentioned above. In order to be viable, IDEX needs to obtain revenue.

Total cash and bank deposits amounted to NOK 5.3 million at the end of 2009, compared to NOK 4.0 million at the preceding year-end. The operations have consumed cash in an amount of NOK 24.0 million in 2009 and NOK 21.7 million in 2008. New funds have been obtained by share issues amounting to NOK 25.1 million in 2009 and NOK 9.1 million in 2008.

Equity: The extraordinary general meeting on 12 August 2009 resolved to write down the share capital by NOK 18.8 million. The amount was applied towards uncovered loss. In 2009, IDEX raised new equity in a net total amount of NOK 25.1 million by a private placement of shares in the first quarter and a 7.5-for-1 rights issue in the third quarter. In 2008, NOK 9.1 million was raised in a private placement. Share-based remuneration in the form of subscription rights amounted to a notional injection of NOK 2.9 million in 2009 and NOK 1.3 million in 2008 which, however, is offset by a corresponding expense. Similarly, the convertible loan added notional equity of NOK 1.2 million in 2009 and NOK 1.7 million in 2008, which is largely offset by the notional interest cost.

The substantial annual losses have led to negative equity since 2007. There was no unrestricted equity at the end of 2009 or at the preceding year. The conversion of NOK 13.1 million debt to

Forsknings- og utviklingskostnader: Kostnad for forskning og utvikling utført av egne ansatte utgjorde om lag 2,1 millioner NOK i 2009 mot 2,0 millioner NOK året før. Disse beløpene inngår i lønnskostnadene for de respektive år. Brutto eksterne forsknings- og utviklingskostnader økte til 6,0 millioner NOK mot 5,1 millioner NOK i 2008. Bidrag fra SkatteFunn-ordningen som administreres av Norges Forskningsråd, utgjorde 1,0 millioner NOK i 2009 mot 0,8 millioner NOK i 2008. Bidragene er motregnet i forsknings- og utviklingskostnadene.

Andre driftskostnader: Andre driftskostnader økte fra 6,8 millioner NOK i 2008 til 8,3 millioner NOK i 2009. Markedsaktivitetene økte, og i 2009 påløp utgifter i forbindelse med søknaden om opptak på Oslo Axess på 1,0 millioner NOK.

Avskrivninger utgjorde bare 43 tusen NOK i 2009 mot 20 tusen NOK i 2008. IDEX investerte 0,4 millioner i forbindelse med flytting til andre lokaler i fjerde kvartal 2009, men har ikke gjennomført vesentlige investeringer eller salg av eiendeler hverken i 2008 eller 2009.

Netto finansposter: Netto finansposter utgjorde i 2009 en kostnad på 2,3 millioner NOK, mot en kostnad på 1,9 millioner NOK foregående år. Økningen skyldes i hovedsak helårsvirkningen av kalkulatorisk rentekostnad på det finansielle lånet som ble gjort konvertibelt fra juli 2008, og mindre renteinntekt på bankinnskudd.

Skatt: IDEX hadde underskudd og hadde ikke skattekostnad i 2009 eller 2008. Det påløp heller ikke betalbar skatt.

Årsresultat: Årets resultat som følge av ovenstående var et underskudd på 27,6 millioner NOK, som er større enn underskuddet i 2008 på 21,1 millioner NOK. Økningen i underskudd skyldes dels kompensasjonen som ble mottatt i 2008 og dels kostnadsøkninger kommentert ovenfor. Over tid må selskapet oppnå inntekt for å bli levedyktig.

Samlede kontanter og bankinnskudd utgjorde 5,3 millioner NOK ved utgangen av 2009 sammenlignet med 4,0 millioner NOK ved utgangen av foregående år. Driften har belastet kontantbeholdningen med 24,0 millioner NOK i 2009 og 21,7 millioner NOK i 2008. Ny kapital har blitt innhentet gjennom emisjoner på 25,1 millioner NOK i 2009 og 9,1 millioner NOK i 2008.

Egenkapital: Ekstraordinær generalforsamling 12. august 2009 vedtok å sette ned aksjekapitalen med 18,8 millioner NOK til delvis dekning av udekket underskudd. IDEX innhentet netto ny egenkapital på til sammen 25,1 millioner NOK ved en privat plassering i første kvartal og en 7,5-for-1 fortrinnsrettsemisjon i tredje kvartal 2009. I 2008 innhentet selskapet 9,1 millioner NOK i en privat plassering. Aksjebasert avlønning i form av tegningsretter utgjorde et kalkulatorisk innskudd på 2,9 millioner NOK i 2009 og 1,3 millioner NOK i 2008, som imidlertid motvirkes av en tilsvarende utgiftsføring. Tilsvarende har det konvertible lånet medført et regnskapsmessig egenkapitaltilskudd på 1,2 millioner NOK i 2009 og 1,7 millioner NOK i 2008, som i stor grad motvirkes av kostnadsført kalkulatorisk rente.

De betydelige underskuddene har ført til at egenkapitalen har vært negativ siden 2007. Det var ikke fri egenkapital ved utgangen av 2009 eller foregående år. Egenkapitalsituasjonen ble

equity on 17 February 2010 replenished the equity and additional equity amounting to NOK 30.0 million was obtained by the early exercise of warrants and private placement of shares in primo March 2010.

Liquidity and capital resources: The available funds at the beginning of the year were NOK 4.0 million and NOK 5.3 million at the end of the year. The available funds were insufficient to meet the expected need for working capital and capital expenditures until the end of 2010. The company obtained NOK 30.0 million liquidity by the early exercise of warrants and the private placement of shares primo March 2010, whereafter the company has sufficient liquidity and working capital.

Financial statements of the parent company: The subsidiaries have limited activities. IDEX Holding Inc. does not have any employees and performs solely holding company functions for IDEX America Inc. IDEX America Inc. has one employee and performs marketing and sales activities on behalf of the parent company, primarily in the USA. There are few and insignificant costs beyond the personell costs. There are only small differences between the consolidated financial statements and the parent company's financial statements, and the comments and rationale above regarding the consolidated financial statements applies also to the parent company.

Events after 31 December 2009

The board of Oslo Børs resolved on 28 January 2010 to admit the IDEX shares to listing on Oslo Axess latest on 12 March 2010 on certain conditions. The conditions were fulfilled and the first day of listing was 12 March 2010.

To raise equity and working capital and fulfill the conditions set by Oslo Børs, the extraordinary general meeting on 17 February 2010 resolved to (i) authorise the board to allow early exercise of warrants in an amount of NOK 15-30 million, (ii) approve the lender's request for conversion of debt in an amount on NOK 13 million to shares, and (iii) conduct a 3-to-1 share consolidation effective no later than 12 March 2010.

The conversion of NOK 13.1 million debt to equity on 17 February 2010 replenished the equity and additional equity and working capital amounting to NOK 30.0 million was added by the early exercise of warrants and private placement of shares in primo March 2010.

Between 31 December 2009 and the date of the annual financial statements no events have occurred which may significantly impact the result for 2009 or the value of IDEX' assets and debt at the end of 2009.

Going concern

The share capital of the parent company has been lost and the group had negative equity at the end of 2009. The board acknowledges its duty to act which follows from the loss of equity. IDEX does not earn recurring revenue and there are limited funds and assets available for sale to cover future expenses. The going concern assumption has nevertheless been applied when preparing the financial statements of the group and the parent company.

The conversion of NOK 13.1 million debt to equity on 17 Febru-

gjenopprettet ved konvertering av 13,1 millioner NOK gjeld til egenkapital 17. februar 2010. Videre ble ytterligere 30,0 millioner NOK egenkapital tilført gjennom tidlig utøvelse av warrants og privat plasing av aksjer primo mars 2010.

Likviditet og tilgjengelig kapital: Tilgjengelige midler ved inngangen til året var 4,0 millioner NOK og ved utgangen av året 5,3 millioner NOK. Dette var ikke tilstrekkelig til å dekke behovet for arbeidskapital og investeringer fram til utgangen av 2010. Selskapet ble tilført likviditet på 30,0 millioner NOK gjennom tidlig utøvelse av warrants og privat plasing av aksjer primo mars 2010. Etter dette har selskapet tilstrekkelig likviditet og arbeidskapital.

Morselskapets regnskap: Datterselskapene har liten aktivitet. IDEX Holding Inc. har ingen ansatte og ivaretar kun holdingselskapsfunksjoner for IDEX America Inc. IDEX America Inc. har én ansatt og utfører markedsførings- og salgsaktiviteter på vegne av morselskapet, primært i USA. Det er få og ubetydelige kostnader utenom personalkostnadene. Morselskapets regnskap avviker derfor lite fra konsernregnskapet og ovenstående kommentarer og resonnementer knyttet til konsernregnskapet dekkende også for morselskapet.

Hendelser etter 31. desember 2009

Styret i Oslo Børs vedtok 28. januar 2010 å ta IDEX-aksjen opp til notering på visse betingelser og med første noteringsdato senest 12. mars 2010. Betingelsene var oppfylle og første noteringsdag var 12. mars 2010.

For å tilføre egenkapital og arbeidskapital samt oppfylt betingelsene som Oslo Børs hadde satt, vedtok ekstraordinær generalforsamling 17. februar 2010 å (i) gi styret fullmakt til å tillate tidlig utøvelse av warrants for 15-30 millioner NOK, (ii) godkjenne långiverens krav om konvertering av gjeld på 13 millioner NOK til aksjer og (iii) gjennomføre en 3-til-1 aksjespleis med virkning senest 12. mars 2010.

Egenkapitalen ble gjenopprettet ved konvertering av 13,1 millioner NOK gjeld til egenkapital 17. februar 2010. Videre ble ytterligere 30,0 millioner NOK egenkapital tilført gjennom tidlig utøvelse av warrants og privat plasing av aksjer primo mars 2010.

Mellom 31. desember 2009 og avleggelsen av årsregnskapet har det ikke inntruffet hendelser som har vesentlig betydning for resultatet for 2009 eller verdien av IDEX' eiendeler og gjeld ved utgangen av 2009.

Forutsetningen om fortsatt drift

Aksjekapitalen i morselskapet er tapt og egenkapitalen i konsernet var negativ ved utgangen av 2009. Styret er kjent med handlingsplikten som følger av at aksjekapitalen er tapt. IDEX har ikke løpende inntekter, og det er begrenset kapital og salgbare eiendeler til å dekke de framtidige utgiftene. Både konsernregnskapet og morselskapets regnskap er likevel avlagt under forutsetning om fortsatt drift.

Egenkapitalen ble gjenopprettet ved konvertering av 13,1 millioner NOK gjeld til egenkapital 17. februar 2010. Videre ble ytterligere 30,0 millioner NOK egenkapital tilført gjennom tidlig utøvelse av warrants og privat plasing av aksjer primo mars 2010.

ary 2010 replenished the equity and additional equity and working capital amounting to NOK 30.0 million was added by the early exercise of warrants and private placement of shares in primo March 2010.

These measures provides that IDEX under current plans will have sufficient liquidity and working capital into 2011. Consequently, the board consider it prudent to resolve the financial statements prepared under the going concern assumption.

Allocation of net profit (loss) for the year

The net loss for 2009 of the parent company IDEX ASA was NOK 27,569,210. The board proposes that the loss will be covered by allocation from the share premium fund amounting to NOK 4,877,374, an allocation from other paid-in capital amounting to NOK 4,034,021 and that the balance, NOK 18,657,815 shall be carried forward as uncovered losses. IDEX ASA had no unrestricted equity at the end of 2009, and the board does not propose any dividend payments for 2009.

Financial risk

IDEX is exposed to certain financial risks related to exchange rates and interest level. These are, however, insignificant compared to the Company's financial position at the end of 2009 and the long term business risk.

The financial situation of the Company was vulnerable at the end of 2009. The equity of the group as well as that of the parent company were negative and IDEX needed additional working capital by the end of the first quarter of 2010. IDEX obtained adequate funding in March 2010.

Business risk may be summarised in the following points: (i) IDEX has had minimal revenue to date. The company has reported accumulating financial losses and expects losses also in 2010. (ii) IDEX' business plan assumes revenue from products which IDEX has not yet traded commercially. (iii) Revenue from the company's products depend among other things on market factors, which are not controlled by IDEX. (iv) Competing companies' products have entered the commercial stage. (v) IDEX' intended market is immature and undergoing rapid technological changes.

IDEX obtained a financial loan in 2007 which amounted to NOK 13.1 million including accrued payable interest at the end of 2009. At the end of the year, the earliest date for cash repayment was 1 April 2011 and lender had the right to convert the receivable to shares at any time. The debt was settled by conversion to shares on 17 February 2010.

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

Share capital and shareholders

The issued share capital of the company at the end of 2009 amounted to NOK 17,711,656.95, consisting of 354,233,139 ordinary shares, each share having a par value of NOK 0.05. At the end of 2009 there were a total of 641 registered shareholder accounts, compared to 618 one year earlier.

The closing share price on the last day of trading in 2009 was NOK 0.50, while the closing share price was NOK 0.16 at the end

Disse tiltakene medfører at IDEX med nåværende plan vil ha tilstrekkelig likviditet og arbeidskapital inn i 2011. Følgelig har styret funnet det forsvarlig å avlegge regnskapet under forutsetning om fortsatt drift.

Disponering av årsresultat

Årsresultatet for 2009 for morselskapet IDEX ASA var et tap på 27 569 210 NOK. Styret foreslår at underskuddet dekkes ved overføring fra overkursfond med 4 877 374 NOK, overføring fra annen innskutt egenkapital på 4 034 021 NOK og at resten, 18 657 815 NOK, framføres som udekket underskudd. IDEX ASA hadde ikke fri egenkapital ved årets utgang, og styret foreslår ikke utbytte for 2009.

Finansiell risiko

IDEX er utsatt for visse finansielle risiki knyttet til valutakurs og rentenivå. Disse er imidlertid uvesentlige i forhold til selskapets finansielle situasjon ved årsskiftet og på lenger sikt den forretningsmessige risiko.

Selskapets finansielle situasjon var utsatt ved utgangen av 2009. Egenkapitalen i morselskapet og konsernet var negativ, og IDEX ville behøve ytterligere arbeidskapital innen utgangen av første kvartal 2010. Selskapet innhentet tilstrekkelig finansiering i mars 2010.

Forretningsmessig risiko kan oppsummeres i følgende punkter: (i) Selskapet har til nå hatt liten inntekt. IDEX har til nå hatt regnskapsmessig underskudd, og man forventer også underskudd i 2010. (ii) IDEX' forretningsplan baseres på inntekter fra produkter som IDEX ikke ennå omsetter kommersielt. (iii) Inntekter fra selskapets produkter avhenger blant annet av markedsfaktorer som IDEX ikke har bestemmende innflytelse på. (iv) Det finnes konkurrerende selskaper med produkter i kommersiell fase. (v) IDEX vil betjene et et marked som ikke er modent og hvor det er stor teknologisk usikkerhet og dynamikk.

IDEX tok opp et finansielt lån i 2007 som med påløpte betalbare renter utgjorde 13,1 millioner NOK ved utgangen av 2009. Ved årsskiftet var tidligste tidspunkt for kontant tilbakebetaling 1. april 2011 og långiver hadde løpende rett til å konvertere sin fordring til aksjer. Gjelden ble innfridd gjennom konvertering til aksjer 17. februar 2010.

IDEX har ikke nevneverdige kundefordringer eller andre fordringer med kredittrisiko.

Aksjekapital og aksjonærer

Selskapets aksjekapital utgjorde ved utgangen av 2009 17 711 656,95 NOK fordelt på 354 233 139 ordinære aksjer med en pålydende verdi på 0,05 NOK per aksje. Det var 641 registrerte aksjonærer i selskapet ved utgangen av 2009, sammenlignet med 618 ett år tidligere.

Sluttkursen på aksjen var 0,50 NOK på siste handelsdag i 2009 mens kursen var 0,16 NOK ett år tidligere. Sluttkursen fra 2008 er justert for plasseringen i første kvartal og fortrinnsrettsemisjonen i tredje kvartal 2009. Det var 172 rapporterte aksjehandler i 2009, og omsetningen utgjorde 3,3 millioner NOK, mot 142 handler som utgjorde 3,7 millioner NOK i 2008.

of 2008. The 2008 closing price has been adjusted for the private placement in the first quarter and the rights issue in the third quarter of 2009. There were 172 reported trades in the share in 2009, and the turnover amounted to NOK 3.3 million, compared to 142 trades amounting to NOK 3.7 million in 2007.

In the first quarter the company completed a private placement to investors. 9,262,899 shares were placed at NOK 1.10 per share and raised net NOK 10.0 million.

The extraordinary general meeting on 12 August 2009 resolved to write down the share capital from NOK 0.50 to NOK 0.05 per share. The write-down amounted to NOK 18.8 million which was applied towards uncovered loss.

A 7.5-for-1 rights issue resolved by the same extraordinary general meeting was completed in the third quarter. The issue was nearly 30 per cent over-subscribed. 312,627,652 shares were issued at a price of NOK 0.05 per share and raised net NOK 15.2 million. For each allotted share, the shareholders received also one warrant which gives the holder the right to request issue of one share against payment of NOK 0.10 per share in the periods 12 August-30 September 2010 or 1 May-12 August 2011, whereafter the warrants expire. The warrants are tradeable but not listed.

The board was authorised by the extraordinary general meeting to issue up to 70,846,628 shares or 20 per cent of the share capital when the resolution was made. The authorisation is valid until the annual general meeting 2010. The authorisation had not been used by the end of 2009.

The board may grant up to 35,423,313 subscription rights under the 2009 subscription rights based incentive programme, but limited in such a way that the total number of subscription rights outstanding may not exceed 10 per cent of the number of shares. The subscription rights may be granted to employees and elected officers as well as individual consultants on long-term contracts performing similar work in IDEX. The exercise price shall be equal to the average closing price of the IDEX share on ten trading days before the date of the grant. In 2009 the board granted 19,847,500 subscription rights under the 2009 programme. At the end of 2009, there were a total of 20,639,375 subscription rights outstanding under various programmes. Weighted average exercise price was NOK 0.50 per share.

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

The equity of the group and the parent company was negative at the end of 2009. This is not a sustainable position and additional equity was secured in the first quarter of 2010.

Organisation; health, safety and environment

At the end of the year IDEX had nine employees, of which eight in the parent company whereof two worked part time. In addition, the company had four individual technical/scientific specialists on contract working on its premises. The number of employees has been stable in 2009. All employees are male. In addition to its employees IDEX makes use of contractors and service providers in functions like patenting, finance and administration.

The board and the management seek to create a working environ-

I første kvartal gjennomførte selskapet en privat plassering til investorer. 9 262 899 aksjer ble plassert til kurs 1,10 NOK per aksje og tilførte netto 10,0 millioner NOK.

Ekstraordinær generalforsamling 12. august 2009 vedtok å sette ned aksjekapitalen fra 0,50 NOK til 0,05 NOK per aksje. Nedskrivningen utgjorde 18,8 millioner NOK som ble anvendt til delvis dekning av udekket underskudd fra tidligere år.

En 7,5-for-1 fortrinnsrettsemissjon vedtatt av den samme ekstraordinære generalforsamlingen ble gjennomført i tredje kvartal. Emisjonen ble nær 30 prosent overtegnet. 312 627 652 aksjer ble utstedt til kurs 0,05 NOK per aksje og tilførte netto 15,2 millioner NOK. For hver tildelt aksje mottok aksjonæren også en warrant som gir rett til å få utstedt en aksje til mot å betale 0,10 NOK per aksje i periodene 12. august-30. september 2010 eller 1. mai-12. august 2011, hvorefter warranten utløper. Warrantene er omsettelige men ikke notert.

