

IDEX ASA interim report for the first half of 2014

Highlights

- **First touch fingerprint sensor design win for a flagship smartphone announced on 12 August 2014:**
An Asian second-tier mobile OEM has selected IDEX's new mobile touch fingerprint sensor for its smartphone flagship model
- **Strategic partnership agreement with Cypress Semiconductor Corporation:**
Volume opportunities in multiple markets: smartphone, tablets, wearables, identity cards and Internet of Things
- **Secured volume order from world-class electronics manufacturer World Wide Touch Technology:**
Product line with IDEX sensors showcased at Mobile Asia Expo in Shanghai
- **Collaboration with CrucialTec to accelerate and sample first-generation small-area mobile touch sensor:**
Responding to strong demand for higher-value touch sensors in flagship mobile devices
- **Demonstrated the first functional glass fingerprint sensor at the Mobile World Congress in Barcelona:**
Key step towards the ultimate sensor: integrated in the cover glass of mobile devices
- **Entered into licence agreement with BIO-key to deliver advanced biometric software solutions for mobile market:**
The next generation of secure identification solutions and algorithms for mass market consumer devices
- **Funds managed by global asset manager Invesco invested NOK 300 million in IDEX:**
Landmark investment accelerating development of IDEX as a global leader in fingerprint market
- **Industry veterans joined IDEX's board and Strategy Advisory Council:**
Significant industry knowhow advising on strategic trends in rapidly developing fingerprint mass market

Outlook and key upcoming milestones

- Continue developing partnerships providing established high-volume manufacturing and market channels for fingerprint sensors
- Expect mobile devices with first-generation IDEX sensors will be launched later in 2014 or first quarter 2015 resulting from multiple customer evaluations
- Expect initial revenues in the second half of 2014 including deliveries to World Wide Touch Technology
- Developing second-generation two-part fingerprint touch sensors based on flexible circuit technology to meet demand for lower cost and improved biometric performance
- Planning to extend second-generation sensor family by implementation in glass
- Market development of the mass volume biometric card business leveraging initial orders and our unique flex sensor solution
- Continuously strengthening patent and IP position with significant R&D investment
- Resource expansion and hiring key staff to accelerate business execution
- Expecting to gain strong share of multibillion-dollar market for fingerprint sensors

IDEX has made significant progress in the first half of 2014, executing on our strategy to commercialise our advanced fingerprint sensor solutions for mass market opportunities. A landmark investment by funds managed by the global investment fund, Invesco, was obtained in January. The first volume order was secured for IDEX sensors. CrucialTec and IDEX unveiled a collaborative first-generation touch sensor which is currently sampled to multiple device manufacturers. IDEX also demonstrated the first functional glass fingerprint sensor. In May IDEX entered into a strategic partnership agreement with Cypress Semiconductor Corporation. IDEX has strengthened its organization by recruiting several industry veterans to its Strategy Advisory Council, the board and management.

First touch fingerprint sensor design win for a flagship smartphone

An Asian second-tier mobile OEM has selected IDEX's new mobile touch fingerprint sensor for its smartphone

flagship model with a launch date scheduled for the fourth quarter of 2014.

Strategic partnership agreement with Cypress

IDEX entered a license agreement with Cypress Semiconductor Corporation, providing for the commitment of significant joint resources and intellectual property for the rapid development of second-generation fingerprint sensor technology, high-volume manufacturing, product supply and application support to established mobile customer channels.

Cypress is a world leader in capacitive user interface touch controllers. IDEX's patented fingerprint sensing technology will enable Cypress to offer combined touchscreen and fingerprint sensor solutions for mobile devices, significantly accelerating the mass-market adoption.

"The partnership allows IDEX to deliver high-quality fingerprint sensor solutions in high volumes to customers in multiple markets including smart-

phones, tablets, wearables, identity cards and Internet of Things," said Dr. Hemant Mardia, CEO of IDEX.

Collaboration to deliver first-generation small-area mobile touch sensor

Due to strong demand from mobile OEMs for higher-value touch sensors following the launch of the Apple iPhone 5S, IDEX accelerated work in collaboration with CrucialTec to bring a first-generation small-area mobile touch sensor to the market. These sensors have been sampled to multiple mobile device manufacturers and resulted in selection for qualification for certain programmes.

