

IDEX ASA interim report for the first quarter of 2015

Highlights in the first quarter

- IDEX demonstrated a new generation fingerprint touch sensor for mobile devices in strategic partnership with Cypress
Targets top-tier mobile customers with a patent protected best in class accuracy, low cost solution
- Woodford Investment Management announced investment of NOK 297 million in IDEX
Strong recognition from highly influential fund manager enabling parallel mass-market development
- IDEX continued to strengthen organisation and attract fingerprint sensor industry experts
Validates our leading technology and supports expected traction in the market for commercialisation
- Acquired superior software algorithm and key patents for small-area fingerprint touch sensors
Enables IDEX to deliver significantly enhanced security and user convenience for mass-market sensor solutions
- Partnership with Trustonic, the leading provider of Trusted Execution Environments (TEEs) for smart devices
Will integrate IDEX's sensors and software with Trustonic TEE, delivering secure on-device biometric authentication
- Strong presence at key industry events CES in Las Vegas and MWC in Barcelona
IDEX and partners demonstrated new in glass solutions, swipe and touch sensor products
- Applied for transfer to Oslo Børs main list
Oslo Børs approved the application and first day of listing was 11 May 2015

Outlook and key upcoming milestones

- IDEX is on the threshold of commercialising its best-in-class sensor technology as one of very few companies with IP for preferred capacitive fingerprint sensors for mass market applications in mobile, cards and Internet of Things
- Expecting to sample off-chip touch sensors from May 2015, with deployment in mobile devices by year-end
- Major investments secured a solid financial basis for ambitious growth strategy
- Resource expansion and attracting key experts from the industry to deliver business execution
- Continuing to develop partnerships providing established high-volume manufacturing and market channels to exploit identified opportunities during 2015
- Target to sample latest sensor in-glass technology by the end of 2015
- Deployment of fingerprint sensors is set to expand rapidly in 2015. IDEX is now positioned to capture significant share of the multi-billion dollar market opportunity for fingerprint sensors.

The first quarter of 2015 saw the culmination of significant product development. Along with our partner Cypress Semiconductor, we demonstrated exceptional performance from our first new generation touch sensor and progressed towards the expected sampling of the next-generation touch sensor in the second quarter. Our in-glass sensor technology was proven in actual thickness mobile cover glasses with high quality imaging. On the financial side, we announced a major investment by Woodford Investment Management, strengthening the funding for our growth strategy.

IDEX introduced mobile touch fingerprint solution with Cypress

IDEX partner Cypress Semiconductor in March introduced The TrueTouch® Fingerprint Reader, designed to bring reliable, easy-to-use user authentication to smartphones, tablets, wearables and other mobile devices

"Our relationship with IDEX will enable us to provide our top-tier

mobile customers with a globally deployable fingerprint sensing solution, including a sensor, Android drivers and a software stack," commented T.J. Rodgers, President and CEO of Cypress.

Cypress (NASDAQ: CY) is the world leader in capacitive user interface touch controllers.

Woodford invests NOK 297 million

On 26 March we announced that funds managed by Woodford Investment Management LLP agreed to acquire 52.5 million new shares in IDEX ASA at a price of NOK 5.65 per share, constituting a holding of 11.2 per cent of IDEX.

The funds will also receive 26.25 million warrants in IDEX, each at an exercise price of NOK 8.50.

The issuance of shares and warrants was approved by an extraordinary general meeting on 29 April.

"The founder and fund manager Neil Woodford has an outstanding investment track record, and we believe the investment in IDEX is a strong

recognition of the huge value creation potential of IDEX's fingerprint sensor technology," said Dr. Hemant Mardia, CEO of IDEX.

British media has labelled Mr. Woodford Britain's most influential investor. He set up Woodford Investment Management last year after an illustrious career and track record of long term investment at Invesco Perpetual where he managed Britain's largest investment fund.

Continued to strengthen organization

During the first quarter, IDEX added several key positions, including two senior executives with distinguished track records from the fingerprint sensor industry.