Styret fikk fullmakt av den ekstraordinære generalforsamlingen til å utstede opptil 70 846 628 aksjer, som tilsvarte 20 prosent av aksjekapitalen da fullmakten ble gitt. Fullmakten er gyldig fram til generalforsamlingen 2010. Fullmakten var ikke benyttet ved utgangen av 2009.

Under 2009 tegningsrettsbasert incentivprogram kan styret tildele opptil 35 423 313 tegningsretter, men begrenset oppad slik at samlet antall utestående tegningsretter ikke kan utgjøre mer enn 10 prosent av antall aksjer. Tegningsrettene kan tildeles ansatte og tillitsvalgte, samt individuelle konsulenter med langtidskontrakt, som utfører tilsvarende arbeid i IDEX. Utøvelseskursen skal være lik gjennomsnittlig sluttkurs på IDEX-aksjen de ti siste handledager før tildelingsdagen. I 2009 tildelte styret 19 847 500 tegningsretter under 2009-programmet. Ved utgangen av 2009 var det til sammen utestående 20 639 375 tegningsretter under ulike programmer, med vektet utøvelseskurs 0,50 NOK.

Det foreligger ikke fullmakter til styret om at selskapet kan kjøpe egne aksjer.

Egenkapitalen i konsernet og morselskapet var negativ ved utgangen av 2009. Dette var ikke tilfredsstillende og ny egenkapital ble innhentet i første kvartal 2010.

Organisasjon samt helse, miljø og sikkerhet

Ved utgangen av året hadde IDEX ni egne ansatte; av disse åtte i morselskapet hvorav to arbeidet deltids. Dessuten hadde selskapet i sine lokaler fire teknisk-vitenskapelige spesialister under kontrakt. Antall ansatte har vært stabilt i 2009. Alle ansatte er menn. I tillegg til egne ansatte bruker selskapet innleide eller kjøper tjenester innen bl.a. patentering, økonomi og administrasjon.

Styret og ledelsen søker å skape et arbeidsmiljø som er behagelig, stimulerende, trygt og til gagn for alle ansatte. Arbeidsmiljøet oppfyller gjeldende lover og bestemmelser. Selskapet tilbyr fleksibel arbeidstid til alle ansatte, og de ansatte som ønsker det er utstyrt med bærbar PC og mobiltelefon, hvilket gjør det mulig for dem å arbeide like effektivt fra andre steder som i selskapets lokaler. Styret har ikke funnet grunn til å iverksette særskilte tiltak. Ingen av selskapets ansatte har vært utsatt for arbeidsrelatert personskade som har ført til fravær. Det har ikke inntruffet skader på eller

ment which is pleasant, stimulating, safe and to the benefit of all employees. The working environment complies with the existing rules and regulations. The company offers flexible working hours for all employees, and those who so wish have been equipped with a portable PC and a mobile phone, which enable them to work equally efficiently from other places than the company's facilities. The board has not found reason to implement special measures. No employee has suffered work-related injury resulting in sick leave. No accidents or incidents involving the assets of the company have occurred. The sick leave was less than 1 per cent in 2009 like in 2008.

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

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

Corporate governance

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

Statement on management remuneration

The annual general meeting in 2009 considered and resolved guiding and mandatory guidelines for management remuneration. The guidelines and the actual remuneration in 2009 have been included in a note to the financial statements.

The managing director of the parent company is also CEO for the group and has performed this duty as a part of his employment for no additional remuneration.

Outlook

IDEX fingerprint sensors based on the SmartFinger® technology offers log in, authentication and navigation as well as pointing and tapping features by the swipe of the finger, including double-tap functionality. The SmartFinger® sensors are a single-line swipe fingerprint sensor. The patented image capture principle offers user-friendly operation by high flexibility in finger swipe speed and angle/skew, combined with high biometric performance. The design enables simple integration into a wide range of products and applications.

IDEX continues to pursue a licensing business model as it is expected that high volume manufacturers will become major suppliers of fingerprint sensorsto mass markets. The large OEMs will prefer to make use of their partnerships with current component suppliers. The major risk factor for IDEX is that the decision and startup processes with the larger manufacturers are time-consuming.

IDEX developed in 2009 the next generation fingerprint sensor

uhell med selskapets eiendeler. Sykefraværet var under 1 prosent i 2009 som i 2008.

Selskapet praktiserer likestilling på alle områder. Alle fasiliteter ved IDEX er like godt tilrettelagt for kvinner som for menn. Tradisjonelt har færre kvinner enn menn tatt høyere utdanning innenfor de fagfeltene som er relevante for IDEX' virksomhet, nemlig materialfysikk, software-utvikling og elektronikkdesign. På grunn av svært spesialiserte stillinger har de tilgjengelige kandidatene for ansettelsene ofte utelukkende vært menn. Ledelsesstrukturen gjenspeiler sammensetningen av den tekniske staben. Styret har ikke iverksatt særskilte tiltak.

Selskapets aktiviteter forurenser ikke det ytre miljø. Det brukes ingen farlige materialer i selskapets enheter.

Foretaksstyring

Styret er av den oppfatning at den økende interessen for god foretaksstyring er til gagn for både selskaper og investorer. IDEX søker å etterleve den gjeldende norske anbefaling for eierstyring og selskapsledelse, men tilpasset selskapets størrelse og utviklingstrinn. Styrets redegjørelse for foretaksstyringen er inntatt i årsrapporten.

Erklæring om lederlønninger

Generalforsamlingen 2009 behandlet veiledende og bindende retningslinjer for lederlønn. Retningslinjene og den faktiske godtgjørelsen til ledelsen i 2009 er inntatt i note til regnskapet.

Administrerende direktør i morselskapet er også konsernsjef og har utført denne oppgaven som en del av sitt ansettelsesforhold uten ytterligere godtgjørelse.

Utsikter

IDEX fingeravtrykksensorer bygget på SmartFinger®-teknologien har funksjoner for inlogging, identifisering og navigasjon samt pek-og-klikk gjennom fingerbevegelser, inkludert dobbeltklikk. SmartFinger®-sensoren er en en-linjes sensor som brukeren trekker fingeren over. Bildefangstprinsippet er patentert og er svært brukervennlig ved at det håndterer ulik bevegelseshastighet og vinkel/skjevhet, samtidig som biometri-egenskapene er fremragende. Designet medfører enkel innbygging i apparater for et bredt spekter av produkter og bruksområder.

IDEX opprettholder sin forretningsmodell med lisensiering fordi det forventes at høyvolumproduzentene vil være hovedleverandører av fingeravtrykksensorer til massemarkedene. De store OEM-produzentene vil foretrekke å bygge videre på forholdet til sine etablerte komponentleverandører. Den viktigste risikofaktoren for IDEX er at beslutnings- og oppstartprosessene hos store produsenter er tidkrevende.

I 2009 utviklet IDEX neste generasjon fingeravtrykksensorteknologi basert på lavkostnads-materialteknologi. De nye sensorene gjør det mulig å legge fingeravtrykksensorer inn i ID-kort og smartkort med standard størrelse og tykkelse. SmartFinger® Film ble presentert i første kvartal 2010.

For å komme på markedet, fortsetter IDEX med industrialiseringen med sikte på å bli komponentleverandør direkte til OEM-produserter i mellomstørrelsen. IDEX ser framveksten av et betydelig og attraktivt

technology based on low-cost material technology. The new sensors enable use of fingerprint sensors in ID cards and Smartcards that have standard size and thickness. The SmartFinger® Film technology was presented in the first quarter of 2010.

In order to get to market IDEX continues its industrialisation activities aimed becoming a supplier of components and system direct to OEMs in medium volumes. IDEX eyes the growth of a significant and attractive market for niche products where requirements for security and functionality are crucial. With this strategy the SmartFinger® technology could be introduced to the market in shorter a time frame and will also open possible product cases for high volume manufacturing partners.

The overall of goal of 2010 is to have the SmartFinger® technology implemented in products on the market as well increasing the customer base.

IDEX' ambition is that that the SmartFinger® technology will be included in products available on the market in 2010 and IDEX expects to generate revenue from customers in the first half of 2010.

SmartFinger® Film is the next generation fingerprint sensor technology and suitable for a range of mass market applications. IDEX offers solutions that can raise card security to a higher level by incorporating biometric ID within existing systems.

IDEX has identified applications with technologically receptive markets of immense volume potential. IDEX has established relationships with suitable manufacturing partners for the SmartFinger® targeted at reaching the price/performance nexus that may instigate mass market adoption.

The board expresses its appreciation to the staff and IDEX' partners for their efforts to build a solid platform for commercialisation of SmartFinger® and we look forward to a period of growth and success.

marked for nisjeprodukter der det er kritisk at kravene til sikkerhet og funksjon blir tilfredsstillt. Med denne strategien kan SmartFinger®-teknologien lanseres på markedet tidligere og man kan åpne for produktmuligheter for partnere innen høyvolumproduksjon.

Det overordnede målet for 2010 er at det kommer produkter som inneholder SmartFinger®-teknologien på markedet. Det er også vesentlig å øke antall kunder og partnere.

Det er selskapets ambisjon at SmartFinger®-teknologien skal finnes i produkter som er på markedet i 2010 og IDEX forventer å oppnå inntekt fra kunder i første halvår 2010.

SmartFinger® Film er neste generasjon fingeravtrykkesorteknologi som er egnet for bruk i en rekke anvendelser med massemarkedet. IDEX tilbyr løsninger som kan løfte sikkerheten ved kortbruk til et høyere nivå ved at biometrisk ID bygges inn i eksisterende systemer.

IDEX har klarlagt anvendelser i markeder som er mottagelige for ny teknikk og utgjør muligheter for kolossalt store volumer. IDEX har etablert forbindelser med produksjonspartnere for SmartFinger® med mål om å nå den rette pris/ytelse-kombinasjonen som kan utløse anvendelse i massemarkedene.

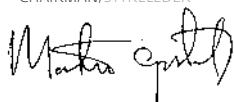
Styret vil avslutningsvis takke de ansatte og selskapets samarbeidspartnere for innsatsen med å frambringe en stabil plattform for kommersialisering av SmartFinger®. Vi ser nå frem til en periode med muligheter for vekst og suksess.

Fornebu, 25 March 2010/25. mars 2010

THE BOARD OF DIRECTORS OF IDEX ASA / STYRET I IDEX ASA

MORTEN OPSTAD

CHAIRMAN/STYRELEDER



HANNE HØVDING

BOARD MEMBER/STYREMEDLEM



HARALD VOIGT

BOARD MEMBER/STYREMEDLEM



ANDREW HEAP

BOARD MEMBER/STYREMEDLEM




JOAN FROST URSTAD

BOARD MEMBER/STYREMEDLEM



RALPH W. BERNSTEIN

CEO/ADMINISTRERENDE DIREKTØR



Statements of
financial position

Balanse

STATEMENTS OF FINANCIAL POSITION Amounts in NOK 1,000	BALANSE Beløp i 1 000 NOK	NOTE NOTE	IDEX GROUP IDEX KONSERN		IDEX ASA IDEX ASA	
ASSET	EIENDELER					
LONG-TERM ASSETS	ANLEGGSMIDLER					
FIXED ASSETS	VARIGE DRIFTSMIDLER		2009	2008	2009	2008
Machinery and office equipment	Maskiner, inventar o.l.	5	409	34	405	20
Total fixed assets	Sum varige driftsmidler		409	34	405	20
FINANCIAL ASSETS	FINANSIELLE ANLEGGSMIDLER					
Shares in subsidiary	Aksjer i datterselskap				6	6
Other long-term receivables	Andre fordringer	16	313	820	313	797
Total financial assets	Sum finansielle anleggsmidler		313	820	319	803
Total long-term assets	Sum anleggsmidler		722	854	724	823
CURRENT ASSETS	OMLØPSMIDLER					
RECEIVABLES	FORDRINGER					
Accounts receivable	Kundefordringer		16	0	16	0
Receivables from group companies	Konserninterne fordringer	14	-	-	448	3 389
Other receivables	Andre fordringer		3 189	1 448	3 189	1 448
Prepaid expenses	Forskuddsbetalte kostnader		125	757	125	757
Total receivables	Sum fordringer		3 330	2 205	3 778	5 594
CASH AND BANK DEPOSITS	KONTANTER OG BANKINNSKUDD					
Cash and bank deposits	Kontanter og bankinnskudd	3	5 286	4 024	5 203	4 024
Total cash and bank deposits	Sum kontanter og bankinnskudd		5 286	4 024	5 203	4 024
Total current assets	Sum omløpsmidler		8 616	6 229	8 981	9 618
Total assets	Sum eiendeler		9 338	7 083	9 705	10 441

Statements of
financial position *Continues*

Balanse *Fortsetter*

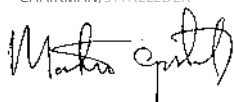
STATEMENTS OF FINANCIAL POSITION Amounts in NOK 1,000	BALANSE Beløp i 1 000 NOK	NOTE NOTE	IDEX GROUP IDEX KONSERN		IDEX ASA IDEX ASA	
			2009	2008	2009	2008
EQUITY	EGENKAPITAL					
PAID-IN CAPITAL	INSKUTT EGENKAPITAL					
Share capital	Selskapskapital	8	17 712	16 206	17 712	16 206
Share premium reserve	Overkursfond		0	0	0	0
Other paid-in capital	Annen innbetalt kapital		0	0	0	0
Total paid-in capital	Sum innskutt egenkapital		17 712	16 206	17 712	16 206
Other equity	Annen egenkapital		(25 903)	(25 983)	(25 882)	(25 978)
Total equity	Sum egenkapital		(8 191)	(9 777)	(8 170)	(9 772)
LIABILITIES	GJELD					
SHORT-TERM LIABILITIES	KORTSIKTIG GJELD					
Short-term loan	Kortsiktig lån	13, 14	11 954	11 950	11 954	11 950
Accounts payable	Leverandørgjeld		2 796	1 885	2 769	1 885
Accounts payable intercompany	Leverandørgjeld til konsernselskaper	14	-	-	373	3 389
Public duties payable	Skyldig offentlige avgifter		638	530	638	530
Other short-term liabilities	Annen kortsiktig gjeld		2 141	2 495	2 141	2 459
Total liabilities	Sum gjeld		17 529	16 860	17 875	20 513
Total equity and liabilities	Sum egenkapital og gjeld		9 338	7 083	9 705	10 441

Fornebu, 25 March 2010/25. mars 2010

THE BOARD OF DIRECTORS OF IDEX ASA / STYRET I IDEX ASA

MORTEN OPSTAD

CHAIRMAN/STYRELEDER



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JOAN FROST URSTAD

BOARD MEMBER/STYREMEDLEM



RALPH W. BERNSTEIN

CEO/ADMINISTRERENDE DIREKTØR



Statements of
comprehensive income

Oppstilling av totalresultat

STATEMENTS OF COMPREHENSIVE INCOME Amounts in NOK 1,000	OPPSTILLING AV TOTALRESULTAT Beløp i 1 000 NOK	NOTE NOTE	IDEX GROUP IDEX KONSERN		IDEX ASA IDEX ASA	
			2009	2008	2009	2008
OPERATING REVENUE	DRIFTSINNTEKTER					
Sales revenue	Salgsinntekter		3	26	3	26
Other operating revenue	Andre driftsinntekter	18	65	2 224	65	2 224
Total revenue	Sum driftsinntekter		68	2 250	68	2 250
OPERATING EXPENSES	DRIFTSKOSTNADER					
Payroll expenses	Lønnskostnader	4	9 013	9 135	7 593	8 055
Share based compensation	Aksjebasert avlønning	4	2 993	1 283	2 993	1 283
Research and development expenses	Forsknings- og utviklingskostnader	6	4 989	4 256	4 989	4 256
Other operating expenses	Andre driftskostnader	14, 16	8 296	6 780	9 708	8 159
Profit (loss) before interest, tax, depreciation and amortisation (EBITDA)	Driftsresultat før avskrivninger		(25 223)	(19 204)	(25 215)	(19 503)
Depreciation expenses	Avskrivninger	5	43	20	35	13
Profit (loss) before interest and tax (EBIT)	Driftsresultat		(25 266)	(19 224)	(25 250)	(19 516)
FINANCIAL INCOME AND EXPENSES	FINANSINNTEKTER OG -KOSTNADER					
Interest income	Renteinntekter		116	318	116	318
Agio	Agio		114	9	114	301
Other financial income	Annen finansinntekter		0	0	0	0
Interest expenses	Rentekostnader		(2 420)	(2 233)	(2 420)	(2 233)
Disagio	Disagio		(129)	(11)	(129)	(11)
Net financial items	Netto finansposter		(2 319)	(1 918)	(2 319)	(1 625)
Net result before tax (EBT)	Resultat før skattekostnad		(27 585)	(21 141)	(27 569)	(21 141)
Taxes	Skattekostnad	7	0	0	0	0
Net loss for the year	Årsunderskudd		(27 585)	(21 141)	(27 569)	(21 141)
Profit (loss) per share - basic and diluted (NOK,øre)	Ordinært og utvannet resultat per aksje	11	(0,20)	(0,70)		
Other comprehensive income	Annen inntekt/kostnad		0	0	0	0
Total comprehensive income for the year, net of tax	Totalresultat for året, netto etter skatt		(27 585)	(21 141)	(27 569)	(21 141)

Statements of
changes in equity *IDEX Group*

Oppstilling av
endringer i egenkapital *IDEX konsern*

STATEMENTS OF CHANGES IN EQUITY IDEX GROUP	OPPSTILLING AV ENDRINGER I EGENKAPITAL IDEX KONSERN	SHARE CAPITAL	PREMIUM FUND	SHARE PAID-IN CAPITAL	OTHER OTHER EQUITY	TOTAL
Amounts in NOK 1,000	Beløp i 1 000 NOK	SELSKAPS- KAPITAL	OVERKURS- FOND	ANNEN INNSKUTT EGENKAPITAL	ANNEN EGEN- KAPITAL	SUM
BALANCE AT 1 JANUARY 2009	BALANSE 1. JANUAR 2009	16 206	0	0	(25 983)	(9 777)
Share issue 20 February	Emisjon 20. februar	4 632	5 350			9 982
Capital reduction 12 August	Kapitalnedsettelse 12. august	(18 754)			18 754	0
Share issue 8 September	Emisjon 8. september	15 628	(473)			15 155
Convertible loan 20 November	Konvertibelt lån 20. november			1 152		1 152
Share-based remuneration	Aksjebasert avlønning			2 882		2 882
Comprehensive income (loss) for the year	Totalresultat		(4 877)	(4 034)	(18 674)	(27 585)
BALANCE AT 31 DECEMBER 2009	BALANSE 31. DESEMBER 2009	17 712	0	0	(25 903)	(8 191)
BALANCE AT 1 JANUARY 2008	BALANSE 1. JANUAR 2008	14 466	0	0	(15 208)	(742)
Share issue 3 September	Emisjon 3. september	1 740	7 395			9 135
Convertible loan 1 July	Konvertibelt lån 1. juli			1 688		1 688
Share-based remuneration	Aksjebasert avlønning			1 283		1 283
Comprehensive income (loss) for the year	Totalresultat		(7 395)	(2 971)	(10 775)	(21 141)
BALANCE AT 31 DECEMBER 2008	BALANSE 31. DESEMBER 2008	16 206	0	0	(25 983)	(9 777)