CrucialTec is an established fingerprint sensor module integrator for the mobile device industry, headquartered in South Korea. IDEX has worked with CrucialTec since early 2013.

First volume order

IDEX in January secured an order of 300,000 units of the Colibri swipe sensor from World Wide Touch Techno-

logy (Holdings) Limited (WWTT).

This led to WWTT showcasing its FingerQ product line with IDEX sensors at the Mobile Asia Expo in Shanghai in June. The FingerQ is a smart biometric device security system consisting of a range of mobile peripherals and a proprietary secure software solution.

The order is expected to underpin volume shipments in the second half of 2014.

Showcased first glass fingerprint sensor at Mobile World Congress 2014

In February IDEX demonstrated the first glass fingerprint sensor at the Mobile World Congress in Barcelona, Spain.

The sensor separates the finger interface from the electronics, enabling sensing in virtually any material such as glass, polymer and silicon. The sensor demonstrator has the form factor of a home button in the handset cover glass.

This is a key step of IDEX's roadmap towards the ultimate solution for mobile fingerprint sensing, where the sensor will become an integral part of the mobile device's cover glass.

Entered into licence agreement with BIO-key

In March IDEX entered into a licence and collaboration agreement with BIO-key International, Inc., a global leader in fingerprint biometric identification solutions, advanced mobile authentication and identity assurance.

The purpose is to deliver a sensor-to-server infrastructure solution for trustworthy, yet simple and low-cost, in-device and cloud authentication for consumer applications, in particular in the smartphone, tablet, and PC markets. The combined IDEX/BIO-key solution will be deployable for enterprises as mobile security increases in importance.

Order from Card Tech

IDEX received in July an initial order to deliver fingerprint swipe sensors to Card Tech srl. The sensors will be integrated into Card Tech's ISO-compliant biometric cards for the access control and ID markets as well as in banking and other financial appli-

cations. The biometric cards will be manufactured by Card Tech's first-tier production partner.

Funds managed by Invesco invested NOK 300 million in IDEX

In January funds managed by Invesco Asset Management Limited, a leading global investor, agreed to invest NOK 300 million in IDEX. The funds also received 30 million warrants at an exercise price of NOK 7.50, amounting to potential NOK 225 million additional investment.

Industry veterans strengthen the IDEX team

In January, IDEX established a Strategy Advisory Council with the mandate to advise the company on market, technology and strategic trends.

Two industry veterans have joined the council: Larry Ciaccia, formerly CEO of AuthenTec, which in 2012 was acquired by Apple. Michael Barrett, president of the FIDO Alliance, and formerly Chief Information Security Officer at PayPal. FIDO is an industry consortium dedicated to improving online authentication.

At the annual general meeting in May, Andrew James (Andy) MacLeod was elected board member in IDEX. MacLeod is currently CTO for Vodafone plc.'s Africa, Middle East and Asia-Pacific region. He has since the early 1990's held CEO, COO and CTO positions at major telecommunication companies.

Henrik Knudtzon joined IDEX as CFO as of August. Knudtzon was formerly an Investment Director at the Norwegian private equity firm Herkules Capital AS and consultant at management consulting firm McKinsey & Company.

Outlook

IDEX expects rapid mass-market adoption of fingerprint sensors on a wide range of consumer devices resulting from the critical mass of smartphone adoption and driven by supporting megatrends like mobile payments, password replacement and increased security.

IDEX's strategy is to leverage its core

technology across three mass markets; mobile devices, ID & smart cards and devices being part of Internet of Things.

Following product sampling activity in the second quarter of this year, the first generation of sensors have been selected for qualification by a number of customers as part of the design in specific mobile device developments. This may lead to IDEX sensors being inserted in these devices, if and when these devices are launched by the OEM customers in the market.

As a result, IDEX expects mobile devices with IDEX sensors to be launched later in 2014 or the first quarter of 2015 based on the current customer plans. This means that IDEX continues to expect initial revenues to begin to flow in the second half of 2014 both from these opportunities and the volume order IDEX has already won from World Wide Touch Technologies.