Art Stewart joined as Senior Vice President of Product Management for the IDEX group, located in the USA. Mr. Stewart has extensive biometric experience in fingerprint sensors from the leading companies in the sector, including more than 10 years with AuthenTec and two years at Synaptics.

Lunji Qiu has been appointed General Manager and Vice President of IDEX China. Dr. Qiu has nearly a decade of experience from the biometric fingerprint industry. He comes to IDEX from NEXT Biometrics, where he was General Manager and Vice President of NEXT China.

Acquired key algorithm and patents

On 2 January 2015 IDEX announced that it had acquired a world-leading software algorithm and key patents for small area fingerprint touch sensors.

This enables IDEX to deliver significantly enhanced security and user convenience for mass-market fingerprint sensor solutions equivalent to Apple Touch ID. Combined with IDEX's recently demonstrated new generation touch sensor hardware, ownership of this algorithm will enable IDEX to provide the lowest cost mobile fingerprint product in the marketplace.

"As touch sensors continue to get smaller, more advanced algorithms become critical in order to deliver reliable fingerprint matching performance. This algorithm acquisition represents a significant step forward in our product development roadmap and further differentiates IDEX's technology from the competition," said Dr. Mardia.

Trustonic and IDEX partner

In January, IDEX entered into a partnership with Trustonic, the leading provider of Trusted Execution Environments (TEEs) for smart devices. IDEX and Trustonic will collaborate to integrate IDEX's next generation fingerprint sensors and driver software with Trustonic TEE, delivering a secure on-device biometric authentication experience as IDEX commercializes its products for smart devices in 2015.

Strong presence at key industry events

During the first quarter, IDEX took part in the Consumer Electronics Show (CES) in Las Vegas and Mobile World Congress (MWC) in Barcelona, two premier industry events.

At CES in the beginning of January, IDEX showcased its range of fingerprint sensors and demonstrators, including the new generation off-chip touch sensor demonstrator.

In addition, IDEX's strategic partner WWT showed and launched its new range of FingerQ products at CES, with IDEX sensors integrated.

At MWC, IDEX showcased its unique in-glass swipe fingerprint sensor. The new in-glass demonstrator represents a major breakthrough for the company.

"To sense through glass is the holy grail for mobile applications. The look and feel of having the sensor as an integral part of the mobile's cover glass is unmatched," said Dr. Mardia.

Transfer to Oslo Børs main list

Since 2010, the IDEX share has been traded on the Oslo Axxess marketplace. In March IDEX applied to transfer to the Oslo Børs main list.

The application was approved by Oslo Børs on 29 April, and the first day of listing on the main list of the Oslo Stock Exchange was 11 May 2015.

Outlook

IDEX's strategy is to leverage its core technology across three mass markets: mobile devices, ID & smart cards and devices being part of the Internet of Things.

In January, research company IHS ranked the top 10 technologies transforming the world, and biometric and sensors were listed as two of these.

We are pleased to see that our vision for the massive potential of this market is being validated by adoption in the industry.

Patent protection is paramount for major customers in this industry. IDEX has a very strong IP position, and our acquisition in the first quarter of a world-leading software algorithm and key patents for small area fingerprint touch sensors provides IDEX with a key competitive advantage. As touch sensors continue to get smaller, more advanced algorithms become critical in order to deliver reliable fingerprint matching performance.

In terms of IDEX's R&D, the major short-term effort is the new off-chip touch sensor. This is on target for sampling in the second quarter. It has been confirmed that the sensor has very strong biometric performance, and it will have a ground-breaking cost advantage due to the innovative off-chip architecture.

A key part of IDEX's product roadmap is to implement sensors in glass. The company believes that this revolutionary sensor implementation is unique to IDEX and will provide the ultimate solution for integration of fingerprint recognition in mobile devices. Sampling of fingerprint sensors implemented in glass is targeted by the end of 2015, based on progress achieved to commercialise the technology.