Statements of
changes in equity IDEXASA

Oppstilling av
endringer i egenkapital IDEXASA

STATEMENTS OF CHANGES IN EQUITY IDEX ASA	OPPSTILLING AV ENDRINGER I EGENKAPITAL IDEX ASA	SHARE CAPITAL	SHARE PREMIUM FUND	OTHER PAID-IN CAPITAL	OTHER EQUITY	TOTAL
Amounts in NOK 1,000	Beløp i 1 000 NOK	SELSKAPS- KAPITAL	OVERKURS- FOND	ANNEN INNSKUTT EGENKAPITAL	ANNEN EGEN- KAPITAL	SUM
BALANCE AT 1 JANUARY 2009	BALANSE 1. JANUAR 2009	16 206	0	0	(25 978)	(9 772)
Share issue 20 February	Emisjon 20. februar	4 632	5 350			9 982
Capital reduction 12 August	Kapitalnedsettelse 12. august	(18 754)			18 754	0
Share issue 8 September	Emisjon 8. september	15 628	(473)			15 155
Convertible loan 20 November	Konvertibelt lån 20. november			1 152		1 152
Share-based remuneration	Aksjebasert avlønning			2 882		2 882
Comprehensive income (loss) for the year	Totalresultat		(4 877)	(4 034)	(18 658)	(27 569)
BALANCE AT 31 DECEMBER 2009	BALANSE 31. DESEMBER 2009	17 712	0	0	(25 882)	(8 170)
BALANCE AT 1 JANUARY 2008	BALANSE 1. JANUAR 2008	14 466	0	0	(15 203)	(737)
Share issue 3 September	Emisjon 3. september	1 740	7 395			9 135
Convertible loan 1 July	Konvertibelt lån 1. juli			1 688		1 688
Share-based remuneration	Aksjebasert avlønning			1 283		1 283
Comprehensive income (loss) for the year	Totalresultat		(7 395)	(971)	(10 775)	(21 141)
BALANCE AT 31 DECEMBER 2008	BALANSE 31. DESEMBER 2008	16 206	0	0	(25 978)	(9 772)

Cash flow
statements

Kontantstrømoppstilling

CASH FLOW STATEMENTS	KONTANTSTRØM- OPPSTILLING	IDEX GROUP		IDEX ASA	
Amounts in NOK 1,000	Beløp i 1 000 NOK	IDEX KONSERN		IDEX ASA	
CASH FLOWS FROM OPERATING ACTIVITIES	KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER	2009	2008	2009	2008
Profit (loss) before interest and taxes	Driftsresultat	(25 266)	(19 224)	(25 250)	(19 516)
Share-based remuneration (equity part)	Aksjebasert avlønning (egenkapitaldel)	2 882	1 283	2 882	1 283
Depreciation	Avskrivninger	43	20	35	13
Interest paid	Betalt rente	(1 287)	(1 134)	(1 287)	(1 134)
Change in receivables	Endringer i fordringer	(1 125)	(308)	1 816	(3 666)
Change in payables, accruals	Endring i leverandørgjeld og avsetningen	668	(1 565)	(2 340)	1 791
Net other items	Andre poster	7	(6)	6	286
NET CASH FLOW FROM OPERATIONAL ACTIVITIES	NETTO KONTANTSTRØM FRA OPERASJONELLE AKTIVITETER	(24 078)	(20 934)	(24 138)	(20 943)
CASH FLOWS FROM INVESTING ACTIVITIES	KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER				
Investments	Investeringer	(420)	0	(420)	0
Interest received	Mottatt rente	116	318	116	318
NET CASH FLOW FROM INVESTING ACTIVITIES	NETTO KONTANTSTRØM FRA INVESTERINGSAKTIVITETER	(304)	318	(304)	318
CASH FLOWS FROM FINANCING ACTIVITIES	KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER				
Share issues	Innbetaling av egenkapital	25 137	9 135	25 137	9 135
Changes in long-term receivables	Endringer i langsiktige fordringer	507	(42)	484	(33)
Changes in short-term loan	Endringer i kortsiktig lån	0	1 130	0	1 130
NET CASH FLOW FROM FINANCING ACTIVITIES	NETTO KONTANTSTRØM FRA FINANSIERINGSAKTIVITETER	25 644	10 223	25 621	10 232
NET CHANGE IN CASH AND BANK DEPOSITS	NETTO ENDRING I KONTANTER OG BANKINNSKUDD	1 262	(10 393)	1 179	(10 393)
CASH AND BANK DEPOSITS AT 1 JANUARY	KONTANTER OG BANKINNSKUDD 1. JANUAR	4 024	14 417	4 024	14 417
CASH AND BANK DEPOSITS AT 31 DECEMBER.	KONTANTER OG BANKINNSKUDD 31. DESEMBER	5 286	4 024	5 203	4 024

Notes

1. Group information

IDEX ASA ("IDEX") is a Norwegian Public Limited Company with registered office in Bærum municipality. Trades in the company's shares were reported on the A-List of the Norwegian Stockbrokers Association's OTC system throughout 2009 and until IDEX was admitted to listing at the Oslo Axess marketplace of Oslo Børs on 12 March 2010.

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

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

The annual financial statements for 2009 were resolved by the board on 25 March 2010.

2. Accounting principles

Basis of preparation

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

Changes in accounting policies

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

IFRS is continuously developed and recently published standards, amendments and interpretations have been reviewed and considered. The following new standards, amendments and interpretations that apply as of 1 January 2009 have been applied: (i) Revised IAS 1 Presentation of financial statements and (ii) IFRS 2 Share based remuneration (vesting conditions and cancellations). The new standard IFRS 8 Operating segments applies from 1 January 2009, but has not been applied because IDEX does not yet have any distinguishable business segments or geographical segments. IDEX will apply IFRS 8 in due course.

Significant accounting judgements and estimates

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

Share based remuneration: IDEX estimates the fair value of option and subscription rights at the grant date. IDEX has ap-

Noter

1. Informasjon om konsernet

IDEX ASA ("IDEX") er et norsk allmennsjeselskap med hovedkontor i Bærum. Omsetning av selskapets aksjer ble rapportert på A-listen for unoterte selskaper hos Norges Fondsmeglerforbund, ofte benevnt som OTC-listen, gjennom 2009 og fram til IDEX ble tatt opp til notering på Oslo Axess-listen på Oslo Børs 12. mars 2010.

IDEX er en teknologibedrift som har spesialisert seg på forskning og utvikling innenfor teknologi knyttet til skjermnavigasjon og fingeravtrykkjenkjenning.

IDEX ble etablert i 1996. Konsernet ble etablert 20. januar 2007 og består av morselskapet IDEX ASA og et underkonsern i USA. Underkonsernet består av morselskapet IDEX Holding Company Inc med datterselskapet IDEX America Inc. Alle datterselskaper eies 100 prosent.

Årsregnskapet for 2009 ble vedtatt av styret 25. mars 2010.

2. Regnskapsprinsipper

Grunnlag for regnskapsutarbeidelsen

Årsregnskapet er utarbeidet basert på måling til historisk kost. Konsernregnskapet presenteres i norske kroner som også er morselskapets funksjonelle valuta. Alle tall i tabeller er avrundet til nærmeste tusen hvis ikke annet er angitt. Årsregnskapet til IDEX-konsernet og IDEX ASA er avlagt i samsvar med internasjonale standarder for finansiell rapportering (International Financial Reporting Standards, IFRS) som er godkjent av EU. Standardene er anvendt på samme måte i konsernet og i morselskapet.

Endringer i regnskapsprinsipper

De anvendte regnskapsprinsippene er i overensstemmelse med de som er anvendt i tidligere år.

IFRS er i stadig utvikling, og nylig utgitte regnskapsstandarder, endringer og uttalelser er derfor gjennomgått og vurdert. Følgende nye regnskapsstandarder, endringer og fortolkninger som skal anvendes for regnskap for perioder som begynner 1. januar 2009, er anvendt: (i) Revidert IAS 1 Presentasjon av finansregnskapet og (ii) IFRS 2 Aksjebasert avlønning (opptjeningsbetingelser og kanselleringer). Den nye regnskapsstandard IFRS 8 Driftssegmenter gjelder fra 1. januar 2009, men har ikke blitt anvendt fordi IDEX ikke ennå har identifiserbare virksomhetssegmenter eller geografiske segmenter. Selskapet vil anvende IFRS 8 når det blir relevant.

Bruk av skjønn og estimater

Utarbeidelse av regnskap i samsvar med IFRS krever at ledelsen gjør vurderinger, samt utarbeider estimater og forutsetninger som påvirker regnskapsførte beløp på eiendeler og forpliktelse, inntekter og kostnader. Estimater og tilhørende forutsetninger er basert på ledelsens beste kjennskap til tidligere og aktuelle hendelser, erfaringer og andre faktorer som anses som rimelige, forholdene tatt i betraktning. Faktiske resultater kan avvike fra slike antakelser. Estimater og underliggende forutsetninger vurderes løpende. Kritiske regnskapsestimater for IDEX er:

Aksjebasert avlønning: IDEX estimerer virkelig verdi av opsjoner og tegningsretter på tildelingstidspunktet. IDEX har brukt en

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

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

Financial risk, capital management

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

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

IDEX has obtained a financial loan with principal amounting to NOK 12,505 thousand. The loan originated in 2007 and the loan agreement was last renewed and extended on 20 November 2009. Payable fixed interest is 10 per cent p.a. and the lender has the right to convert the receivable to shares at NOK 0.20 per share. The patent portfolio has been pledged as security for the loan. The loan does not have a fixed term, but the lender may at any time after 1 October 2010 request repayment of the loan on six months notice. In terms of funding, this means that the minimum duration of the loan is until 1 April 2011.

The lender gave notice of conversion in January 2010. The loan including interest was converted to NOK 13.1 million new equity on 17 February 2010.

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

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

IDEX manages its liquidity passively, which means that funds are placed in floating-interest bank accounts. Investments in fixed assets are only made when mandatory for the needs of the company's core business. The company has been funded by equity in the past, but practical circumstances implied that the company had to obtain a short-term financial loan in June 2007. The company will prepare and implement comprehensive capital management and funding policies when it enters the commercial stage.

Black & Scholes-modell for prising av opsjoner når selskapet har verdsatt opsjoner og tegningsretter. Verdssettingen av opsjoner er basert på forutsetninger om volatilitet, renteutvikling og opsjonens levetid. Kostnader knyttet til aksjebasert avlønningkostnadsføres over opptjeningstiden. Ved periodisering av kostnader vil det bli foretatt estimater med hensyn til fremtidig avgang. Disse estimatene blir oppdatert ved hver balansedato. Endringer i estimatet vil påvirke kostnader knyttet til aksjebasert avlønning i perioden.

Skatter: Utsatt skattefordel knyttet til fremføring av underskudd bokføres når det er sannsynlig at det fremførte underskuddet kan bli utnyttet. Beregning av sannsynlighet er basert på historisk fortjeneste, forventede fremtidige marginer og størrelsen på ordreservens. Fremtidige hendelser kan føre til at disse estimatene endres. Slike endringer gjennomføres når det er grunnlag for pålitelige nye estimater.

Finansiell risiko, kapitalforvaltning

IDEX er utsatt for visse finansielle risiki knyttet til valutakurs og rentenivå. Disse er imidlertid uvesentlige i forhold til forretningsmessig risiko og selskapets finansielle situasjon.

Forretningsmessig risiko kan oppsummeres i fem punkter: (i) Selskapet har til nå hatt liten inntekt. IDEX har til nå hatt regnskapsmessig underskudd, og man forventer også fremtidige underskudd. (ii) IDEX' forretningsplan baseres på inntekter fra produkter som IDEX ikke ennå omsetter kommersielt. (iii) Inntekter fra selskapets produkter avhenger blant annet av markedsfaktorer som IDEX ikke har bestemmende innflytelse på. (iv) Det finnes konkurrerende selskaper med produkter i kommersiell fase. (v) IDEX vil betjene et marked som ikke er modent og der det er stor teknologisk usikkerhet og dynamikk.

IDEX har tatt opp et finansielt lån med hovedstol på 12 505 tusen NOK. Lånet ble opprinnelig tatt opp i 2007 og lånevartalen ble sist fornyet og forlenget 20. november 2009. Betalbar fast rente er 10 prosent p.a. og långiver har rett til å konvertere sin fordring til aksjer til kurs 0,20 NOK per aksje. Patentporteføljen er pantsatt som sikkerhet for lånet. Lånet har ubestemt løpetid men etter 1. oktober 2010 kan långiver når som helst kreve det tilbakebetalt med seks måneders varsel. Som finansieringskilde er lånets korteste løpetid til 1. april 2011.

I januar 2010 varslet långiver om konvertering. Lånet med påløpt rente ble konvertert til 13,1 millioner NOK ny egenkapital 17. februar 2010.

IDEX' har ikke nevneverdige kundefordringer eller andre fordringer med kredittrisiko.

IDEX har ikke andre regnskapsførte finansielle instrumenter eller slike instrumenter utenom balansen.

IDEX forvalter likviditetet passivt, dvs. den plasseres som bankinnskudd til flytende rente. Investeringer i anleggsmidler gjøres kun når det er nødvendig for selskapets kjernevirksomhet. Finansieringen har historisk vært basert på egenkapital, men av praktiske hensyn måtte selskapet oppta et kortsiktig finansielt lån i juni 2007. Når selskapet begynner sin kommersielle periode, vil man utvikle dekkende kapitalforvaltningspolitikk og finansieringspolitikk.

The financial situation of the Company was vulnerable at the end of 2009. The equity of the group as well as the parent company had been lost and IDEX was in need of additional working capital.

The conversion of NOK 13,130 thousand debt to equity on 17 February 2010 replenished the equity and additional equity and working capital amounting to NOK 30,016 thousand was added by the early exercise of warrants and private placement of shares in primo March 2010.

Summary of significant accounting policies

Consolidation

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

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

Revenue

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

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

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

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

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

Currency

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

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

Translation differences due to the translation of a net investment

Selskapets finansielle situasjon var utsatt ved utgangen av 2009. Egenkapitalen i morselskapet og konsernet var tapt og IDEX hadde behov for ytterligere arbeidskapital.

Egenkapitalen ble gjenopprettet ved konvertering av 13,1 millioner NOK gjeld til egenkapital 17. februar 2010. Videre ble ytterligere 30,0 millioner NOK egenkapital tilført gjennom tidlig utøvelse av warrants og privat plasing av aksjer primo mars 2010.

Oppsummering av vesentligste regnskapsprinsipper

Konsolidering

Konsernregnskapet inkluderer IDEX ASA og selskaper som IDEX ASA har bestemmende innflytelse over. Bestemmende innflytelse oppnås normalt når konsernet eier mer enn 50 prosent av de stemmeberettigede aksjene eller på annen måte har bestemmende innflytelse på foretakets operative og finansielle styring. Minoritetsinteresser inngår i konsernets egenkapital.

Konserninterne transaksjoner og mellomværender og eventuelle urealiserte gevinster og tap eller inntekter og kostnader knyttet til konserninterne transaksjoner elimineres ved utarbeidelse av konsernregnskapet. Oppkjøpsmetoden benyttes ved regnskapsføring av virksomhetssammenslutninger. Selskaper som er kjøpt eller solgt i løpet av året inkluderes i konsernregnskapet fra det tidspunktet kontroll oppnås og inntil kontroll opphører.

Inntekter

Inntekter regnskapsføres i den grad det er sannsynlig at konsernet vil oppnå en økonomisk fordel og inntekten kan måles pålitelig.

Royalty: Royalty inntektsføres når lisenstakeren oppnår inntekt som danner grunnlag for royaltybetaling til IDEX.

Utvikling og milepelbetalinger: Inntekter bokføres på leveringstidspunktet, idet risikoen ved levering har gått over til kjøper og de kan anslås med en viss sikkerhet.

Tjenesteyting: Inntekter i forbindelse med tjenesteyting bokføres når tjenesten er levert.

Vareleveranser: Inntekter bokføres på leveringstidspunktet når risikoen ved leveransen har gått over til kjøper og de er kvantifiserbare.

Valuta

Balanseførte pengeposter i utenlandsk valuta omregnes til balansedagens kurs. Inntekter og kostnader i utenlandsk valuta omregnes til kurs på transaksjonsdato.

Eiendeler og gjeld i utenlandske virksomheter, inkludert goodwill og virkelig verdi-justeringer, som fremkommer ved konsolideringen, omregnes til NOK ved å benytte balansedagens kurs. Inntekter og kostnader fra utenlandske virksomheter omregnes til norske kroner ved å benytte gjennomsnittskurs. Valutakursdifferanser innregnes i egenkapital.

Omregningsdifferanse som følge av omregning av nettoinvestering i utenlandsk virksomhet, og fra relaterte sikringsobjekter, tas med i totalresultatet. Ved avhendelse av utenlandsk virksomhet reverseres omregningsdifferansene i totalresultatet og tas med i årsresultatet.

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

Research and development costs

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

Fixed assets

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

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

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

Impairment of fixed assets

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

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

Provisions

Provisions are recognised when and only when the group has a valid liability (legal or constructive) as a result of events that have taken place and it is more probable than not that a financial settlement will take place as a result of the event(s), and that the size of the amount can be measured reliably. Provisions are reviewed on

Forsknings- og utviklingskostnader

Forskningsutgifter kostnadsføres når de påløper. En immateriell eiendel som er resultat av utviklingskostnader fra et individuelt prosjekt balanseføres kun når IDEX kan demonstrere den tekniske gjennomførbarhet av å fullføre den immaterielle eiendelen slik at den er tilgjengelig for internt bruk eller salg, selskapets intensjon og evne til å fullføre utviklingen og realisere eiendelen, samt fremtidige økonomiske fordeler ved bruk eller avhendelse.

Varige driftsmidler

Varige driftsmidler bokføres til anskaffelseskost fratrukket akkumulert av- og nedskrivning. Når eiendeler selges eller tas ut av bruk blir brutto bokført verdi og akkumulerte avskrivninger avregnet. Ethvert tap eller gevinst som følger av salget eller utringeringen bokføres som tap/inntekt.

Brutto bokført verdi av det varige driftsmiddelet utgjør kjøpesummen, inklusive skatter og direkte anskaffelseskostnader knyttet til istandsettelse til bruk av driftsmiddelet. Etterfølgende kostnader, som reparasjon og vedlikeholdskostnader, bokføres normalt når de påløper. Når det kan påvises økte fremtidige økonomiske gevinster som resultat av reparasjon-/vedlikeholdsarbeid, vil slike bokføres i balansen i tillegg til driftsmiddelets kostpris.

Eiendelene avskrives lineært over forventet økonomisk levetid for hver eiendel. Avskrivningsperiode og -metode revideres årlig for å sikre at den valgte metode og periode harmoniserer med de økonomiske realiteter av de varige driftsmidlene. Det samme gjelder for restverdien.

Nedskrivning av varige driftsmidler

En vurdering av nedskrivningsbehov på varige driftsmidler foretas når det er indikasjoner på et fall i eiendelens verdi. Dersom en eiendels bokførte verdi er høyere enn gjennvinnbart beløp, vil nedskrivningstap bokføres i resultatregnskapet. Det gjennvinnbare beløp er den høyeste av markedsverdien minus salgskostnader og den neddiskonterte kontantstrømmen fra fortsatt bruk av eiendelen. Markedsverdi minus salgskostnader er det nettobeløpet som kan oppnås ved salg til en uavhengig tredje part. Det gjennvinnbare beløpet fastsettes individuelt for hver enkelt eiendel.

Nedskrivninger som er bokført i tidligere perioders resultatregnskap reverseres når det foreligger informasjon om at behovet for nedskrivninger ikke lenger foreligger. Reverseringen bokføres som inntekt eller en økning i annen egenkapital. Reversering begrenses til at bokført verdi ikke overstiger anskaffelseskost fratrukket normal avskrivning.

Avsetninger

Avsetninger bokføres kun når konsernet har en gyldig forpliktelse (rettslig eller antatt) som er et resultat av hendelser som har inntruffet og det er mer sannsynlighetsovervekt for at et økonomisk oppgjør vil finne sted som et resultat av hendelsen(e), og at størrelsen på beløpet kan måles pålitelig.