The IDEX team is now rapidly commercialising the second-generation two-part fingerprint touch sensors based on the company's patented flexible circuit technology. The partnership with Cypress ensures our ability to deliver this new family of sensors to first-tier handset manufacturers. This second generation of IDEX sensors will deliver market disruptive cost reduction, dramatically improve form factor flexibility and contain accuracy and security features which will address the explosive growth of mobile payment transactions.

IDEX is already planning to extend this second-generation sensor family by implementing 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 the mobile device.

IDEX is solidly funded to exploit this multibillion-dollar market opportunity in the near future leveraging our differentiated roadmap underpinned by a strong patent position that is building customer traction.

Fornebu, 12 August 2014

The board of directors of IDEX ASA

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

Investor and press contacts:

Hemant Mardia, CEO, +44 7788 922 171, hm(at)idex.no; **Henrik Knudtzon**, CFO, +47 9302 2827, hk(at)idex.no

Interim consolidated financial statements as at 30 June 2014 (Unaudited)

Profit and loss statements

IDEX earned revenue amounting to NOK 0.1 million in the first half of 2014, compared to NOK 1.6 million in the same period of 2013. Minimal revenue from delivery of samples was earned in the second quarter of 2014. The majority of the revenue to date in 2014 and in 2013 was related to government support of research and development (R&D) activities. This revenue has been recognised corresponding to the recognition of the expenses that the grants compensate.

Operating expenses in the second quarter amounted to NOK 25.0 million, down from NOK 30.0 million in the preceding quarter but significantly higher than the corresponding quarter in 2013. Year to date the operating expenses amounted to NOK 55.0 million, up from NOK 23.7 million in the same period of 2013. The increase from 2013 reflects the increase in staff and the change in the activity level. The increase is in accordance with plan as IDEX is ramping up across all key functions including product development, supply chain, operations and sales, to secure commercialisation. Excluding the effects of share-based remuneration, the operating expenses amounted to NOK 47.5 million in the first half of 2014 (second quarter: NOK 25.4 million), compared to NOK 15.9 million in the first half of 2013 (second quarter 2013: NOK 8.5 million) and NOK 30.0 million in the second half of 2013.

The payroll expense has grown significantly, to NOK 27.4 million in the first half, from NOK 13.5 million in the first half of 2013. The payroll expense is impacted by two effects from share-based remuneration, which effects vary between quarters. The notional cost of the incentive subscription rights including accrued employer's tax

varies with the share price, and represented a cost in the first quarter of 2014 amounting to NOK 3.0 million and a net reversal amounting to NOK 0.4 million in the second quarter. These entries do not have any cash effect. The actual, payable social security cost of exercised subscription rights amounted to NOK 4.9 million in the first quarter and virtually nil in the second quarter. This actual cost is funded by the exercise. The actual, underlying payroll cost excluding effects of share-based remuneration, amounted to NOK 19.9 million in the first half of 2014 (second quarter: NOK 11.8 million including cash performance bonuses), compared to NOK 5.7 million in the first half of 2013 (second quarter 2013: NOK 2.5 million).

R&D expenses amounted to NOK 20.3 million in the first half of 2014 (second quarter: NOK 9.8 million), up from NOK 5.3 million in the first half of 2013 (second quarter 2013: NOK 3.3 million). 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 7.3 million in the first half (second quarter: NOK 3.9 million), up from NOK 4.9 million in the corresponding period of 2013 (second quarter 2013: NOK 2.7 million). The main reason for the increase is expanded sales and marketing activities.

IDEX had 32 employees at the end of the first half of 2014 (first quarter: 27), up from 23 at the end of 2013 and 10 at first half of 2013. Four technical/scientific individual contractors work full time or regularly as part of the development team, and additional technical experts are contracted as and when needed. Four sales

representatives work on contract.

Depreciation amounted to NOK 1.0 million in the first half of 2014 (second quarter: NOK 0.5 million), up from NOK 0.2 million in the first half of 2013 (second quarter 2013: NOK 0.1 million). IDEX acquired assets and intellectual property rights from PicoField Technologies, Inc. on 23 September 2013. Of the acquired assets, NOK 15.3 million are depreciating assets. The stock of scientific equipment and tools has also been expanded.