IDEX is also securing traction in the card market. IDEX expects that the interest will lead to sensors deployed in card pilot programs later in 2015.

Developments in the first quarter have strengthened our confidence in the opportunities for IDEX in mass-market deployment of fingerprint solutions.

Fornebu, 11 May 2015
The board of directors of IDEX ASA

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

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Interim consolidated financial statements as at 31 March 2015 (Unaudited)

Profit and loss statements

IDEX earned NOK 50 thousand revenue from product deliveries in the first quarter of 2015, down from NOK 1,229 thousand in the preceding quarter. The revenue in the corresponding quarter of 2014 amounted to NOK 97 thousand, mainly from earned government support of research and development (R&D) activities. The gross margin was NOK 19 thousand, compared to NOK 377 thousand in the preceding quarter.

The operating expenses amounted to NOK 47.2 million, up from NOK 41.7 million in the preceding quarter, and NOK 30.0 million in the first quarter of 2014. IDEX grew its staff and expanded its operation through 2014. IDEX is ramping up across all key functions including product development, supply chain, operations and sales, to secure commercialisation of its products. More than half of the group's operating expenses are denominated in U.S. dollars. The exchange rate increase of the U.S. dollar of about 30 per cent since third quarter 2014 has caused additional increase in costs as measured in NOK.

The payroll expenses have increased significantly, to NOK 25.3 million in the first quarter 2015 from NOK 16.9 million in the preceding quarter and NOK 16.0 million in the first quarter of 2014. The underlying cost of salaries including payroll taxes and other personnel expenses relate to the number of employees, and amounted to NOK 15.3 million in the quarter, on par with the preceding quarter and up from NOK 8.2 million in the first quarter of 2014. The difference to the reported payroll expenses is the net effect of the share-based remuneration, which effect varies substantially

between quarters. Firstly, the notional cost of the incentive subscription rights including accrued employer's tax varies with the share price, may cause a net reversal of cost. This cost or reversal does not have any cash effect. Secondly, the actual, payable social security cost on exercised subscription rights occurs only on exercise. This cost is funded by the exercise.

R&D expenses amounted to NOK 16.4 million in the first quarter, down from NOK 17.7 million in the preceding quarter and up from NOK 10.5 million in the first quarter of 2014. The increase in activity level relates to product development and industrialisation, ASIC improvements, core technology and new sensor materials.

Other operating costs amounted to NOK 5.4 million in the first quarter of 2015, compared to average NOK 4.8 million per quarter in 2014. The main reason for the increase is expanded sales and marketing activities.

IDEX had 42 employees at 31 March 2015, same as at the beginning of the year, and up from 27 one year earlier. Seven technical/scientific individual contractors works full time or regularly as part of the development team, and additional technical experts are contracted as and when needed. Five sales representatives and field engineers work on contract.

Depreciation amounted to NOK 1.7 million in the first quarter of 2015, more than double of the fourth quarter of 2014 at NOK 0.7 million, and NOK 0.5 million in the first quarter of 2014. The increase was mainly caused by the purchase of patents and other IP from Roger Bauchspies in an amount of NOK

28.3 million on 30 December 2014, which depreciates over 9.5 years. NOK 0.7 million was invested in scientific equipment and engineering tools in the quarter, same level as in the first quarter of 2014.

EBIT in the quarter amounted to a loss of NOK 48.8 million, compared to a loss of NOK 42.4 million in the preceding quarter and NOK 30.3 million loss in the first quarter of 2014. The increased loss from the preceding quarter was caused by the effect of share-based remuneration, while the increase since first quarter 2014 was due to additional staff and the increase in R&D activity.

Financial items amounted to a net cost amounting to NOK 0.8 million in the quarter, compared to an income of NOK 1.4 million in the preceding quarter and NOK 0.5 million income in the first quarter of 2014. Net interest income was NOK 0.7 million, while net exchange losses, mainly related to USD payables and debt amounted to NOK 1.5 million.