Avsetninger gjennomgås på hver balansedag og reflekterer det beste estimatet av forpliktelsen. Når tidseffekten er ubetydelig, er avsetningen lik kostnaden som kreves for å innløse forpliktelsen. Når tidseffekten er betydelig, vil avsetningene tilsvare nåverdien av fremtidige utbetalinger for å dekke forpliktelsen. Økning i avsetningene som skyldes tid regnskapsføres som rentekostnader.

each balance sheet date and their level reflects the best estimate of the liability. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will amount to the present value of future payments to cover the liability. Any increase in the provisions due to time is recorded as interest costs.

Interest bearing debt

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

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

Accounts receivable

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

Cash and bank deposits

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

Taxes

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

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

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

Contingent liabilities and assets

Contingent liabilities are possible obligations resulting from past

Rentebærende gjeld

Lån og kreditter innregnes i utgangspunktet til kost, som er virkelig verdi av mottatt beløp fratrukket direkte henførbare transaksjonskostnader. Etter første gangs innregning måles rentebærende forpliktelser til amortisert kost etter effektiv rente-metoden. Eventuell differanse mellom mottatt beløp og innløsningsverdi innregnes i resultatregnskapet over låneperioden. Eventuelle transaksjonskostnader og rabatter tas med ved beregning av amortisert kost. Gevinst og tap inntektsføres som netto gevinst eller tap når forpliktelsen fraregnes.

Lån der långiver eller IDEX har rett til å konvertere lånet til aksjekapital, og antall utstedte aksjer ikke endres ved forandringer i virkelig verdi, behandles som sammensatte finansielle instrumenter. Egenkapitalkomponenten beregnes på utstedelsestidspunktet som den delen av provenyet som overstiger nåverdien av fremtidige rente og avdragsbetalinger, diskontert med markedrenten for lignende lån uten konverteringsrett. Rentekostnaden i resultatregnskapet beregnes med bruk av effektiv rente-metoden.

Kundefordringer

Kundefordringer bokføres til amortisert kost. Dersom tidsverdien er ubetydelig, blir den ikke hensyntatt. Dersom det finnes påviselig verdifall, nedskrives fordringen til nåverdien av den fremtidige kontantstrømmen, neddiskontert med kundefordringens effektive rente.

Konter og bankinnskudd

Konter og bankinnskudd består av konter, bankinnskudd, andre kortsiktige, lett omsettelige investeringer med maksimum tre måneders opprinnelig løpetid samt eventuelle trekk på kassekreditt. I balansen inngår kassekreditt i lån under kortsiktig gjeld.

Skatter

Skattekostnaden omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 28 prosent på grunnlag av de midlertidige differanser mellom de regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført.

Utsatt skattefordel innregnes når det er sannsynlig at konsernet vil ha tilstrekkelig fortjeneste for skatteformål til å utnytte skattefordelen. Ved hver rapporteringsdato gjennomfører IDEX en vurdering av urealisert utsatt skattefordel og verdien konsernet har realisert. Konsernet bokfører en urealisert utsatt skattefordel i den grad det har blitt sannsynlig at konsernet kan utnytte den utsatte skattefordelen. Likeledes vil konsernet redusere sin utsatte skattefordel i den grad det ikke lenger kan utnytte denne.

Utsatt skatt og utsatt skattefordel fastsettes på basis av forventede fremtidige skattesatser.

Betingede forpliktelser og eiendeler

Betingede forpliktelser er mulige forpliktelser som følger av tidligere hendelser hvis eksistens avhenger av fremtidige hendelser; forpliktelser som ikke bokføres fordi det vurderes som lite sannsynlig at de vil føre til en reduksjon av ressurser; og forpliktelser som ikke er tilstrekkelig kvantifiserbare.

events whose existence depends on future events; obligations that are not recognised because it is not probable that they will lead to an outflow of resources; and obligations that cannot be measured with sufficient reliability. Contingent liabilities are not recognised in the annual financial statements, but will be disclosed in notes if applicable. A contingent asset is not recognised in the annual financial statements, but is disclosed in the notes if there is a degree of probability that a benefit will accrue to IDEX.

Share-based remuneration

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

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

Leasing agreements

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

Earnings per share

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

Cash flow

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

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as a reduction in expense.

Segment reporting

IDEX has not defined segment reporting. The company does not have any distinguishable business segments or geographical segments and has therefore not implemented segment reporting. IDEX will implement segment reporting as and when the company's technology has been commercialised and segment reporting will be informative.

3. Cash and bank deposits

Cash and bank deposits amounted to NOK 5,286 thousand NOK at the end of 2009. Of this amount, NOK 298 thousand were restricted employees' withheld payroll tax deposits. NOK 83 thousand was denominated in USD. At the end of 2008 cash and bank deposits amounted to NOK 4,024 thousand of which NOK 275 thousand were restricted employees' withheld payroll tax deposits. No amounts were held in foreign currency. Deposits for rent of facilities have not been included in bank deposits.

Betingede forpliktelser føres ikke i årsregnskapet men opplyses eventuelt om i notene. En betinget eiendel bokføres ikke i årsregnskapet, men blir opplyst om i note dersom det er en viss sannsynlighet for at en fordel vil tilfalle IDEX.

Aksjebasert avlønning

Kostnader relatert til opsjoner og tegningsretter som blir tildelt de ansatte og medlemmer av styret blir kostnadsført over opptjeningsperioden. Virkelig verdi av aksjebasert godtgjørelse fastsettes ved bruk av Black & Scholes-modell for prising av opsjoner.

Arbeidsgiveravgift knyttet til aksjebasert godtgjørelse beregnes av virkelig verdi av opsjoner og tegningsretter og posteres på balansedato.

Leasingavtaler

Leasingavtaler vurderes enkeltvis og klassifiseres som finansielle eller operasjonelle. Operasjonelle leasingavtaler blir kostnadsført rettelinjet over avtaleperioden. Driftsmidler finansiert ved finansiell leasing blir balanseført og avskrevet rettelinjet over forventet levetid. Leasinggjelden blir betraktet som langsiktig gjeld og gjelden blir redusert med nedbetaling på leasingavtalen fratrukket beregnet rente.

Resultat per aksje

Resultat per aksje beregnes ved å dele overskudd eller underskudd for perioden på veid gjennomsnittlig antall ordinære utestående aksjer over tidsperioden. Utvannet resultat per aksje beregnes ut fra årsresultatet delt på gjennomsnittlig antall utvannede aksjer. Utvanningseffekten regnes ikke med når resultatet er et underskudd.

Kontantstrøm

Kontantstrømpoppstillingen er utarbeidet i overensstemmelse med den indirekte metode og viser kontantstrømmen gjennom perioden klassifisert som operasjonelle, investeringrelaterte og finansielle aktiviteter.

Offentlige tilskudd

Offentlige tilskudd regnskapsføres når det er overveiende sannsynlig at konsernet vil motta tilskuddet og vil kunne oppfylle samtlige kriterier som ligger til grunn for støtten. Når tilskuddet er relatert til en kostnadspost, blir tilskuddet bokført som en reduksjon av kostnaden.

Segmentrapportering

IDEX har ikke utarbeidet segmentrapportering. Selskapet har ikke identifiserbare virksomhetssegmenter eller geografiske segmenter og har av den grunn ikke innført segmentrapportering. IDEX vil innføre segmentrapportering når selskapets teknologi er kommersialisert og segmentrapportering vil være informativ.

3. Kontanter og bankinnskudd

Kontanter og bankinnskudd utgjorde ved utgangen av 2009 5 286 tusen NOK, hvorav 298 tusen NOK var bundne skattekrettsmidler. USD-beholdninger utgjorde 83 tusen NOK. Ved utgangen av 2008 utgjorde kontanter og bankinnskudd 4 024 tusen NOK, hvorav 275 tusen NOK var bundne skattekrettsmidler. Ingen midler var i utenlandsk valuta. Depositum for husleie er ikke medregnet i bankinnskudd.

4. Payroll expenses and remuneration

The parent company provides a contribution based pension insurance scheme for all employees. The scheme satisfies the mandatory service pension ('OTP') in Norway. The contribution is 2 per cent of the employee's annual salary between 2G and 12G, where G is the basic amount in the Norwegian social security system, and amounted to 73 in 2009.

4. Lønnskostnad og godtgjørelser

Mørselskapet har en innskuddsbasert pensjonsordning for alle ansatte. Ordningen tilfredsstiller kravene til obligatorisk tjenestepensjonsordning (OTP). Innskuddet utgjør 2 prosent av årslønn mellom 2G og 12G, der G er grunnbeløpet i Folketrygden og utgjorde 73 i 2009.

Amounts in NOK 1,000	Beløp i 1 000 NOK	IDEX GROUP IDEX KONSERN		IDEX ASA IDEX ASA	
PAYROLL EXPENSE	LØNSKOSTNAD	2009	2008	2009	2008
Salaries, fees	Lønninger, honorarer	7 527	7 763	6 271	6 777
Share-based remuneration	Aksjebasert avlønning	2 993	1 283	2 993	1 283
Pension contribution	Pensjonstilskudd	85	93	85	93
Social security taxes	Arbeidsgiveravgift	853	952	794	952
Other personnel expenses	Andre personalkostnader	548	327	443	234
Total	Sum	12 006	10 418	10 586	9 339
Average number of employees	Gjennomsnittlig antall ansatte	9	10	8	9

Actual remuneration for senior managers:

Salary, bonus and other benefits are the amounts as declared for tax purposes, while pension cost and share based remuneration are expensed amounts in the year. All amounts exclude employer's tax. No subscription rights were exercised in 2009.

Mr. Sveta works flexible hours as required by IDEX.

Faktisk godtgjørelse til ledende ansatte:

Lønn, bonus og annen godtgjørelse er de beløp som er innberettet mens pensjonskost og aksjebasert avlønning er utgiftsført beløp i året. beløpene er uten arbeidsgiveravgift. Ingen tegningsretter ble utøvd i 2009.

Erling Sveta arbeider fleksitid etter IDEX' behov.

2009	SALARY	BONUS	OTHER BENEFITS	PENSION COST	SHARE BASED REMUNERATION	TOTAL REMUNERATION
AMOUNTS IN NOK 1,000/ BELØP I 1 000 NOK	LØNN	BONUS	ANNEN GODTGJØRELSE	PENSJONS KOSTNADER	AKSJEBASERT AVLØNNING	SUM GODTGJØRELSE
Ralph W. Bernstein, CEO and CTO/adm. direktør og teknisk direktør	1 257		12	15	462	1 746
Erling Sveta, CFO/økonomidirektør	877				6	883
Total remuneration/ Sum lønn og godtgjørelse	2 134	0	12	15	468	2 629

Salary, bonus and other benefits are the amounts as declared for tax purposes, while pension cost and share based remuneration are expensed amounts in the year. All amounts exclude employer's tax. No subscription rights were exercised in 2008.

Mr. Bernstein was appointed CEO and Mr. Scheinert resigned as CEO on 8 May 2008. This caused reversal of the cost for unearned subscription rights.

Mr. Svella was appointed on hourly basis as of 1 May 2008.

Lønn, bonus og annen godtgjørelse er de beløp som er innberettet mens pensjonskost og aksjebasert avlønning er utgiftsført beløp i året. Beløpene er uten arbeidsgiveravgift. Ingen tegningsretter ble utøvd i 2008.

Ralph W. Bernstein tiltrådte og Fredrik Scheinert fratrådte som administrerende direktør 8. mai 2008. Dette medførte at kostnaden for ikke opptjente tegningsretter ble reversert.

Erling Svella ble engasjert på timebasis fra 1. mai 2008.

2008	SALARY	BONUS	OTHER BENEFITS	PENSION COST	SHARE BASED REMUNERATION	TOTAL REMUNERATION
AMOUNTS IN NOK 1,000/ BELØP I 1 000 NOK	LØNN	BONUS	ANNEN GODTGJØRELSE	PENSJONS KOSTNADER	AKSJEBASERT AVLØNNING	SUM GODTGJØRELSE
Ralph W. Bernstein, CEO and CTO/adm. dir. og teknisk dir.	1 159		10	15	555	1 739
Fredrik Scheinert, CEO/administrerende direktør	1 064	275	11	15	(403)	962
Erling Svella, CFO/økonomidirektør	375					375
Total remuneration/ Sum lønn og godtgjørelse	2 598	275	21	30	152	3 076

Guidelines for remuneration to senior managers

In order to attract and retain the competence the company needs, the remuneration of senior managers, and all other employees, shall be competitive and comprise a basic salary which may be supplemented by performance-based cash bonus and subscription rights. All parts of the remuneration – fixed as well as variable – shall reflect the responsibility and performance over time of the respective manager and employee. The basic salary is evaluated annually. The board determines the salary and other remuneration to the CEO. The CEO determines the salary and other remuneration of all other employees, within the framework set by the board.

There is no post-employment remuneration beyond notice periods of 3 months.

Share-based remuneration

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

Implementation and effect of the policies

No cash bonus schemes have been in effect in 2009.

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

Retningslinjer for fastsettelse av lønn og annen godtgjørelse til ledende ansatte

For toppledelsen og alle andre ansatte tilbyr IDEX konkurranse-dyktig godtgjørelse som består av grunnlønn samt eventuelt resultatbasert kontantbonus og tegningsretter for å tiltrekke og beholde den kompetanse som selskapet trenger. Alle lønns-elementer – faste og variable- skal reflektere den enkelte leders og medarbeiders ansvar og resultater oppnådd over tid. Grunnlønnen vurderes årlig. Styret fastsetter lønn og andre vilkår for administrerende direktør. Øvrige lønninger og vilkår fastsettes av administrerende direktør innenfor de rammer styret har satt.

Det er ingen etterlønsavtaler ut over oppsigelsestid på 3 måneder.

Aksjebasert avlønning

Ansatte og ledelse har mulighet til å ta del i selskapets tegningsrettsprogram(mer) som er vedtatt av generalforsamlingen. Hensikten med slike programmer er å styrke selskapet ved å tilby ansatte, ledelse og langsiktige konsulenter incentiver for å bidra til selskapet.

Gjennomføring og virkning av retningslinjene

Det har ikke vært kontantbonusordninger i 2009.

På lønn, pensjonstilskudd og evt bonus påløper også arbeidsgiveravgift som resultatføres samtidig med godtgjørelsen.

The notional cost of subscription rights as share based remuneration is expensed but the equity effect is nil because the contra item is a notional equity injection of equal amount. In addition employer's tax is accrued on the net present value of the subscription right as an option on the balance sheet date. The value varies with the share price and may entail a net reversal of costs. In 2009 NOK 10 thousand was expensed and the accumulated accrual amounted to NOK 10 thousand on the subscription rights to management.

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

For the shareholders a possible exercise will represent a dilution. At the end of 2009, the number of outstanding subscription rights to management amounted to 5,495,895, corresponding to 1.6 per cent of the share capital.

Board remuneration

The annual general meeting 2009 resolved an annual board remuneration amounting to NOK 100 thousand per board member for the period from the annual general meeting 2008 to the annual general meeting 2009. The chairman shall receive an additional NOK 30 thousand for the service as chairman. The amounts were paid in 2009. The company has accrued a corresponding amount for board remuneration in the period June-December 2009. The accrual amounted to 403 at the end of 2009.

5. Fixed assets

Fixed assets at the end of 2009 were mainly upgrade of leased facilities, personal computers, office furniture.

Den kalkulatoriske kostnaden for tegningsretter som aksjebasert avlønning resultatføres men egenkapitalvirkningen er null fordi motposten er et like stort regnskapsmessig innskudd av egenkapital. I tillegg avsettes arbeidsgiveravgift av nåverdien av tegningsretten som opsjon på balansedato. Denne verdien varierer med aksjekursen og kan medføre netto tilbakeføring av kostnader. I 2009 ble det utgiftsført 10 tusen NOK og akkumulert avsetning var 10 tusen NOK på ledelsens tegningsretter.

Dersom og når tegningsrettene utøves, vil avsatt arbeidsgiveravgift reverseres og betalbar arbeidsgiveravgift av faktisk gevinst blir kostnadsført.

For aksjonærene vil også en eventuell utøvelse representere en utvanning. Ved utgangen av 2009 var antall utestående tegningsretter til ledelsen 5 495 895, som tilsvarte 1,6 prosent av aksjene.

Styrehonorar

Generalforsamlingen 2009 vedtok et årlig styrehonorar på 100 tusen NOK til hvert av styrets medlemmer for perioden fra generalforsamlingen 2008 til generalforsamlingen 2009. Styrets leder fikk et tillegg på 30 tusen NOK for ledervet. Beløpene ble utbetalt i 2009. Selskapet har satt av tilsvarende beløp i styrehonorar for perioden mai-desember 2009. Beløpet utgjorde 403 ved utgangen av 2009.

5. Anleggsmidler

Driftsmidlene ved utgangen av 2009 var i hovedsak oppgraderinger i leide lokaler, datamaskiner og kontorinventar.

Amounts in NOK 1,000	Beløp i 1 000 NOK	IDEX GROUP IDEX KONSERN		IDEX ASA IDEX ASA	
		2009	2008	2009	2008
FIXED ASSETS	ANLEGGSMIDLER				
Cost at 1 January	Anskaffelseskost 1. januar	1 822	1 816	1 794	1 794
Additions	Tilgang	420	0	420	0
Disposals at cost	Utrangering til anskaffelsesverdi	(1 740)		(1 740)	
Currency adjustment	Valutajustering	(5)	6		
Cost at 31 December	Anskaffelseskost 31. desember	497	1 822	474	1 794
Accumulated depreciation at 1 January	Akkumulert avskrivning 1. januar	1 788	1 766	1 774	1 761
Accumulated depreciation of disposed items	Akkumulert avskrivning av utrangeringer	(1 740)		(1 740)	
Depreciation	Avskrivning	43	20	35	13
Currency adjustment	Valutajustering	(3)	2		
Accumulated depreciation at 31 December	Akkumulert avskrivning 31. desember	88	1 788	69	1 774
Book value at 31 December	Bokført verdi 31. desember	409	34	405	20
Depreciation period (straight line), years	Avskrivningsperiode (rettlinjet), år	3-5	3-5	3-5	3-5

6. Research and development expenses

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

External direct costs for research and development (R&D) including patenting and license costs have been expensed, and any grants and contributions have been credited. The gross expense amounted to NOK 6,025 thousand in 2009 compared to NOK 5,056 thousand in 2008. Since 2005, IDEX has received R&D grants from the 'SkatteFunn' scheme, a governmental R&D grant scheme operated by the Research Council of Norway. For 2009, IDEX expects to receive NOK 1,036 NOK which has been set off against R&D expenses. For 2008 the grant amounted to NOK 800 thousand. Net R&D cost was NOK 4,989 thousand in 2009 versus NOK 4,256 thousand in 2008.

In addition, about NOK 2.1 million of the salary costs in 2009 (2008: NOK 2.0 million) were related to R&D. Infrastructure costs are not included.

7. Income tax expense

The calculated deferred tax asset of NOK 62,689 thousand is virtually entirely related to tax losses carry forward. IDEX has not generated taxable profits in prior years. At 31 December 2009 there was not sufficiently convincing evidence that sufficient taxable profit will be generated, against which the unused tax losses could be applied. There are no restrictions as to how long tax losses may be carried forward.

6. Forsknings- og utviklingskostnader

Forskningsutgifter kostnadsføres når de påløper. Når regnskapet avlegges kan ikke IDEX påvise at SmartFinger® kan skape inntekter og kriteriene for balanseføring av utviklingsutgifter er derfor ikke oppfylt. Følgelig er alle utgifter knyttet til utvikling kostnadsført.

Eksterne direkte kostnader til forskning og utvikling (FoU) inklusive patenteringskostnader og lisenser er i sin helhet kostnadsført og mottatt støtte er ført som kostnadsreduksjon. Bruttoutgiftene utgjorde 6 025 tusen NOK i 2009 mot 5 056 tusen NOK i 2008. Siden 2005 har IDEX mottatt støtte til FoU fra SkatteFunn-ordningen som administreres av Norges Forskningsråd. For 2009 beregner IDEX å motta 1 036 tusen NOK som er ført som en reduksjon i FoU-kostnader. For 2008 utgjorde tilskuddet 800 tusen NOK. Netto FoU-kostnader ble utgiftsført med 4 989 tusen NOK i 2009 mot 4,256 tusen NOK i 2008.

I tillegg til eksterne direkte FoU-kostnader var om lag 2,1 millioner NOK av lønnskostnadene i 2009 (2008: 2,0 millioner NOK) relatert til FoU. Infrastrukturkostnader kommer i tillegg.

7. Skattekostnad

Beregnet utsatt skattefordel på 62 689 tusen NOK er nesten i sin helhet knyttet til fremførbart underskudd. IDEX har hatt tidligere år ikke hatt skattemessig overskudd. 31. desember 2009 foreligger det ikke tilstrekkelig overbevisende indikasjoner for at IDEX vil opparbeide tilstrekkelig skattepliktig overskudd til å kunne benytte seg av det fremførbare underskuddet. Det fremførbare underskuddet er ikke tidsbegrenset.

Amounts in NOK 1,000		Beløp i 1 000 NOK		IDEX GROUP/IDEX ASA IDEX KONSERN/IDEX ASA	
SPECIFICATION OF THE TAX EXPENCE FOR THE YEAR	ÅRETS SKATTEKOSTNAD	2009	2008		
Payable taxes on the result of the year	Betalbar skatt på årets resultat	0	0		
Change in deferred tax asset/liability	Endringer i utsatt skatt eiendel/forpliktelse	0	0		
Tax expense on net result	Skattekostnad på netto resultat	0	0		
COMPUTATION OF TAXES PAYABLE FOR THE YEAR	BEREGNING AV BETALBAR SKATT	2009	2008		
Net result before taxes	Netto resultat før skattekostnad	(27 569)	(21 140)		
Permanent differences	Permanente forskjeller	(1 222)	(836)		
Changes in temporary differences	Endringer i midlertidige forskjeller	(140)	(53)		
Basis for taxes payable	Grunnlag betalbar skatt	(28 931)	(20 358)		
28% tax, representing total taxes payable on current year's result	28 % skatt, som utgjør sum betalbar skatt på årets resultat	0	0		

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IDEX GROUP/IDEX ASA IDEX KONSERN/IDEX ASA	TEMPORARY DIFFERENCES MIDLERTIDIGE FORSKJELLER		CHANGE IN TEMPORARY DIFFERENCES ENDRING I MIDLERTIDIGE FORSKJELLER	
	31 December 2009 31. desember 2009	31 December 2008 31. desember 2008	2009	2008
Amounts in NOK 1,000 Beløp i 1 000 NOK				
Temporary differences Midlertidige forskjeller	(44)	(184)	(140)	53

SPECIFICATION OF OF TEMPORARY DIFFERENCES	SPESIFIKASJON AV MIDLERTIDIGE FORSKJELLER	IDEX GROUP/IDEX ASA IDEX KONSERN/IDEX ASA	
		2009	2008
Fixed Assets	Anleggsmidler	(44)	(184)
SPECIFICATION OF DEFERRED TAXES	SPESIFIKASJON AV UTSATT SKATTEFORDEL	2009	2008
Losses carried forward	Underskudd til framføring	(223 845)	(194 915)
Temporary differences	Midlertidige forskjeller	(44)	(184)
Basis for deferred tax asset/liability	Grunnlag utsatt skatt eiendel/forpliktelse	(223 889)	(195 099)
Calculated deferred tax asset/liability	Beregnet utsatt skatt eiendel/forpliktelse	62 689	54 628
Deferred tax asset in the balance sheet	Balanseført utsatt skattefordel	0	0
SPECIFICATION OF PAYABLE TAXES IN THE BALANCE SHEET	SPESIFIKASJON AV BALANSEFØRT BETALBAR SKATT	2009	2008
Taxes payable on this year's result	Betalbar skatt på årets resultat	0	0
Total taxes payable	Sum betalbar skatt	0	0

SPECIFICATION OF ACTUAL TAX EXPENSE	SPESIFIKASJON AV FAKTISK SKATTEKOSTNAD	IDEX GROUP IDEX KONSERN		IDEX ASA IDEX ASA	
		2009	2008	2009	2008
Result (loss) before tax	Resultat (tap) før skatt	(27 585)	(21 140)	(27 569)	(21 141)
Theoretical tax expense (income)	Teoretisk skattekostnad (-inntekt)	7 724	5 919	7 719	5 919
Permanent differences	Permanente forskjeller	(1 222)	(836)	(1 222)	(836)
Deferred tax asset not recognized	Utsatt skattefordel som ikke balanseføres	(6 502)	(5 083)	(6 497)	(5 083)
Actual tax expense (income)	Faktisk skattekostnad (-inntekt)	0	0	0	0

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

There is one class of shares and all shares have equal rights and the shares are freely negotiable. On 12 August 2009, the share capital was written down by reduction of par value from NOK 0.50 per share to NOK 0.05 per share, in a total amount of NOK 18,754 thousand. Two share issues were completed in 2009; a private placement on 20 February 2009 of 9,262,899 shares at NOK 1.10 per share and a 7.5-for-1 rights issue on 8 September 2009 of 312,558,652 shares at NOK 0.05. The issues raised a total net amount of NOK 25,137 thousand in new equity.

There were 354,233,139 shares in the company on 31 December 2009, up from 32,411,588 shares one year earlier. Subscribers to shares in the rights issue also obtained one warrant per new share. Warrant holders may in the period 12 August-30 September 2010 or 1 May-12 August 2011 request the issue of one share for each warrant held, by paying NOK 0.10 per share. There were 312,558,652 warrants outstanding at the end of 2009.

Further equity transactions and a 3:1 share consolidation have taken place in the first quarter of 2010, see note 10.

At the end of 2009 there were 641 shareholder accounts compared to 618 at the end of 2008. The twenty largest registered shareholders and warrant holders are listed in the table below. Foreign shareholders may control several accounts and nominees may hold shares on behalf of foreign shareholders.

8. Aksjekapital og aksjonærinformasjon, warrants og tegningsretter

Det er én aksjeklasse og alle aksjer har like rettigheter og er fritt omsettlige. 12. august 2009 ble aksjekapitalen skrevet ned ved reduksjon av pålydende fra 0,50 NOK per aksje til 0,05 NOK per aksje. Nedskrivningen utgjorde 18 754 tusen NOK. To emisjoner ble gjennomført i 2009; en privat plassering 20. februar 2009 av 9 262 899 aksjer til 1,10 NOK per aksje og en 7,5-for-1 fortrinnsrettsemissjon 8. september 2009 av 312 558 652 aksjer til 0,05 NOK per aksje. Emisjonene tilførte til sammen netto 25 137 tusen NOK ny egenkapital.

Det var 354 233 139 aksjer i selskapet 31. desember 2009, opp fra 32 411 588 aksjer ett år tidligere. De som tegnet seg for aksjer i fortrinnsrettsemissjonen mottok også en warrant for hver ny aksje. Warrantseiere har i periodene 12. august-30. september 2010 eller 1. mai-12. august 2011 rett til å få utstedt en ny aksje for hver warrant mot betaling av 0,10 NOK per aksje. Det var 312 558 652 utestående warrants ved utgangen av 2009.

Ytterligere egenkapitaltransaksjoner samt en 3:1 aksjespleis ble gjennomført i første kvartal 2010, se note 10.

Ved utgangen av 2009 var det 641 registrerte aksjonærkonti sammenlignet med 618 ved utgangen av 2008. De tjue største registrerte aksjonærene og warrantseierne er vist i tabellen nedenfor. Utenlandske aksjonærer kan ha flere konti og fullmektiger (nominees) kan stå oppført som registrert eier på vegne av utenlandske aksjonærer.

NAME	FIRST NAME	NUMBER OF SHARES	NUMBER OF WARRANTS	PERCENT OF SHARES	PERCENT OF WARRANTS
NAVN	FORNAVN	ANTALL AKSJER	ANTALL WARRANTS	PROSENT AV AKSJER (DESIMALPKT)	PROSENT AV WARRANTS (DESIMALPKT)
A. S. HOLDING A/S		75 219 256	66 735 100	21.23 %	21.35 %
COLARGOL INVEST AS		28 815 098	25 564 254	8.13 %	8.18 %
EUROCLEAR BANK S.A./N.V. ('BA')		27 483 059	24 383 181	7.76 %	7.80 %
GPR TECHNOLOGY FUND LTD		24 644 126	21 864 458	6.96 %	7.00 %
CHARLES STREET INTERNATIONAL LTD		14 540 009	12 900 008	4.10 %	4.13 %
RØNNE	LARS FRITHJOF	9 075 964	7 924 692	2.56 %	2.54 %
TORTIN HOLDINGS LIMITED		8 865 857	7 865 857	2.50 %	2.52 %
FOOD INTERNATIONAL LTD		7 653 664	6 790 390	2.16 %	2.17 %
RØNNE	SVEN CHRISTIAN FLORUS	7 568 250	6 714 610	2.14 %	2.15 %
HEAP	JOHN ANDREW	7 179 789	6 547 406	2.03 %	2.09 %
MARC O POLO NORGE AS		7 015 552	6 224 252	1.98 %	1.99 %
HYSON LIMITED		6 206 092	5 506 093	1.75 %	1.76 %
SUNDEVALL	AUDAR	5 731 541	5 351 230	1.62 %	1.71 %
WIERMYHR	KRISTIAN	5 766 035	5 115 671	1.63 %	1.64 %
HENRIKSEN	JENS ANDREAS	5 378 560	4 756 297	1.52 %	1.52 %
FRANKPLADS	JON OLA	4 447 962	4 000 000	1.26 %	1.28 %
BIG TOP HOLDING AS		4 432 930	3 932 930	1.25 %	1.26 %
SIMPSON FINANCIAL LIMITED		3 271 920	2 902 873	0.92 %	0.93 %
VOIGT	HARALD	3 103 053	2 753 053	0.88 %	0.88 %
EURO HAGE OG ANLEGG AS		3 000 000	2 821 224	0.85 %	0.90 %

		2009	2009	2008	2008
		NUMBERS OF SUBSCRIPTION RIGHTS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBERS OF SUBSCRIPTION RIGHTS	WEIGHTED AVERAGE EXERCISE PRICE
SUBSCRIPTION RIGHTS	TEGNINGSRETTET	ANTALL TEGNINGS- RETTET	GJENNOM- SNITTLIG UTØVELSES- PRIS	ANTALL TEGNINGS- RETTET	GJENNOM- SNITTLIG UTØVELSES- PRIS
Outstanding 1 January	Utestående 1. januar	2 396 875	3,41	812 500	12,62
Granted	Tildelt	19 847 500	0,35	1 936 875	3,01
Exercised	Utøvd			0	
Forfeited	Tapt	(1 590 000)	3,00	(352 500)	9,74
Expired	Utløpt	(15 000)		0	
Outstanding 31 December	Utestående 31. desember	20 639 375		2 396 875	3,41
Number which were exercisable at 31 December	Antall som kunne utøves per 31. Desember	377 961	4,61	191 250	5,08
Weighted average fair value of subscription rights granted in the year	Vektet gjennomsnittlig virkelig verdi av tegningsretter tildelt i året	19 847 500	0,32	1 936 875	2,00

The annual general meeting 2008 resolved to lower the exercise prices on outstanding subscription rights to employees employed by the company. The change concerned 568,750 subscription rights and amounted at the date to a total increase of fair value of NOK 308 thousand which is accounted for over the vesting period.

The board may grant up to 35,423,313 subscription rights under the 2009 subscription rights based incentive programme, but limited in such a way that the total number of subscription rights outstanding may not exceed 10 per cent of the number of shares. The subscription rights may be granted to employees and elected officers as well as individual consultants on long-term contracts performing similar work in IDEX. The exercise price shall be equal to the average closing price of the IDEX share on ten trading days before the date of the grant. The subscription rights vest in four equal tranches every 12 months after the date of the grant and lapse on the fifth anniversary after the programme was resolved. Grants under programmes for prior years have the same vesting schedule and duration. The recipient must remain an employee or working consultant or hold an elected office to IDEX at the time of vesting or exercise. There are no cash settlement alternatives.

In 2009 the board granted 19,847,500 subscription rights under the 2009 programme. At the end of 2009, there were a total of 20,639,375 subscription rights outstanding under various programmes. Weighted average exercise price was NOK 0.50 per share.

Generalforsamlingen 2008 vedtok å endre utøvelsesprisen på utestående tegningsretter til ansatte som fortsatt var ansatt i selskapet. Denne endringen omfattet 568 750 tegningsretter og medførte en verdiøkning på endringstidspunktet på til sammen 308 tusen NOK som regnskapsføres i takt med opptjeningen.

Under 2009 tegningsrettsbasert incentivprogram kan styret tildele opptil 35 423 313 tegningsretter, men begrenset oppad slik at samlet antall utestående tegningsretter ikke kan utgjøre mer enn 10 prosent av antall aksjer. Tegningsrettene kan tildeles ansatte og tillitsvalgte, samt individuelle konsulenter med langtidskontrakt, som utfører tilsvarende arbeid i IDEX. Utøvelseskursen skal være lik gjennomsnittlig sluttkurs på IDEX-aksjen de ti siste handledagene før tildelingsdagen. Tegningsrettene opptjenes i fire like transjer hvert år fra tildelingsdato og utløper på femårsdagen for vedtak av programmet. Tidligere års programmer har tilsvarende opptjening og varighet. Mottakeren må være ansatt eller arbeidende konsulent eller tillitsvalgt når tegningsretten opptjenes eller utøves. Det gis ikke mulighet for kontantoppgjør.

I 2009 tildelte styret 19 847 500 tegningsretter under 2009-programmet. Ved utgangen av 2009 var det til sammen 20 639 375 tegningsretter utestående under ulike programmer, med vektet utøvelseskurs 0,50 NOK.

The fair value for the subscription rights granted in 2009 has been calculated by use of the Black & Scholes option pricing model applying the following assumptions:

- Exercise price NOK 0.30-0.40 per share, weighted average NOK 0,32 per share
- Actual share price at date of grant NOK 0.39 per share
- Duration 4.6 years
- Volatility of share price based on share price history 110 per cent
- Risk free interest rate of 2.71-3.48 per cent, weighted average 3.18 per cent
- No payment of dividends
- Actual population of subscription rights holders, no attrition
Shares, warrants and subscription rights held or controlled by primary insiders and their close relations:

Virkelig verdi av tegningsretter tildelt i 2009 er beregnet ved bruk av en Black & Scholes-modell for prising av opsjoner basert på følgende forutsetninger:

- Utøvelsespris 0,30-0,40 NOK per aksje, vektet gjennomsnitt 0,32 NOK per aksje
- Aksjekurs på tildelingsdato 0,39 NOK per aksje
- Varighet opptil 4,6 år
- Volatilitet av aksjekursen basert på aksjekurshistorikk 110 prosent
- Risikofri rente på 2,71-3,48 prosent, vektet gjennomsnitt 3,18 prosent
- Forventet utbytte lik null
- Faktisk gruppe av tegningsrettseiere, uten avgang
Aksjer, warrants og tegningsretter eid eller kontrollert av primærinnvidere og deres nærstående:

Shares, warrants and subscription rights held or controlled by primary insiders and close relations at 31 december	2009	2009	2009	2008	2008
	SHARES	WARRANTS	SUBSCRIPTION RIGHTS	SHARES	SUBSCRIPTION RIGHTS
Aksjer, warrents og tegningsretter eid eller kontrollert av primærinnvidere og nærstående 31. desember	2009	2009	2009	2008	2008
	AKSJER	WARRANTS	TEGNINGS-RETTER	AKSJER	TEGNINGS-RETTER
Morten Opstad, chairman/styreleder	10 109 927	8 969 608	0	882 300	0
Andrew Heap, board member/styremedlem	7 179 789	6 547 406	0	862 383	0
Hanne Høvdig, board member/styremedlem	357 358	310 000	9 375	40 962	9 375
Joan Frost Urstad, board member/styremedlem	85 000	75 000	18 750	10 000	18 750
Harald Voigt, board member/styremedlem	3 103 053	2 753 053	18 750	100 000	18 750
Ralph W. Bernstein, CEO and CTO/administrerende direktør og teknisk direktør	531 957	471 957	5 295 895	60 000	457 027
Erling Svela, CFO/økonomidirektør	0	0	200 000	0	0
Total					
Sum	21 367 084	19 127 024	5 542 770	1 955 645	480 000

9. Board authorizations to issue shares or acquire own shares

Only authorizations valid on 31 December 2009 have been included.

The authorization was used 10 March 2010, see note 10.

There were no authorisations to purchase own shares in effect at the end of 2009.

9. Fullmakter til styret til å utstede aksjer eller kjøp av egne aksjer

Kun fullmakter som var gyldige per 31. desember 2009 er tatt med.

Fullmakten ble benyttet 10. mars 2010, se note 10.

Det forelå ikke fullmakt til kjøp av egne aksjer ved utgangen av 2009.

DATE OF GENERAL MEETING	PURPOSE OF THE AUTHORIZATION	VALID UNTIL	AUTHORISED NUMBER OF SHARES	ISSUED NUMBER OF SHARES
DATO FOR GENERALFORSAMLING	FORMÅLET FOR FULLMAKTEN	GYLDIG TIL	ANTALL AKSJER FULLMAKT GJELDER	ANTALL AKSJER UTSTEDT
8 May 2009, amended on 12 August 2009	Issue of shares to conduct mergers or acquisitions, raise new capital and/or repay loan	Annual general meeting 2010, but no longer than 30 June 2010	70 846 652	0
8. mai 2008, endret 12. august 2009	Utsede aksjer for å gjennomføre fusjoner eller oppkjøp, innhente ny kapital og/eller innfri lån	Ordinær generalforsamling 2010, men ikke etter 30. juni 2010	70 846 652	0

10. Events after 31 December 2009

The board of Oslo Børs resolved on 28 January 2010 to admit the IDEX shares to listing on Oslo Axess latest on 12 March 2010 on certain conditions. The conditions were satisfied and the first day of listing was 12 March 2010.

To raise equity and working capital and satisfy the conditions set by Oslo Børs, the extraordinary general meeting on 17 February 2010 resolved to (i) authorise the board to allow early exercise of warrants in an amount of NOK 15-30 million, (ii) approve the lender's request for conversion of debt in an amount on NOK 13 million to shares, and (iii) conduct a 3-to-1 share consolidation effective no later than 12 March 2010.

The conversion of NOK 13,130 thousand debt to equity on 17 February 2010 replenished the equity and additional equity and working capital amounting to NOK 30,016 thousand was added by the early exercise of warrants and private placement of shares in primo March 2010.

The share consolidation took effect as of and including 10 March 2010. Between 31 December 2009 and the date of these annual financial statements no events have occurred which may significantly impact the result for 2009 or the value of IDEX' assets and debt at the end of 2009.

11. Earnings per share

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

10. Hendelser etter 31. desember 2009

Styret i Oslo Børs vedtok 28. januar 2010 å ta IDEX-aksjen opp til notering på visse betingelser og med første noteringsdato senest 12. mars 2010. Betingelsene var oppfylt og første noteringsdag var 12. mars 2010.

For å tilføre egenkapital og arbeidskapital samt oppfylle betingelsene som Oslo Børs hadde satt, vedtok ekstraordinær generalforsamling 17. februar 2010 å (i) gi styret fullmakt til å tillate tidlig utøvelse av warrants for 15-30 millioner NOK, (ii) godkjenne långiverens krav om konvertering av gjeld på 13 millioner NOK til aksjer og (iii) gjennomføre en 3-til-1 aksjespleis med virkning senest 12. mars 2010.