Because IDEX America makes a profit, there was a tax charge in an amount of NOK 0.1 million. The net result for IDEX in the quarter was a loss amounting to NOK 49.8 million, compared to a loss in the preceding quarter amounting to NOK 42.3 million and NOK 29.8 million in the first quarter of 2014.

Profit/loss per basic weighted average number of shares amounted to a loss of NOK 0.30 in 2014. Per share results are not directly comparable between quarters or years because the number of shares has increased by share issues.

Balance sheets

IDEX has a very strong balance sheet because of the private placement to the Invesco funds in the first quarter of 2014. At 31 March 2015, IDEX held a cash balance amounting to NOK 181.0 million, and the company has no financial debt. The cash balance will be further increased when the private placement of shares to Woodford funds as resolved by the extraordinary general meeting on 29 April 2015, raising NOK 296.6 million, has been completed.

The main assets held in the balance sheet are the intangible assets acquired from PicoField in 2013 and Roger Bauchspies in 2014, inventoried licences acquired from BIO-key International, Inc. in 2014, and cash in bank. Cash is the major item, representing 72 per cent of the total assets.

The assets and intellectual property rights acquired from PicoField in 2013 have been capitalised in accordance with IFRS, and includes goodwill in an amount of NOK 8.3 million and depreciating assets in an original acquisition amount of NOK 15.3 million. On 30 December 2014, IDEX acquired patents and other IP from Roger Bauchspies in an amount of NOK 28.3 million, which assets will depreciate over the economic life.

IDEX's own patents and other intellectual property rights are generally not held in the balance sheet because they do not satisfy the criteria for capitalisation. Development costs have in the past been expensed for the same reason. In 2014, IDEX capitalised own development expenses relating to the Cardinal sensor product, in an amount of NOK 0.8 million.

Fixed assets amounted to NOK 6.1 million at 31 March 2015. These assets are scientific equipment and engineering tools, leasehold upgrades, office equipment and furniture.

On 31 March 2015, the total assets amounted to NOK 251.3 million, of which NOK 181.0 million were cash, down from total assets amounting to NOK 299.3 million and cash amounting to NOK 228.0 million at the beginning of the year. The cash position is further commented upon below.

The major liabilities are various operational payables to suppliers and employees, and amounted to NOK 48.5 million at 31 March 2015, down from 55.9 million at 31 December 2014. The main reason for the reduction is remittance of the initial payment to Roger Bauchspies. One year ago, the

liabilities amounted to NOK 50.5 million. At that time, payables to suppliers were smaller but there were significant public duties (withheld tax and employer's tax) from exercise of incentive subscription rights to be paid. There are usually variations between quarters due to fluctuating payables to suppliers and accrued liabilities.

In the first quarter, new equity amounting to NOK 5.3 million was added by exercise of incentive subscription rights. Equity amounted to NOK 202.8 million at 31 March 2015, down from NOK 243.4 million at the end of 2014. The reduction is the net of the loss in the quarter and the injected equity from share-based remuneration and exercised incentive subscription rights.

IDEX does not have financial debt. The company has adequate equity and liquidity for going concern for significantly longer than 12 months from the date of this report. The share issue to funds managed by Woodford Investment management LLP resolved by the extraordinary general meeting on 29 April 2015 will add additional NOK 296.6 million new capital and potentially another NOK 221.3 million if the pertaining warrants are exercised.

Cash flow, cash position

The operational cash outflow in the quarter was NOK 53.6 million. The main cash outflow items are the profit/loss and working capital, partly offset by the share-based compensation and depreciation.

The working capital outflow of NOK 9.9 million was mainly caused by the remittance to Roger Bauchspies. There are usually variations between quarters due to fluctuating payables to suppliers and accrued liabilities.

NOK 0.7 million was invested in scientific equipment and engineering tools in the quarter, same level as in the first quarter of 2014, but about 2/3 of fourth quarter 2014. Investments vary according to project requirements for new equipment and tooling.