Egenkapitalen ble gjenopprettet ved konvertering av 13 130 tusen NOK gjeld til egenkapital 17. februar 2010. Videre ble ytterligere 30 016 tusen NOK egenkapital tilført gjennom tidlig utøvelse av warrants og privat plasering av aksjer primo mars 2010.

Aksjespleisen ble gjennomført med virkning fra og med 10. mars 2010. Mellom 31. desember 2009 og avleggelsen av årsregnskapet har det ikke inntruffet hendelser som har vesentlig betydning for resultatet for 2009 eller verdien av IDEX' eiendeler og gjeld ved utgangen av 2009.

11. Resultat per aksje

Resultat per aksje beregnes ved å dividere årets resultat med vektet gjennomsnittlig antall aksjer utestående i året. Utvannet resultat per aksje beregnes ved å dividere årets resultat med vektet gjennomsnittlig antall utvannede aksjer for året. Ved underskudd vil en utvanningseffekt redusere underskuddet per aksje. Utvanningseffekten tas ikke hensyn til i slike tilfeller.

		IDEX GROUP IDEX KONSERN	IDEX GROUP IDEX KONSERN
		2009	2008
Net profit (loss) for the year (NOK 1,000)	Årsresultat (underskudd) (1 000 NOK)	(27 585)	(21 141)
Number of ordinary shares in issue at 31 December	Antall utstedte ordinære aksjer per 31. desember	354 233 139	32 411 588
Weighted average basic number of ordinary shares	Vektet gjennomsnitt antall ordinære aksjer	135 609 947	30 028 350
Weighted average diluted number of shares	Vektet gjennomsnitt utvannet antall ordinære aksjer	213 408 979	30 028 350
Profit (loss) per share basic and diluted (NOK,øre per share)	Resultat per aksje ordinært og utvannet (NOK per aksje)	(0,20)	(0,70)

12. Audit fees

Audit fees for the statutory audit amounted to NOK 185 thousand in 2009 (2008: NOK 180 thousand). Fees related to tax assistance amounted to NOK 42 thousand (2008: NOK 45 thousand) and other services, such as confirmations related to capital increases NOK 20 thousand (2008: NOK 7 thousand).

13. Financial loan, other financial obligations

Shareholder Simpson Financial Limited was the original lender of the financial loan which was obtained on 8 June 2007. The loan was later transferred to shareholder A. S. Holding A/S. The loan was extended at new terms latest on 20 November 2009.

The principal amounted to NOK 12,505 thousand at the end of 2009. Payable interest is 10 per cent p.a., payable each semi-annum. Accrued payable interest at 31 December 2009, NOK 625 thousand, was not paid but added to the loan.

The lender gave notice of conversion in January 2010 and the loan including interest was converted to NOK 13.1 million new equity on 17 February 2010.

There were no financial covenants on the loan. The patent portfolio was pledged as security for the loan. The loan did not have a fixed term, but the lender could at any time after 1 October 2010 request repayment of the loan on six months notice. IDEX could at any time after the same date request to repay the loan on two months notice. The lender could at any time upon 30 days notice request to convert all or a part of the outstanding loan (principal and interest) into capital stock of IDEX at a conversion price of NOK 0.20 per share. The right to conversion also applied after IDEX has given notice of repayment. Because of the conversion property, the loan was held in the balance sheet at a value less than the nominal amount at the end of 2009.

Because the lender could request conversion of the loan to shares at a fixed price per share, the company calculated an equity element related to the loan. The equity element was the difference

12. Revisjonshonorar

Revisjonshonorar i 2009 for pliktig revisjon utgjorde 185 tusen NOK (2008: 180 tusen NOK). Honorar for skattebistand utgjorde 42 tusen NOK (2008: 45 tusen NOK) og andre tjenester som bekreftelse av kapitalforhøyelser 20 tusen NOK (2008: 7 tusen NOK).

13. Finansielt lån, andre finansielle forpliktelser

Aksjonær Simpson Financial Limited var opprinnelig långiver for det finansielle lånet som ble tatt opp 8. juni 2007. Lånet ble senere overført til aksjonær A. S. Holding A/S. Lånet ble sist forlenget på nye vilkår 20. november 2009.

Hovedstolen utgjorde 12 505 tusen NOK ved utgangen av 2009. Betalbar rente er 10 prosent p.a. Rente skal betales hvert halvår. Betalbar rente per 31. desember 2009, 625 tusen NOK, ble ikke betalt men lagt til lånet.

I januar 2010 varslet långiver om konvertering og lånet med påløpt rente ble konvertert til 13,1 millioner NOK ny egenkapital 17. februar 2010.

Det var ikke avtalt finansielle lånevilkår (covenants). Patentporteføljen var pantsatt som sikkerhet for lånet. Lånet hadde ubestemt løpetid men etter 1. oktober 2010 kunne långiver når som helst kreve det tilbakebetalt med seks måneders varsel. IDEX kunne etter samme dato nedbetale lånet med to måneders varsel. Långiver kunne når som helst velge å konvertere hele eller deler av det utestående beløpet (lånesum og renter) til aksjer i IDEX til kurs 0,20 NOK per aksje. Konverteringsretten gjaldt også etter at IDEX hadde varslet tilbakebetaling. Som finansieringskilde var lånets korteste løpetid til 1. april 2011. På grunn av konverteringsretten var lånesummen oppført i balansen til et beløp som er lavere enn den nominelle gjelden ved utgangen av 2009.

Ved at långiver hadde rett til å konvertere lånet til aksjer til en fastsatt kurs, har IDEX beregnet et egenkapitalelement knyttet til lånet. Egenkapitalelementet var forskjellen mellom nominell verdi

between the nominal value of the loan (amount received from lender) and the net present value (NV) of the repayment and interest payment. The equity element created by the renewal and extension in 2008 amounted to NOK 1,688 thousand. The NV was calculated by using the estimated market interest rate for a loan without any conversion right. Calculated interest is added to the loan over the duration of the loan, and interest paid is deducted.

When the loan was renewed and extended on 20 November 2009, NOK 27 thousand was expensed and net NOK 1,152 equity was added. The net book value of the loan including accrued payable interest at the end of 2009 was NOK 11,954 thousand. Fair value based on interest rates at 31 Desember 2009 was NOK 11,875 thousand. The difference is insignificant compared to the accuracy of the estimated risk premium and no adjustment was made.

på lånet (mottatt utbetaling fra långiver) og nåverdien av nedbetaling og rentebetaling. Egenkapitalelementet som oppstod ved fornyelsen og forlengelsen i 2008 utgjorde 1 688 NOK. Nåverdien ble beregnet basert på estimert markedsrente for et lån uten konverteringsrett. Nåverdi-beløpet tillegges kalkulert rente over løpetiden av lånet og betalte renter trekkes fra.

Da lånet ble fornyet og forlenget 20. november 2009, ble 27 tusen NOK kostnadsført og netto 1 152 tusen NOK tillagt egenkapitalen. Balanseført verdi av lånet inkludert påløpt betalbar rente ved utgangen av 2009 var 11 954 tusen NOK. Virkelig verdi basert på rentenivået per 31. desember 2009 var 11 875 tusen NOK. Forskjellen er uvesentlig sammenlignet med nøyaktigheten av estimatet av risikopremien, og verdien ble derfor ikke justert.

AMOUNTS IN NOK 1,000	BELØP I 1 000 NOK	INDEX GROUP	INDEX GROUP
		INDEX ASA	INDEX ASA
		INDEX KONSERN	INDEX KONSERN
		INDEX ASA	INDEX ASA
INTEREST EXPENSE SPECIFICATION	SPESIFIKASJON AV RENTEUTGIFTER	2009	2008
Interest and compound interest due to lender accrued in the year	Påløpt betalbar rente og rentesrente til långiver påløpt i året	1 287	1 130
Expensed notional interest cost and financial cost	Resultatført kalkulatorisk rente og finanskostnad	2 406	2 229

IDEX had no other significant financial obligations at the end of 2009 or 2008. Ongoing expenses are generally paid monthly and accounts payable were largely due in less than one month. Rent of facilities are prepaid quarterly. Other Short-term liabilities, mainly for accrued expenses, were largely due in six months or less.

14. Related party transactions

The company's shareholders, board members and management are considered related parties. All transactions with related parties have been carried out on arm's length principle.

The company has taken up a financial loan from a shareholder. See note 13.

The chairman is a partner and chairman of the board in Advokatfirma Ræder DA. The law firm provided services to the company amounting to NOK 1,686 thousand in 2009 (2008: NOK 686 thousand). The amount includes Ræder's work with preparing and conducting the share issues in February and September 2009 including the registration prospectus as well as the work with preparing the application for listing at Oslo Axess. The amount includes delivered and accrued but not invoiced services.

Board member Andrew Heap was retained as consultant under contract in the company until the contract expired on 31 August 2008. The fee in 2008 amounted to NOK 333 thousand. Mr. Heap has charged NOK 127 thousand plus out-of-pocket expenses for sales support services beyond board duty in 2009. The services have been provided on request from IDEX. IDEX does not have

IDEX hadde ingen andre betydelige finansielle forpliktelser ved utgangen av 2009 eller 2008. Løpende utgifter betales gjennomgående månedlig og leverandørgjelden hadde i all hovedsak forfall innen én måned. Husleie forskuddsbetales månedlig. Annen kortsiktig gjeld, som i hovedsak var avsetning for påløpte kostnader, hadde i hovedsak forfall kortere enn seks måneder.

14. Transaksjoner med nærstående parter

Selskapets eiere, styremedlemmer og ledergruppen er ansett som nærstående parter. Alle transaksjoner med nærstående parter er gjennomført basert på armlengdes prinsipper.

Selskapet har tatt opp et finansielt lån fra en aksjonær. Se note 13.

Styreleder er partner og styreleder i Advokatfirma Ræder DA. Advokatfirmaet har i 2009 levert tjenester til selskapet for 1 686 tusen NOK (2008: 686 tusen NOK). Beløpet omfatter Ræders arbeid med å forberede og gjennomføre emisjonene i februar og september, herunder registreringsprospektet, samt arbeidet med å utarbeide søknaden om notering på Oslo Axess. Beløpet inkluderer utførte og påløpte, men ikke fakturerte tjenester.

Styremedlem Andrew Heap var løpende engasjert som innleid konsulent i selskapet fram til avtalen utløp 31. august 2008. Honoraret i 2008 utgjorde 333 tusen NOK. Andrew Heap har belastet selskapet 127 tusen NOK samt fått refundert sine utlegg for salgss støtteaktiviteter ut over styrevervet i 2009. Aktivitetene er utført på oppdrag fra IDEX og selskapet har ingen løpende forpliktelse til å kjøpe tjenester fra Andrew Heap.

any ongoing obligation to purchase services from Mr. Heap.

Board members Hanne Høvdning and Joan Frost Urstad conducted smaller, specific assignments beyond board duty in 2008 and charged NOK 25 thousand, respectively NOK 58 tusen for services in 2008.

Shareholder Castor August AS has charged NOK 445 thousand plus out-of-pocket expenses for marketing and sales activities under a service agreement which ended on 31 December 2009.

There were no overdue open items with related parties at the end of 2009 or 2008. See also note 4.

The subsidiaries in the USA are also close relations to the parent company IDEX ASA. See note 17. The parent company purchases sales and marketing services from the subsidiary IDEX America Inc. The services are purchased at actual full cost without profit. The purchases amounted to NOK 1,745 thousand in 2009 (2008: NOK 1.700 thousand). The extended and accrued amounts for 2007-2008 were settled in 2009 and at the end of 2009, only the fourth quarter of 2009 remained unsettled. The amount was settled in January 2010.

15. Government grants

To be able to receive grant from SkatteFunn, the company has to be a research and development company. It is also required that the company reports progress and achievements to the Research Council of Norway. The grant for 2009 will be paid out in the second half of 2010. See also note 6.

Styremedlemmene Hanne Høvdning og Joan Frost Urstad utførte mindre, konkrete oppdrag i tillegg til styrevervet og belastet hhv. 25 tusen NOK og 58 tusen NOK i 2008.

Aksjonær Castor August AS har fakturert 445 tusen NOK plus refusjon av utlegg for markeds- og salgsaktiviteter under en tjenesteaftale som utløp 31. desember 2009.

Det var ingen forfalte ubetalte poster overfor nærstående ved utgangen av 2009 eller 2008. Se også note 4.

Datterselskapene i USA er også nærstående til morselskapet IDEX ASA. Se note 17. Morselskapet kjøper salgs- og markedsførings tjenester fra datterselskapet IDEX America Inc. Tjenestene kjøpes til faktisk full kostnad uten fortjeneste. Kjøpene utgjorde 1 700 tusen NOK i 2009 (2008: 1 700 tusen NOK). De forskuddsbetalte og påløpte beløp for 2007-2008 ble motregnet i 2009 og ved utgangen av året var kun fjerde kvartal 2009 ikke betalt. Betalingen ble gjort i januar 2010.

15. Offentlig tilskudd

For å kunne søke om støtte fra SkatteFunn, må selskapet være et forsknings- og utviklings selskap. Det er også et krav om at selskapet skal rapportere framgang og oppnådde resultater til Norges Forskningsråd. Støtten for 2009 utbetales i andre halvår 2010. Se også note 6.

		IDEX GROUP IDEX ASA	IDEX GROUP IDEX ASA
AMOUNTS IN NOK 1,000	BELØP I 1 000 NOK	IDEX KONSERN IDEX ASA	IDEX KONSERN IDEX ASA
GRANTS DURING THE YEAR	STØTTE I LØPET AV ÅRET	2009	2008
SkatteFunn	SkatteFunn	1 036	800

16. Restricted assets

The patent portfolio has been pledged as security for the financial loan. The patent portfolio is not held on the balance sheet and there is no reliable fair value assesment of it.

Bank deposits for employees' withheld tax are restricted, see note 3.

Upon expiry of its former office lease contract, the parent company relocated to smaller facilities in November 2009. The rent and allocated expenses for the new offices is NOK 500 thousand per year. IDEX has deposited NOK 313 thousand in an escrow account. The amount is equal to 6 months' rent allocations and VAT. Interest is credited to IDEX. The corresponding amount in an escrow account was NOK 797 thousand at the end of 2008.

16. Eidendeler med restriksjoner

Selskapets patentportefølje er pantsatt som sikkerhet for det finansielle lånet. Patentporteføljen er ikke balanseført og det foreligger ikke en pålitelig verdierunding.

Det er restriksjoner på trekkinnskuddkonti, se note 3.

Ved utløp av den tidligere leieavtalen flyttet morselskapet i november 2009 til mindre lokaler. Leien og felleskostnader for de nye lokalene er 500 tusen NOK på årsbasis. IDEX har en sperret depositumskonto med innskudd på 313 tusen NOK. Beløpet tilsvarer 6 måneders leie, felleskostnader og mva. Renter godskrives IDEX. Beløpet på tilsvarende depositumskonto var 797 tusen NOK ved utgangen av 2008.

17. Subsidiaries

The following subsidiaries have been included in the consolidated financial statements:

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

17. Datterselskaper

Følgende datterselskaper er inkludert i det konsoliderte regnskapet:

IDEX Holding Company Inc. ("Holding") er et eierselskap for virksomheten i USA. IDEX America Inc. eies av Holding og er opprettet for å drive markedsføring og salg av IDEX produkter i USA.

SUBSIDIARY	OWNERSHIP	SHARE OF VOTES
	EIERANDEL	ANDEL AV STEMME RETT
DATTERSELSKAP		
IDEX Holding Company Inc., Delaware, USA	100%	100%
IDEX America Inc., Delaware, USA	100%	100%

18. Operating revenue

NOK 2,225 thousand of the operating revenue in 2008 was part of the payment in connection with the settlement with ST Microelectronics and UPEK Ltd which was entered into in 2007. IDEX did not receive further payments in 2009 and does not expect to receive further payments in connection with the settlement.

18. Driftsinntekter

Av driftsinntektene i 2008 var 2 225 tusen NOK en del av oppgjør etter et forlik med ST Microelectronics og UPEK Ltd. som ble inngått i 2007. IDEX mottok ikke ytterligere betaling i 2009 og forventer ikke å motta ytterligere betalinger i forbindelse med forliket.

Responsibility statement

The board and the managing director have today reviewed and approved this report of the board of directors as well as the annual financial statements for the IDEX group and the parent company IDEX ASA as at 31 December 2008.

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

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

Ansvarserklæring

Styret og administrerende direktør har i dag behandlet og godkjent denne årsberetningen samt årsregnskapene for IDEX konsern og morselskapet IDEX ASA per 31. desember 2008.

Konsernets og morselskapets årsregnskap er utarbeidet i samsvar med IFRS som godkjent av EU med de tillegg som følger av regnskapsloven. Notene er en del av de respektive årsregnskapene. Årsberetningen er utarbeidet i samsvar med regnskapsloven og god regnskapskikk i Norge.

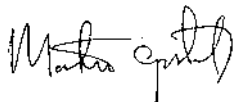
Vi erklærer etter beste overbevisning at regnskapsopplysningene gir et rettviseende bilde av konsernets og morselskapets eiendeler, gjeld, finansielle stilling og resultat som helhet, samt at årsberetningen gir en rettviseende oversikt over utviklingen, resultatet og stillingen til konsernet og morselskapet, sammen med en beskrivelse av de mest sentrale risiko- og usikkerhetsfaktorer konsernet og morselskapet står overfor.