In the first quarter, new equity amounting to NOK 5.3 million was paid in by exercise of incentive subscription rights.

At 31 March 2015 the cash position amounted to NOK 181.0 million, while net of receivables less payables and accruals amounted to NOK 31.0 million payable, leaving a balance sheet solvency of NOK 150.0 million. IDEX does not have financial debt. The cash balance will be further increased when the private placement of shares to the Woodford funds as resolved by the extraordinary general meeting on 29 April 2015, raising NOK 296.6 million, has been completed.

IDEX ASA
Condensed consolidated interim financial statements with notes
31 March 2015 (Unaudited)

Interim consolidated statements of comprehensive income Amounts in NOK 1,000	1 January- 31 March 2015	1 January- 31 March 2014	1 January- 31 December 2014
Operating income			
Sales and services income	50	6	1 423
Other operating revenue		91	91
Total revenue	50	97	1 514
Cost of goods sold	31		852
Gross margin	19	97	662
Operating expenses			
Payroll expenses	25 345	15 986	56 194
Research and development expenses	16 438	10 543	51 298
Other operating expenses	5 372	3 421	19 233
Total operating expenses	47 155	29 950	126 725
Profit (loss) before interest, tax, depreciation and amortization (EBITDA)	(47 136)	(29 853)	(126 063)
Depreciation	1 674	465	2 307
Profit before interest and tax (EBIT)	(48 811)	(30 318)	(128 371)
Financial income and expenses			
Interest income	656	646	5 667
Other financial income	1 179	110	2 096
Interest expenses	(1)		(4)
Other financial expenses	(2 657)	(222)	(1 932)
Net financial items	(823)	534	5 827
Net result before tax	(49 634)	(29 784)	(122 544)
Income tax expense (credit)	148		563
Net profit (loss) for the period	(49 782)	(29 784)	(123 107)
<i>Profit (loss) per share - basic and diluted</i>	NOK (0.12)	NOK (0.08)	NOK (0.30)
Net profit (loss) for the period	(49 782)	(29 784)	(123 107)
Other comprehensive income	451		(1 407)
Total comprehensive income for the period, net of tax	(49 331)	(29 784)	(124 514)

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

Interim consolidated balance sheets	31 March	31 March	31 December
Amounts in NOK 1,000	2015	2014	2014
ASSETS			
Long-term assets			
Goodwill	8 260	8 260	8 260
Other intangible assets	41 699	14 635	42 805
Fixed assets	6 087	1 690	5 588
Long-term receivables	1 143	1 464	1 143
Total long-term assets	57 189	26 049	57 796
Current assets			
Inventory and receivables			
Inventory	7 944	5 690	7 944
Accounts receivable	37	2	1 070
Other receivables	2 688	1 967	2 498
Prepaid expenses	2 489	1 654	2 044
Total inventory and receivables	13 158	9 313	13 556
Cash and bank deposits			
Cash and bank deposits	181 001	342 513	227 961
Total cash and bank deposits	181 001	342 513	227 961
Total current assets	194 159	351 826	241 517
TOTAL ASSETS	251 348	377 875	299 313
EQUITY AND LIABILITIES			
Equity			
Paid-in-capital			
Share capital	62 493	61 858	61 948
Share premium	468 517	462 905	463 766
Other paid-in capital	36 316	23 074	32 787
Total paid-in-capital	567 326	547 837	558 501
Other equity	(364 481)	(220 421)	(315 150)
Total equity	202 845	327 416	243 351
Liabilities			
Long-term liabilities			
Other long-term liabilities	11 406	-	10 079
Total long-term liabilities	11 406	-	10 079
Short-term liabilities			
Accounts payable	5 064	11 326	8 997
Public duties payable	5 946	19 928	2 207
Accrued payable income tax	869	-	652
Notional employer's tax on share incentives	7 639	9 770	2 231
Other short-term liabilities	17 579	9 435	31 796
Total short term liabilities	37 097	50 459	45 883
Total liabilities	48 503	50 459	55 962
TOTAL EQUITY AND LIABILITIES	251 348	377 875	299 313

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

Interim consolidated cash flow statements Amounts in NOK 1,000	1 January-31 March 2015	1 January-31 March 2014	1 January-31 December 2014
Cash Flows from operating activities			
Profit (loss) before interest and taxes	(48 811)	(30 318)	(128 371)
Share-based remuneration (equity part)	3 530	2 891	12 604
Depreciation	1 674	465	2 307
Interest paid	(1)		(4)
Change in working capital and other items	(9 948)	19 635	8 425
Net cash flow from operational activities	(53 556)	(7 327)	(105 039)
Cash flows from investing activities			
Purchases of assets	(682)	(688)	(33 113)
Capitalised development costs			(788)
Change in long-term receivables		(1 018)	(697)
Interest received	656	646	5 667
Net cash provided by investing activities	(26)	(1 060)	(28 931)
Cash flows from financing activities			
Share issues net of expenses	5 295	304 425	305 377
Change in long-term payable	1 327		10 079
Net cash provided by financing activities	6 622	304 425	315 456
Net change in cash and cash equivalents	(46 960)	296 038	181 486
Opening cash balance	227 961	46 475	46 475
Closing cash balance	181 001	342 513	227 961

Interim consolidated 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 2015	61 948	463 766	32 787	(315 150)	243 351
Share issues	545	4 750			5 295
Share-based compensation			3 530		3 530
Total comprehensive income for the period				(49 331)	(49 331)
Balance 31 December 2014	62 493	468 516	36 317	(364 481)	202 845
Balance 1 January 2014	51 706	168 631	20 183	(190 636)	49 884
Share issues	10 151	294 274			304 425
Share-based compensation			2 891		2 891
Total comprehensive income for the period				(29 784)	(29 784)
Balance 31 March 2014	61 857	462 905	23 074	(220 420)	327 416
Balance 1 January 2014	51 706	168 631	20 183	(190 636)	49 884
Share issues	10 242	295 135			305 377
Share-based compensation			12 604		12 604
Total comprehensive income for the period				(124 514)	(124 514)
Balance 31 December 2014	61 948	463 766	32 787	(315 150)	243 351

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

Notes to the condensed consolidated interim financial statements 31 December 2014 (Unaudited)

1 IDEX ASA and the IDEX group

IDEX ASA is a public limited liability company incorporated and domiciled in Norway. The address of the registered office, which is also the head office, is Martin Linges vei 25 at NO-1364 Fornebu, Norway. IDEX ASA shares have been listed at the Oslo Børs since 12 March 2010. The objec-

tive of the company as stated in the articles of association is to deliver computer-based identification systems and other related activities.

IDEX ASA holds a subsidiary group in the USA: IDEX Holding Inc. which holds IDEX

America Inc. IDEX America is the operating entity in the USA, providing development services as well as sales and marketing services to IDEX ASA. IDEX ASA also holds IDEX Biometrics UK Ltd., which company provides various management and administrative services to IDEX ASA.

2 Basis of preparation, accounting policies, resolution. Risks

This condensed consolidated interim financial report for the first quarter of 2015 has been prepared in accordance with IAS 34 Interim financial reporting. This condensed consolidated interim financial report should be read in conjunction with the annual financial statements for 2014. The IFRS accounting policies applied in this condensed interim financial report are consistent with those applied and described in the annual financial statements for 2014.

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

currency and interest rates.

The company's major long-term risk is its business risk, meaning its ability to earn revenue. This risk is difficult to assess, because IDEX hitherto has earned insignificant revenue from its technology. The company's ability to earn revenue depends on firstly, its ability to develop and market successful components which its partners will embed in their products and systems, and secondly, the company's ability to legally protect its intellectual property rights, and finally, to maintain a competitive advantage. IDEX considers that its fingerprint sensor technology has one of the best biometric performances, and that the SmartFinger sensors product range offers unique properties.