Fornebu, 25 March 2010/25. mars 2010

THE BOARD OF DIRECTORS OF IDEX ASA / STYRET I IDEX ASA

MORTEN OPSTAD

CHAIRMAN / STYRELEDER



HANNE HØVDING

BOARD MEMBER / STYREMEDLEM



HARALD VOIGT

BOARD MEMBER / STYREMEDLEM



ANDREW HEAP

BOARD MEMBER / STYREMEDLEM



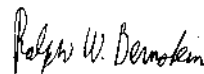
JOAN FROST URSTAD

BOARD MEMBER / STYREMEDLEM

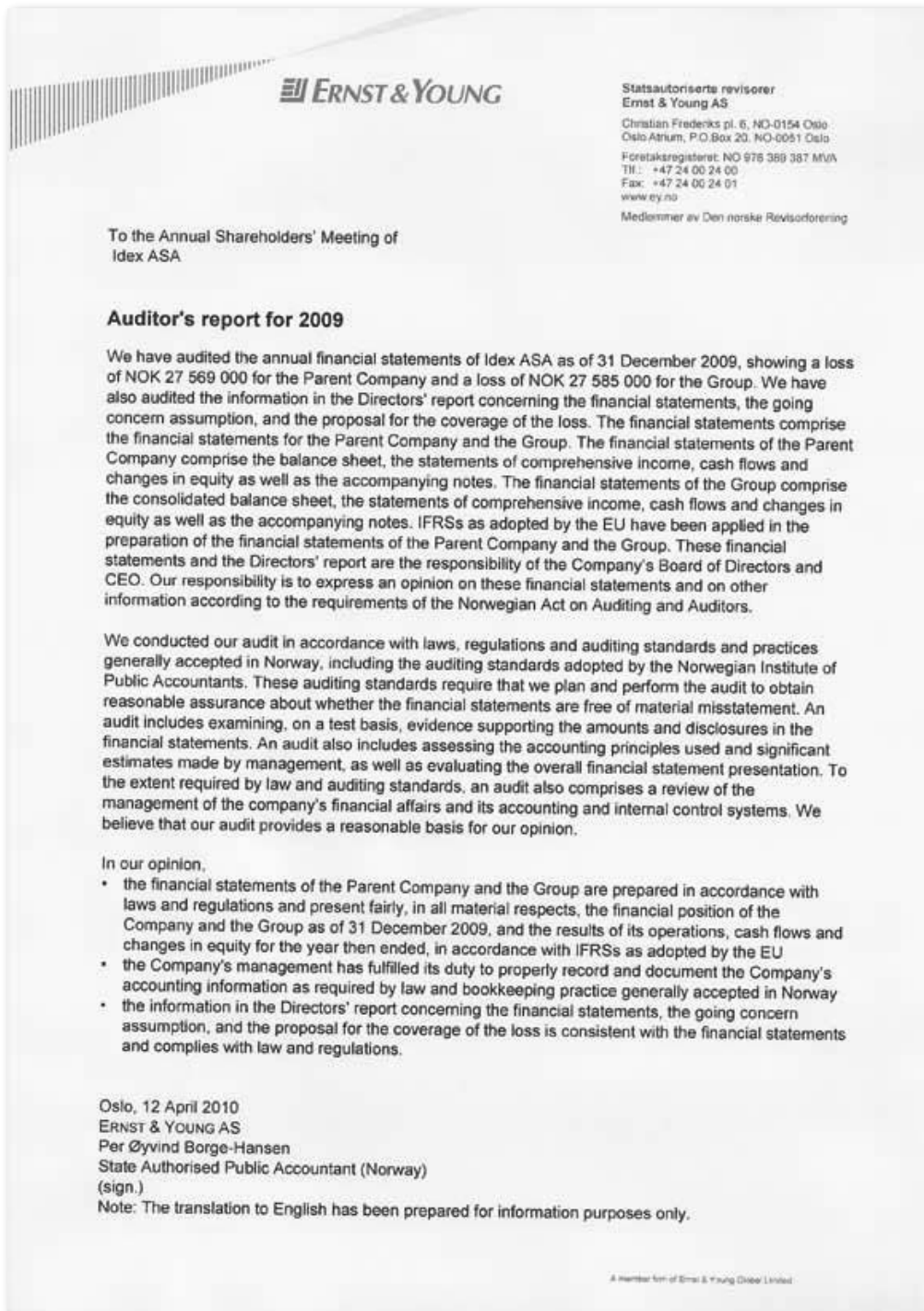


RALPH W. BERNSTEIN

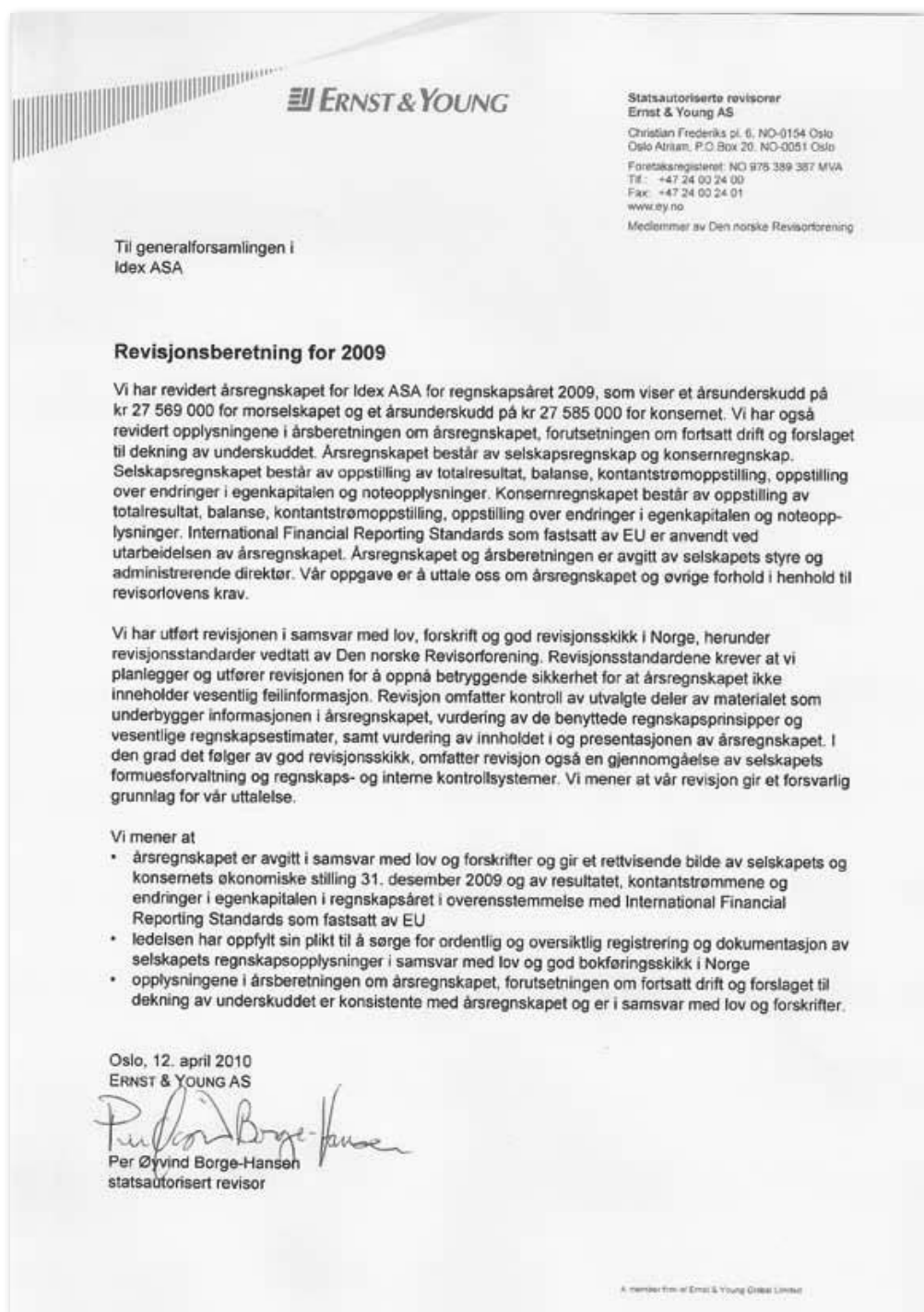
CEO ADMINISTRERENDE / DIREKTØR



Auditor's report



Revisjonsberetning





PART III: SHARE SECURITIES NOTE

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1 RISK FACTORS

This Share Securities Note is being prepared in connection with the listing of 27,196,064 new shares on Oslo Axess. The shares were issued after a private placement completed on 9 November 2012.

Investing in IDEX shares involves inherent risks. The following factors, in addition to the other information contained in the Prospectus, hereunder the risk factors contained in Section 1 of the Share Registration Document, should be carefully considered before making an investment decision with regard to IDEX. If any of the following risks actually occur, the Company's business, financial condition and operating results could be materially and adversely affected.

Risks that are Material to the Securities being Admitted to Trading

IDEX's quarterly operating results will likely be volatile and not a reliable indicator of the Company's future performance.

The Company's revenues and operating results may in the future vary significantly from quarter to quarter due to a number of factors, including:

- demand for the Company's technology;
- timing of the closing of major contracts; and
- delays in introducing new technology.

IDEX expects that quarterly revenues may be volatile as the Company develops new technology and obtains new customers in the future. The volume and timing of commercial agreements are difficult to predict because the market for the Company's technology is not mature and the sales cycle may vary substantially from customer to customer. IDEX believes that quarter-to-quarter comparisons of its operating results are not likely to be a good indication of the Company's future performance. As a consequence, in future quarters, the Company's operating results might be below the expectations of public market analysts and investors, which again might cause the prices of the Company's shares to fall.

IDEX may not be able to earn the planned revenue or to raise sufficient working capital to fund its operations until its business generates positive cash flow.

The Group's business has not yet generated a profit and there has been a continuing outflow of cash.

Given the current cash position and the planned future requirements, IDEX may be in need of funding before it generates a positive cash flow. IDEX does not have any draft facilities or significant working capital reserves beyond 12 months after the date of this Prospectus, and the Company does not possess assets suitable for pledging as security for borrowing.

Financial market conditions may cause difficulties in obtaining funding if and when additional working capital needs arise.

Price volatility of publicly traded securities

The listed price of the shares of IDEX may be volatile. Factors such as changes in the results of operations of the Company, negative publicity, changes in recommendations of securities analysts regarding the Company or in the global conditions of the financial or securities markets or in the sectors in which IDEX operates could have a negative effect on the listed price of the Company's shares.

In recent years, the securities markets in Norway and elsewhere in Europe have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It is likely that the quoted market price, if any, for the shares in the Company will be subject to market trends generally, notwithstanding the financial and operational performance of the Company.

2 STATEMENTS

STATEMENT OF RESPONSIBILITY FOR THE SHARE SECURITIES NOTE


The Prospectus has been prepared by the Board of Directors and the management in IDEX ASA ("IDEX").

The current Board is comprised of Morten Opstad (Chairman), Jon Ola Frankplads, Hanne Høvdning, Joan Frost Urstad and Harald Voigt.

The Board of Directors of IDEX accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

IDEX ASA
Fornebu, 11 December 2012

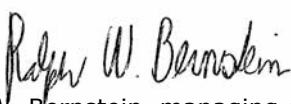

Morten Opstad, Chairman


Jon Ola Frankplads, Board member


Hanne Høvdning, Board member


Joan Frost Urstad, Board member


Harald Voigt, Board member


Ralph W. Bernstein, managing director

STATEMENT REGARDING THIRD PARTY INFORMATION

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

IDEX ASA
Fornebu, 11 December 2012



Morten Opstad, Chairman


Jon Ola Frankplads, Board member


Hanne Høvdning, Board member


Joan Frost Urstad, Board member


Harald Voigt, Board member


Ralph W. Bernstein, managing director

3 KEY INFORMATION

3.1 Working capital statement

Working capital for present requirements

IDEX is of the opinion that its working capital as at the date of this Prospectus is sufficient for its present requirements.

3.2 Capitalization and indebtedness of the Group

After the unaudited interim report as at 30 September 2012 was published, the Group's business and operations have progressed as planned.

The board resolved on 8 November 2012 to carry out a private placement of up to 27.2 million shares in IDEX, with final quantity and price per share to be established by book building. The book building was completed on 8 November 2012 and the board resolved on 9 November 2012 to issue a total of 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. Subscription for the new shares has taken place and the subscription amount has been paid in.

IDEX is funded by equity and supplier credit. IDEX does not have financial debt.

Consolidated debt and shareholders' equity on 30 November 2012 and 30 September 2012

NOK 1,000	30 November 2012 (unaudited)	30 September 2012 (unaudited)
Total Current debt:	3 756	5 357
Guaranteed	-	-
Secured	-	-
Unguaranteed/ Unsecured	3 756	5 357
Total Non-Current debt (excluding current portion of long-term debt)	-	-
Guaranteed	-	-
Secured	-	-
Unguaranteed/ Unsecured	-	-
Shareholders' equity	19 266	4 108
a. share capital	46 392	42 343
b. Legal Reserve	86 493	71 625
c. Other Reserves	(113 619)	(109 860)
Total debt and shareholders' equity	23 022	9 465

The unsecured current debt consists of accounts payable and accrued expenses.

IDEX does not have any credit lines. There are no ongoing intercompany financial loan agreements in the group.

The numbers as at 30 November 2012 above include NOK 18,947 thousand in new equity and working capital (net after expenses) raised in the Private Placement.

Consolidated net financial indebtedness as on 30 November 2012 and 30 September 2012

NOK 1,000	30 November 2012 (unaudited)	30 September 2012 (unaudited)
A. Cash (in bank)	24 581	5 683
B. Cash equivalents	-	-
C. Trading securities	-	-
D. Liquidity (A+B+C)	24 581	5 683
E. Current financial receivable	-	-
F. Current bank debt	-	-
G. Current portion of non-current debt	-	-
H. Other current financial debt	-	-
I. Current financial debt (F+G+H)	-	-
J. Net current financial indebtedness (I-E-D)	(24 581)	(5 683)
K. Non-current bank loans	-	-
L. Bonds issued	-	-
M. Other non-current loans	-	-
N Non-current financial indebtedness (K+L+M)	-	-
O. Net financial indebtedness (J+N)	(24 581)	(5 683)

The Group does not have any financial debt, but a net positive cash position. The Group has no other indirect or contingent financial indebtedness, and neither had or has any plan to raise additional financial debt.

The numbers as at 30 November 2012 above include NOK 18,947 thousand in new equity and working capital (net after expenses) raised in the Private Placement.

3.3 Reasons for the Private Placement and Use of the Proceeds

As at 30 September 2012 the Group did not have sufficient working capital for the then present requirements. The Group would be balance sheet insolvent in November 2012 and cash flow insolvent at or around year end 2012. The Group held cash amounting to NOK 5.7 million on 30 September 2012 and the short-term receivables and payables amounted to a net payable of NOK 2.6 million, leaving net uncommitted cash amounting to NOK 3.1 million or about half the operating cash outflow in the third quarter. In the interim report for the third quarter of 2012, the Board acknowledged its duty to act on the loss of more than half the share capital and that the Group needed to obtain additional liquidity in 2012.

The Board resolved on 8 November 2012 to carry out a private placement of up to 27.2 million shares in IDEX, with final quantity and price per share to be established by book building. The book building was completed on 8 November 2012 and the Board resolved on 9 November 2012 to issue a total of 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. Subscription for the new shares has taken place and the subscription amount has been paid in.

The Company received net after deduction of expenses NOK 18.9 million from the Private Placement. In addition to strengthen the Company's liquidity, equity and financial position, the proceeds will be applied to secure necessary working capital for the business and technological development and commercialization of the Company's technology.

The proceeds from the Private Placement will be used to fund the planned cash operating expenses - payroll costs, research and development expenses, sales, marketing and other

expenses - in the fourth quarter of 2012 and also in 2013. The planned operations will complete the development activities and industrialisation in order to commence deliveries in the second quarter of 2013 with volume deliveries in the second half of 2013.

The production will be carried out by use of contract manufacturers. The net cash flow from sales and cost of goods sold less associated working capital is assumed to contribute a net cashflow of about NOK 0 (nil) million in 2013.

No significant investments are planned in 2013.

3.4 Interest of natural and legal persons involved in the issue

The Private Placement was conducted without the use of managers, co-ordinators or underwriters.

Lupum AS, represented by Kristian Wiermyhr, provides services to IDEX. Lupum AS is held by Kristian Wiermyhr. Lupum AS was allocated 199,880 shares in the Private Placement, and Kristian Wiermyhr and Lupum AS hold a combined total of 3,574,735 shares and 3,000,000 rights to shares in IDEX after the Private Placement. The book building and placement of the shares was managed by Kristian Wiermyhr. According to the service agreement with Lupum AS, Lupum AS shall receive a commission on funds raised in equity issues in IDEX where Kristian Wiermyhr has facilitated and procured such investment. The commission will amount to NOK 454 thousand.

Charles Street Services Limited ("CSSL") assisted IDEX in the book building and placement of the shares. CSSL will receive a commission on funds raised in the Private Placement where CSSL has facilitated and procured such investment. The commission will amount to NOK 335 thousand.

Runar Forsland assisted IDEX in the book building and placement of the shares. Runar Forsland will receive a a commission on funds raised in the Private Placement where Runar Forsland has facilitated and procured such investment. Runar Forsland was allocated 477,030 shares in the Private Placement. The commission will amount to NOK 324 thousand.

Odd Aarhus assisted IDEX in the book building and placement of the shares. Odd Aarhus will receive a a commission on funds raised in the Private Placement where Odd Aarhus has facilitated and procured such investment. The commission will amount to NOK 17 thousand.

The cost of all commissions are included in the costs related to the issue as stated in Section 6 below.

4 INFORMATION CONCERNING THE SECURITIES BEING ADMITTED TO TRADING

4.1 Current Share Capital

Share capital

IDEX's share capital prior to the Private Placement was NOK 42,342,504.90, divided into 282,283,366 ordinary shares, each share with a par value of NOK 0.15. Following the Private Placement, the share capital amounts to NOK 46,421,914.50 divided into 309,479,430 shares, each share having a par value of NOK 0.15. The shares are issued under Norwegian law and pursuant to the PLCA.

The Company's shares have been listed on Oslo Axess since 12 March 2010.

VPS registration

The Company's shares are in registered form, and are registered in the VPS under the securities identification code ISIN NO 000 3070609. The Company's registrar is DNB Bank ASA, Securities Services, NO-0021 Oslo, Norway.

The Shares

The Company's shares are denominated in Norwegian Kroner, each with a par value of NOK 0.15 (fifteen Norwegian øre).

The Company's shares have equal rights to the Company's profits, in the event of liquidation and to receive dividends unless all the shareholders approve otherwise. Further, there are no dividend restrictions or specific procedure for non-Norwegian resident shareholders in the PLCA or otherwise applicable for the Company. Each share gives the holder the right to cast one vote at general meetings of shareholders.

For the new shares issued under the Private Placement, the subscribers will obtain rights to receive dividends from the time at which the new shares are issued.

The Company's shares are freely transferable according to Norwegian law and the Company's Articles of Association.

The Articles of Association of the Company does not contain any provisions restricting foreign ownership of shares. There are no limitations under Norwegian law on the rights of non-residents or foreign owners to hold or vote the shares.

The Company is not aware of any shareholder agreements or other similar understandings among its shareholders that may result in a change in control of IDEX. To the best of the Company's knowledge and belief, no shareholder, or group of shareholders, control the Company, directly or indirectly.

4.2 The Private Placement

The full terms and conditions of the Private Placement are set out in Section 4.5.

A total of 27,196,064 shares were resolved issued to certain investors, including existing shareholders as well as new investors, on 9 November 2012 by the Board, pursuant to an authorization from the Annual General Meeting dated 15 May 2012. The subscription price per share was NOK 0.75, each share having a par value of NOK 0.15. The new shares have been duly

subscribed for and the total subscription amount has been paid in full by the date of this Share Securities Note.

Allotment and delivery

The result of the Private Placement was disclosed on Oslo Axess on 9 November 2012. The registration of the associated share capital increase in the Company Registry was carried out on 5 December 2012, which registration was disclosed on Oslo Axess on the same date. The shares issued in the Private Placement will be delivered to the subscribers in the VPS on or about 11 December 2012.

Several primary insiders were among the subscribers in the Private Placement. Marc O'Polo Norge AS, a company controlled by IDEX's chairman Morten Opstad, was allocated 199,880 shares in the placement. Board member Jon Ola Frankplads was allocated 199,880 shares in the placement. Board member Hanne Høvdning was allocated 37,480 shares in the placement. Board member Joan Frost Urstad was allocated 9,990 shares in the placement. Investor relations officer Inge Berge was allocated 66,630 shares in the placement. Furthermore, IDEX also disclosed that Lupum AS, a company controlled by IDEX's adviser and shareholder Kristian Wiermyhr, was allocated 199,880 shares in the placement.

The following subscribers were allocated more than 5 per cent of the Private Placement: Richard Bernstein, Hedger Management SA and MP Pensjon PK.

The following subscribers were among the top 20 shareholders in IDEX before the Private Placement: A. S. Holding AS, Jon Ola Frankplads, Hedger Management SA, Lupum AS controlled by Kristian Wiermyhr, Marc O'Polo Norge AS controlled by Morten Opstad, Storebrand Vekst, Stålhe Invest AS.

Pricing, pre-emptive rights

The subscription price was determined based on a book building process after market close on 8 November 2012. There were no trades on 8 November 2012. The closing price on the Company's shares on 7 November 2012 was NOK 0.80.

At the 15 May 2012 Annual General Meeting, the shareholders waived their pre-emptive right to subscribe for shares in relation to share issues under the Board authorization granted at such meeting.

Placement and underwriting The Private Placement was conducted without the use of managers, co-ordinators or underwriters. No paying agents or depository agents were retained or engaged, other than the Company's VPS registrar, DNB Bank ASA, Securities Services, Dronning Eufemias gate 30, NO-0191 Oslo, Norway, for the purpose of recording the new shares in the VPS.

The book building and placement of the shares was managed by Kristian Wiermyhr as part of his services provided under the service agreement between IDEX and Lupum AS, a company held by Kristian Wiermyhr.