The going concern assumption has been applied when preparing this interim financial report. IDEX does not earn recurring revenue. The company does not have financial debt, and IDEX has adequate liquidity and equity under current planning assumptions for a period significantly longer than 12 months from the date of this report. The share issue to funds managed by Woodford Investment management LLP resolved by the extraordinary general meeting on 29 April 2015 will add additional NOK 296.6 million new capital and potentially another NOK 221.3 million if the pertaining warrants are exercised.

This interim financial report has not been subject to audit. The report was approved by the board of directors on 11 May 2015.

3 Long-term assets

Amounts in NOK 1,000	Goodwill	Other intangible assets	Tangible fixed assets	Long-term receivables	Total long-term assets
Balance 1 January 2015	8 260	42 805	5 586	1 143	57 794
Additions			682		682
Disposals at cost					
Depreciation and impairment losses		(1 106)	(568)		(1 674)
Effects of changes in foreign currency			387		387
Balance 31 December 2015	8 260	41 699	6 087	1 143	57 189
Balance 1 January 2014	8 260	14 937	1 178	446	24 821
Additions			688	1 018	1 706
Disposals at cost					
Depreciation and impairment losses		(302)	(163)		(465)
Effects of changes in foreign currency			(13)		(13)
Amounts in NOK 1,000	8 260	14 635	1 690	1 464	26 049
Balance 1 January 2014	8 260	14 937	1 178	446	24 821
Additions		29 077	4 824	697	34 598
Disposals at cost					
Depreciation and impairment losses		(1 209)	(1 098)		(2 307)
Effects of changes in foreign currency			684		684
Balance 31 December 2015	8 260	42 805	5 588	1 143	57 796

Under IFRS goodwill is not amortised but impairment tested at each year end. IDEX's own patents and other intellectual property rights created by IDEX are not held in the balance sheet because they do not satisfy the criteria for capitalisation. Development costs have in the past been expensed for

the same reason.

2014:
IDEX capitalised own development expenses relating to the Cardinal sensor product, in an amount of NOK 0.8 million.

On 30 December 2014, IDEX purchased patents and other IP from Roger Bauchspies in an amount of NOK 28.3 million. The purchase price was allocated to the patents. The patents depreciate over estimated economic useful life, viz. the lifetime of the patents, until 31 July 2024.

4 Shares, warrants and subscription rights

Number of financial instruments	Incentive subscription rights	Warrants	Shares
Balance 1 January 2014	26 460 362	30 000 000	413 488 862
26 January and 24 February 2015: Exercise of subscription rights	(3 131 362)		3 131 362
24 February 2015: Grant of incentive subscription rights	1 015 000		
Forfeited subscription rights as at 31 March 2015	(150 000)		
Balance 31 March 2015	24 194 000	30 000 000	416 620 224
Balance 1 January 2014	28 186 345	0	344 707 732
2 and 20 January 2014: Grant of subscription rights	570 000		
29 January 2014: Private placement to funds managed by Invesco		30 000 000	60 000 000
24 February 2014: Exercise of subscription rights	(5 275 983)		5 275 983
20 March 2014: Private placement to Cenkos Securities			2 400 000
Balance 31 March 2014	23 480 362	30 000 000	412 383 715
1 April 2014: Grant of subscription rights	1 890 000		
8 May 2014: Issue of board remuneration shares			63 897
17 June 2014: Grant of subscription rights	580 000		
15 September 2014: Grant of subscription rights	2 200 000		
2 October 2014: Exercise of subscription rights	(541 250)		541 250
14 November 2014: Grant of subscription rights	460 000		
30 December 2014: Issue to Roger Bauchspies			500 000
Forfeited subscription rights during 2014	(1 608 750)		
Balance 31 December 2014	26 460 362	30 000 000	413 488 862

IDEX has granted incentive subscription rights (SRs) to employees and individual contractors. Unless specifically resolved otherwise, 25 per cent of each grant of subscription rights vest 12 months following

the date of the grant, and expire on the fifth anniversary following the general meeting that resolved the programme. Unvested subscription rights terminate on the holder's last day of employment. Vested

subscription rights may be exercised up to 90 days after the holder's last day of employment. The weighted average exercise price of outstanding incentive SRs on 31 March 2015 was NOK 3.12 per share.

5 Payroll expenses

Amounts in NOK 1,000	1 January-31 March 2015	1 January-31 March 2014	1 January-31 December 2014
Salary, payroll tax, benefits and other personnel expenses	15 336	8 159	46 461
Capitalised cost of development work	-	-	(440)
Payroll tax on exercised subscription rights	1 382	4 877	5 049
Share-based remuneration, notional salary expense	3 217	2 891	12 604
Share-based remuneration, accrual (reversal) of employ	5 409	59	(7 480)
Payroll expense	25 344	15 986	56 194

The fair value at grant date of subscription rights granted to employees and board members are expensed over the vesting period of each tranche. The fair value of the subscription rights is determined using a Black & Scholes option pricing model.

Employer's social security tax related to share-based remuneration is calculated on the balance sheet date based on the earned intrinsic value of the subscription rights, and the adjustment to the accrued amount is charged or credited to cost.

When subscription rights are exercised, the accrued payroll tax is reversed and the actual payroll cost is expensed.

6 Tax expense

The tax expense relates to estimated tax on profit in IDEX America.

7 Profit (loss) per share

	1 January – 31 March 2014	1 January – 31 March 2014	1 January – 31 December 2014
Profit (loss) attributable to the shareholders (NOK 1 000)	(49 798)	(29 784)	(121 987)
Weighted average basic number of shares	414 783 152	387 719 509	406 478 449
Weighted average diluted number of shares	424 954 683	404 954 985	419 718 850
Profit (loss) per share, basic and diluted	NOK (0.12)	NOK (0.08)	NOK (0.30)

When the period result is a loss, the loss per diluted number of shares is not 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.

8 Contingent assets and liabilities

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

9 Related party transactions

In the first quarter of 2015 IDEX has recorded NOK 963 thousand for services provided by IDEX's legal counsel, law firm Ræder, in which chairman Morten Opstad is a partner. Mr. Opstad's work beyond board duty has been invoiced by Ræder. The services in 2015 include legal assistance in connection with the private placement of 52.5 million shares substantially agreed in the first quarter and transfer of listing from Oslo Axess to Oslo Børs.

On 24 February 2015, Ralph W. Bernstein, CTO at the time, exercised 1,000,000 subscription rights and acquired the corresponding number of shares at a weighted average price of NOK 1.16 per share; board member Hanne Høvdning exercised 26,532 subscription rights granted as board remuneration in 2010 and acquired the corresponding number of shares at a price of NOK 1.20 per share; and Erling Sveta, VP of Finance exercised 640,000 subscrip-

tion rights and acquired the corresponding number of shares at a price of NOK 1.96 per share.

Robert N. Keith assists IDEX in strategic analysis and in dealing with larger, international, prospective partners. Mr. Keith's fee amounts to NOK 0.5 million per quarter.

10 Events occurring after the balance sheet date

Between 31 March 2015 and the resolution of these condensed consolidated interim financial statements, there have not been any events which have had any noticeable impact on IDEX's result in the first quarter of 2015 or the value of the company's assets and liabilities at 31 March 2015.

An extraordinary general meeting resolved on 29 April 2015 to issue 52,500,000 shares

at NOK 5.65 per share and 26,250,000 warrants exercisable between 12 and 24 months after subscription, at NOK 8.50 per share, to funds managed by Woodford Investment Management LLP. The share issue will provide NOK 296.6 million new capital to IDEX, and potentially additional NOK 223.1 million if the warrants are exercised. The shares are expected to be delivered on or around 15 May 2015.

The board of Oslo Børs approved on 29 April 2015 that IDEX's shares may be listed on the main list at Oslo Børs effective 11 May 2015.