4.3 Listing and Expected First Day of Trading

The new shares issued in the Private Placement are of the same class as the IDEX shares already in issue, which are listed at Oslo Axess under the securities identification code ISIN NO 000 3070609. IDEX will apply for listing of the new shares at Oslo Axess under the same ISIN. IDEX shares are not listed on any other regulated market place and IDEX does not intend to seek such listing.

The listing on Oslo Axess of the new shares issued in the Private Placement is subject to the approval of the Prospectus by the Financial Supervisory Authority (Norwegian: Finanstilsynet) under the rules of the Securities Trading Act. Such approval was granted on 11 December 2012.

The first day of trading on Oslo Axess of the new shares issued in the Private Placement, will be on or about 11 December 2012.

4.4 Dilution

The per share dilution of ownerships as a result of the Private Placement is 9.6 per cent. The amount of dilution compared to the latest observed closing price before the placement is NOK 0.05 per share or NOK 14.1 million in total.

4.5 Corporate Resolutions

Private Placement

Resolution by the Board on 9 November 2012:

Original resolution in the Norwegian language

Styret vedtok at IDEX' aksjekapital forhøyes med 4 079 409,60 NOK, fra 42 342 504,90 NOK til 46 421 914,50 NOK gjennom utstedelse av 27 196 064 aksjer til tegningskurs 0,75 NOK per aksje, hver aksje pålydende 0,15 NOK. Det totale tegningsbeløp er 20 397 048,- NOK, hvorav 4 079 409,60 NOK tillegges aksjekapitalen og 16 317 638,40 tillegges Selskapets fond iht allmennaksjelovens bestemmelser.

Aksjene utstedes til tegnerne som angitt i Vedlegg 1, som har tegnet seg for aksjene i henhold til allmennaksjelovens bestemmelser og forpliktet seg til å innbetale tegningsbeløpet innen 19. november 2012

De nye aksjene skal være berettiget til utbytte fra det tidspunkt aksjene er utstedt.

English office translation:

The Board resolved that IDEX's share capital shall be increased with NOK 4,079,409.60 from NOK 42,342,504.90 to NOK 46,421,914.50 through the issuance of 27,196,064 shares at a subscription price of NOK 0.75 per share, each share having a par value of NOK 0.15. The total subscription amount is NOK 20,397,048 of which NOK 4,079,409.60 is added to the Company's share capital while NOK 16,317,638.40 is added to the Company's reserves in accordance with the provisions of the Public Limited Companies Act.

The shares are issued to the subscribers listed in Attachment 1, who have subscribed for the shares in accordance with the provisions of the Public Limited Companies Act and committed to pay the subscription amount by 19 November 2012.

The new shares carry rights to dividends from the time at which the shares are issued.

4.6 Provisions of the PLCA and the Securities Trading Act relevant for the Shares

The following is a summary of certain of the provisions of the PLCA and the Securities Trading Act that are relevant for the New Shares:

Disclosure requirements under the Securities Trading Act

Under Norwegian law, an acquisition that causes the acquirer's proportion of shares and/or rights to shares to reach or exceed 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 and 90% of the share capital or an equivalent proportion of the voting rights in a company whose shares are quoted on the Oslo Børs (hereunder Oslo Axess), the acquirer shall immediately notify such acquisition to Oslo Børs. This applies correspondingly to anyone who through disposal or other circumstances changes his or her proportion of shares so that the proportion is reduced to or below the set thresholds. Shares held or acquired or disposed of by close associates, as defined in Section 2-5 of the Securities Trading Act, are regarded as equivalent to the acquirer's or disposer's own shares.

Mandatory offer requirement under the Securities Trading Act

Norwegian law requires any person, entity or group acting in concert that acquires more than one-third of the voting rights of a Norwegian company listed on Oslo Børs (hereunder Oslo Axess) to make an unconditional general offer for the purchase of the remaining shares in the company. The offer price per share must be at least as high as the highest price paid or agreed by the offeror in the six-month period prior to the date the statutory threshold was exceeded, but equal to the market price if the market price was higher when the statutory threshold was exceeded. In the event that the acquirer thereafter, but prior to the expiration of the bid period acquires, or agrees to acquire, additional shares at a higher price, the acquirer is obliged to restate its bid at that higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. A shareholder who fails to make the required offer must within four weeks dispose of sufficient shares so that the obligation ceases to apply. Otherwise, Oslo Børs may cause the shares exceeding the statutory limit to be disposed of by an enforced sale. A shareholder who fails to make such bid cannot, as long as the mandatory bid requirement remains in force, vote his shares or exercise any rights of share ownership unless a majority of the remaining shareholders approve. The shareholder can, however, exercise the right to dividend and pre-emption rights in the event of a share capital increase. Oslo Børs may impose a daily fine upon a shareholder who fails to make the required offer.

Compulsory acquisition under the PLCA

If a shareholder, directly or via subsidiaries, acquires shares representing more than 90 per cent of the total number of issued shares as well as more than 90 per cent of the total voting rights attached to such shares, then such majority shareholder would have the right (and each remaining minority shareholder of the Company would have the right to require such majority shareholder) to effect a compulsory acquisition for cash of any shares not already owned by such majority shareholder. Such compulsory acquisition would imply that the majority shareholder has become the owner of the thus acquired shares with immediate effect. Upon effecting the compulsory acquisition the majority shareholder would have to offer the minority shareholders a specific price per share, the determination of which price would be at the discretion of the majority shareholder. At the same time the majority shareholder must pay the total offer price into a separate account with a bank that is permitted to carry on business activities in Norway. Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline not to be of less than two months' duration, request that the price be set by the Norwegian courts. Absent such request or other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the two months deadline. The cost of such court procedure would, as a general rule, be for the account of the majority shareholder, and the courts would have full discretion in respect of the valuation of the shares as per the effectuation of the compulsory acquisition.

Public takeover bids

The Board is not aware of any public takeover bids with respect to the shares in IDEX having occurred during the last or current financial year. The Board is not aware of any mandatory takeover bids in relation to the shares in IDEX.

Voting rights under the PLCA

Each ordinary share in the Company carries one vote.

As a general rule, resolutions that shareholders are entitled to make pursuant to Norwegian law or the Company's Articles of Association require a simple majority of the votes cast. In the case of election of directors to the Board of Directors, the persons who obtain the most votes cast are deemed elected to fill the positions up for election. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights in connection with any share issue, to approve a merger or de-merger, to amend the Company's Articles of Association or to authorise an increase or reduction in the share capital, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a shareholders' meeting. Norwegian law further requires that certain decisions which have the effect of substantially altering the rights and preferences of any shares or class of shares receive the approval of the holders of such shares or class of shares as well as the majority required for amendments to the Company's Articles of Association. Decisions that (i) would reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the shares require a majority vote of at least 90 per cent of the share capital represented at the general meeting in question as well as the majority required for amendments to the Company's Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's Articles of Association.

In general, in order to be entitled to vote, a shareholder must be registered as the beneficial owner of shares in the share register kept by the VPS. Beneficial owners of shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor are any persons who are designated in the register as holding such shares as nominees. Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. For example, Oslo Børs has held that in its opinion "nominee-shareholders" may vote in general meetings if they actually prove their shareholding prior to the general meeting.

General meetings of shareholders (PLCA)

Through the general meeting, the Company's shareholders exercise the supreme authority in the Company, subject to the limitations provided by Norwegian law.

All shareholders in the Company are entitled to attend and vote at general meetings, either in person or by proxy. See "Voting rights under the PLCA" (above) with regard to certain restrictions on voting right applying for nominee-registered shares, etc.

General meetings are convened by the Company's Board. In a public limited liability company, a notice of a general meeting shall be sent at the latest two weeks before the date of the meeting, however, in a company, whose shares are listed on a regulated market (such as IDEX), the notice period is three weeks. The notice shall include a proposal for an agenda for the meeting. In a public limited liability company, a shareholder is entitled to submit proposals to be discussed at general meetings provided such proposals are submitted in writing to the Board in such good time that it can be entered on the agenda of the meeting.

The annual general meeting shall be called by the Board such that it can be held within six months from the end of each financial year. The annual general meeting shall deal with and decide on the adoption of the annual financial statement and annual report, the question of declaring dividend and such other matters as may be set out in the notice calling the meeting.

Extraordinary general meetings can be called by the Board, and if applicable the corporate assembly or the chairman of the corporate assembly. In addition, the Board shall call an extraordinary general meeting whenever so demanded in writing by the auditor or shareholders representing at least 5 % of the share capital, in order to deal with a specific subject. The extraordinary general meeting must be held within one month from the date of the demand.

Additional issuances and preferential rights (PLCA)

All issuances of shares by the Company, including bonus issues, require an amendment to the Articles of Association, which requires the same vote as other amendments to the Articles of Association. Furthermore, under Norwegian law, the Company's shareholders have a preferential right to subscribe for issues of new shares by the Company. The preferential rights to subscribe in an issue may be waived by a resolution in a general meeting by the same vote required to approve amendments to the Articles of Association. A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares, irrespective of class.

Under Norwegian law, bonus issues may be distributed, subject to shareholder approval, by transfer from the Company's free equity or from its share premium reserve. Such bonus issues may be effected either by issuing shares or by increasing the par value of the shares outstanding.

The issuance of shares to holders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. If the Company decides not to file a registration statement, such holders may not be able to exercise their preferential rights.

Dividends (PLCA)

Under Norwegian law, no interim dividends may be paid in respect of a financial period as to which audited financial statements have not been approved by the annual general meeting of shareholders, and any proposal to pay a dividend must be recommended or accepted by the directors and approved by the shareholders at a general meeting. The shareholders may vote to reduce (but not to increase) the dividends proposed by the directors.

Dividends in cash or in kind are payable only out of (i) the annual profit according to the adopted income statement for the last financial year, (ii) retained profit from previous years, and (iii) distributable reserves, after deduction of (a) any uncovered losses, (b) the book value of research and development, (c) goodwill, (d) net deferred tax assets recorded in the balance sheet for the last financial year, (e) the aggregate value of any treasury shares the Company has purchased or been granted security over during the preceding financial years, (f) any credit or security given pursuant to sections 8-7 to 8-9 of the PLCA and provided always that such distribution is compatible with good and prudent business practice with due regard to any losses which may have occurred after the last balance sheet date or which may be expected to occur. The Company cannot distribute any dividends if the equity, according to the balance sheet, amounts to less than ten per cent of the total balance sheet without following a creditor notice procedure as required for reducing the share capital.

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior government approval except for the physical transfer of payments in currency, which is restricted to licensed banks. Consequently, a non-Norwegian resident may

receive dividend payments without Norwegian exchange control consent if such payment is made only through a licensed bank. There is no time limit after which entitlement to dividends lapses under the PLCA or the Company's Articles of Association.

The Board will consider the amount of dividend (if any) to recommend for approval by the Company's shareholders, on an annual basis, based upon the earnings of the Company for the years just ended and the financial situation of the Company at the relevant point in time.

Rights on Liquidation (PLCA)

Under Norwegian law, a company may be liquidated by a resolution in a general meeting of the Company passed by a two thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at such meeting. The shares rank pari passu in the event of a return on capital by the company upon a liquidation or otherwise.

Reports to Shareholders

The Company publishes annual and interim reports that include financial statements for the Group in accordance with IFRS.

Notification and Publication Requirements

The Company provides its shareholders, Oslo Børs and the market as a whole with timely and accurate information. Notices are published through Oslo Børs's information system and on the Company's web site, www.idex.no.

5 Taxation

5.1 General

The statements herein regarding taxation are, unless otherwise stated, based on the laws in force in Norway as of the date of this Prospectus, and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, own or dispose of the shares. Furthermore, the summary only focuses on the shareholder categories explicitly mentioned below (personal shareholders and limited liability companies). Shareholders are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of shares. In particular, this document does not include any information with respect to U.S. taxation. Prospective investors who may be subject to tax in the United States are urged to consult their tax adviser regarding the U.S. federal, state, local and other tax consequence of acquiring owning and disposing of shares in IDEX.

5.2 Norwegian Shareholders

Taxation of dividends – Individual shareholders

Dividends distributed to Norwegian individual shareholders are taxable as general income at a rate of 28 %. The shareholders are, however, entitled to deduct a calculated tax-free allowance when calculating their taxable dividend income. The tax-free allowance will be calculated on a share by share basis, and the allowance for each share will be equal to the cost price of the share, multiplied by a risk free interest rate. Any part of the calculated allowance one year exceeding the dividend distributed on the share will the following years be deducted from taxable dividend income and also included in the basis for calculating the allowance.

Taxation of dividends - Corporate shareholders (Limited liability companies)

Dividends distributed to shareholders who are limited liability companies resident in Norway for tax purposes ("Norwegian corporate shareholders") and holding more than 90 % of the shares and votes in the distributing company are fully exempt from taxation. To other corporate shareholders 3 % of the dividends shall be subject to general income tax at the 28% rate.

Taxation on realization of shares – Individual shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian individual shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of general income in the year of disposal. The general income is taxable at a rate of 28 %. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The capital gain is calculated to the consideration received less the cost price of the share and transactional expenses. From this capital gain, Norwegian individual shareholders are entitled to deduct a calculated tax-free allowance when calculating their taxable income. The allowance for each share is equal to the total of allowance amounts calculated for this share for previous years (ref. "Taxation of dividends – Individual shareholders" above), which exceeded dividends distributed on this share. The calculated allowance may only be deducted in order to reduce a taxable gain calculated upon the realization of the share, and may not be deducted in order to produce or increase a loss for tax purposes.

If the shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Taxation on realization of shares - Corporate shareholders (Limited liability companies)

Norwegian corporate shareholders are not taxable for capital gains related to realization of shares in a Norwegian company, and losses related to such realization are not tax deductible.

Taxation related to independent subscription rights – Individual shareholders

A Norwegian individual shareholder's subscription for independent subscription rights is not subject to taxation in Norway. Costs related to the subscription for independent subscription rights will be added to the cost price (tax base) of the independent subscription right.

Exercise of independent subscription rights is not taxable; the cost price of the subscription right shall be added to the tax base of the shares acquired.

A capital gain or loss generated by a Norwegian individual shareholder through a sale of independent subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is generally included in or deducted from the basis for computation of general income in the year of disposal. The general income is taxable at the rate of 28%.

However, please note that the gains related to independent subscription rights granted to employees as a consequence of their employment will be included in the basis for calculating their salary payments. Such salary payments are subject to taxation at a marginal tax rate of 47.8%. In addition, the employer will be obligated to pay social security contributions at a marginal rate of 14.1%.

Taxation related to independent subscription rights – Corporate shareholders

A Norwegian corporate shareholder's subscription for independent subscription rights is not subject to taxation in Norway. Costs related to the subscription for independent subscription rights will be added to the cost price (tax base) of the independent subscription rights.

Norwegian corporate shareholders are generally exempt from tax on capital gains upon the sale or other realization of independent subscription rights to shares in a Norwegian company, and losses are not tax deductible.

Net wealth tax

The value of shares is included in the basis for the computation of wealth tax imposed on Norwegian individual shareholders. The marginal wealth tax rate is 1.1 % of the value assessed. The value for assessment purposes for shares on Oslo Børs is 100 % of the listed value as of 1 January in the year of assessment. Norwegian corporate shareholders are not subject to net wealth tax.

5.3 Non-Resident Shareholders

This section summarizes Norwegian tax rules relevant to shareholders who are not resident in Norway for tax purposes ("Non-resident shareholders"). Non-resident shareholders' tax liabilities in their home country or other countries will depend on applicable tax rules in the relevant country and its possible tax treaty with Norway.

Taxation of dividends

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("Non-resident individual shareholders"), are as a general rule subject to withholding tax at a rate of 25 %. The withholding tax rate of 25 % is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends.

The above generally applies also to shareholders who are limited liability companies not resident in Norway for tax purposes ("Non-resident corporate shareholders"). However, dividends distributed to Non-resident corporate shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax, provided the shareholder genuinely is established and conducts business activity in the relevant jurisdiction.

Non-resident individual shareholders resident within the EEA area are subject to ordinary withholding tax, but entitled to apply for a partial refund of the withholding tax, equal to a calculated allowance similar to the calculated allowance used by Norwegian individual shareholders, ref above.

Dividends distributed to foreign partnerships are as a general rule subject to withholding tax at a rate of 25 %. The partners in the partnership may be entitled to a reduction of the withholding tax rate according to applicable tax treaties, which they have to apply for to the Norwegian Central Office – Foreign tax affairs. However, this depends on each partners' specific situation, and we recommend that investors considering such investments contact their own tax advisors in this respect.

Nominee registered shares will be subject to withholding tax at a rate of 25 % unless the nominee has obtained approval from the Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is committed to file a summary to the tax authority including all beneficial owners that are subject to lower withholding tax. Non-resident shareholders that have suffered a higher withholding tax than set out by an applicable tax treaty or the Norwegian Tax Act may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

If a Non-resident shareholder is carrying on business activities in Norway, and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation as Norwegian shareholders, as described above.

Taxation on realization of shares or independent subscription rights

Realization of shares or independent subscription rights by a Non-resident individual or corporate shareholder will not be subject to taxation in Norway unless the Non-resident shareholder is holding the shares or warrants in connection with the conduct of a trade or business in Norway, in which case the tax treatment is as described for Norwegian shareholders.

Net wealth tax

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Foreign individual shareholders can however be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway,

5.4 Duties on the Transfer of Shares

No stamp or similar duties are currently imposed in Norway on the transfer of shares whether on acquisition or disposal.

5.5 Inheritance Tax

Transfer of shares by way of inheritance or gift may be subject to Norwegian inheritance or gift tax. The basis for the computation of the tax base in quoted shares is the market value at the time the transfer takes place. However, such transfer is not subject to Norwegian tax if the donor/deceased was neither a national nor resident of Norway for inheritance tax purposes.

6 COSTS RELATED TO THE PRIVATE PLACEMENT

The estimated transaction costs directly attributable to the Private Placement, which are for the account of the Company, are about NOK 1.450 thousand excluding VAT.

In addition to the costs above, the Company will also be responsible for certain other minor costs incurred, such as the costs of printing and distributing the Prospectus.

7 ADDITIONAL INFORMATION

7.1 Advisors

Advokatfirma Ræder DA, Henrik Ibsens gate 100, P.O. Box 2944 Solli, NO-0230 Oslo, Norway serves as the legal counsel of IDEX.

7.2 Managers, underwriters

The Private Placement was conducted without the use of managers, co-ordinators or underwriters.

7.3 Auditors

The Company's auditor is Ernst & Young AS, Dronning Eufemias gate 6, NO-0191 Oslo, Norway, who has acted as the Company's auditors since 13 November 2000.

7.4 Expert statements

There are no reports, letters, evaluations or statements prepared by any expert at the Company's request, which are referred to in the Share Securities Note.

8 DEFINITIONS

Board	Board of Directors of the Company
Company or IDEX	IDEX ASA, the parent company of the IDEX Group
Company Registry	The Norwegian Register of Business Enterprises or Foretaksregisteret
Group or IDEX Group	IDEX ASA consolidated with its subsidiaries
IFRS	International Financial Reporting Standards
IP	Intellectual property
IPR	Intellectual property rights
NOK	The currency of the Kingdom of Norway
Oslo Børs	Oslo Børs ASA
PLCA	The Norwegian Public Limited Companies Act of 13 June 1997 No.45 (as amended)
Private Placement	The private placement of shares carried out by the Company pursuant to Board resolution dated 9 November 2012, in accordance with an authorization from the Annual General Meeting dated May 15 2012.
Prospectus	The combined Prospectus comprising of Part I: Summary Note, Part II: Share Registration Document and Part III: Share Securities Note
Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 No. 75 (as amended)
VPS	The Norwegian Central Securities Depository or Verdipapirsentralen