EBIT in the first half amounted to a loss of NOK 55.8 million (second quarter: NOK 25.5 million), compared to NOK 22.3 million in the first half of 2013 (second quarter 2013: NOK 12.3 million). The increased manning, cost of share-based compensation as well as the increase in R&D activity explain the increased loss.

Financial items, mainly interest income, amounted to a net income amounting to NOK 2.5 million in the first half of 2014 (second quarter: NOK 1.9 million), compared to an income of NOK 0.1 million in the first half of 2013.

Because of the loss, there was no tax charge. The net result for the first half was a loss amounting to NOK 53.4 million (second quarter: NOK 23.6 million) compared to NOK 22.2 million in the corresponding period of 2013 (second quarter: NOK 12.2 million).

Profit/loss per basic weighted average number of shares amounted to a loss of NOK 0.13 in the first half. Per share results are not directly comparable between quarters 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. IDEX held a cash balance amounting to NOK 294.7 million at 30 June 2014, and the company has no financial debt.

The main assets held in the balance sheet are the intangible assets acquired from PicoField in 2013, inventoried licences acquired from BIO-key International, Inc. on 31 March 2014, and cash in bank. Cash is the major item, representing NOK 294.7 million at 30 June 2014.

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 de-

preciating assets in an original acquisition amount of NOK 15.3 million. IDEX's own patents and other intellectual property rights are not held in the balance sheet because they do not satisfy the criteria for capitalisation. The same applies to the development costs.

On 30 June 2014, the total assets amounted to NOK 332.3 million, of which NOK 294.7 million were cash, up from total assets amounting to NOK 76.0 million and cash NOK 46.5 million at the beginning of 2014. The cash position is further commented upon below.

The major liabilities are various operational payables to suppliers and employees, and amounted to NOK 24.6 million at 30 June 2014, on par with the amount at the end of 2013. There are

usually variations between quarters due to fluctuating payables to suppliers and accrued liabilities.

In the first half, new equity in a net amount of NOK 304.6 million was added, of which NOK 298.6 million originated from a private placement of shares to funds managed by Invesco Asset Management Limited, and the remainder from exercised subscription rights.

Equity amounted to NOK 307.7 million at 30 June 2014, up from NOK 49.9 million at the end of 2013.

IDEX has adequate equity and liquidity for going concern for significantly longer than 12 months from the date of this report.

Cash flow, cash position

The operational cash outflow in the first half of 2014 was NOK 56.7 million. The main cash outflow item is the profit/loss, partly offset by the share-based compensation.

IDEX ASA relocated to a larger leasehold facility in the first quarter of 2014. The move entailed minor investments in equipment and furniture, and also an increase in long-term deposit, in a combined total of NOK 0.9 million.

NOK 304.6 million new equity was paid in cash in the first half. Most of the new equity originated from the private placement to the Invesco funds. In January funds managed by Invesco Asset Management Limited, a leading global investor, agreed to invest NOK 300 million in IDEX. The funds also received 30 million warrants at an exercise price of NOK 7.50, amounting to potential NOK 225 million additional investment. The warrants are open to

be exercised between 29 January 2015 and 29 January 2016.

At 30 June 2014 the cash position amounted to NOK 294.7 million, while net of receivables less payables and accruals amounted to NOK 18.9 million payable, leaving a balance sheet solvency of NOK 275.8 million. IDEX does not have financial debt.

Principal risks

It is the duty of the board of directors to duly present the principal risks of IDEX and its business. IDEX does not have any significant assets or liabilities with risk. IDEX does not 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 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 sensor product range offers unique properties.

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.

IDEX ASA

Condensed consolidated interim financial statements with notes 30 June 2014 (Unaudited)

Interim consolidated statements of comprehensive income	1 April-30 June 2014	1 April-30 June 2013	1 January-30 June 2014	1 January-30 June 2013	1 January-31 December 2013
Amounts in NOK 1,000					
Operating income					
Sales and services revenue	6		12	7	7
Other operating revenue		789	91	1 579	2 519
Total revenue	6	789	103	1 586	2 526
Operating expenses					
Payroll expense	11 388	6 970	27 374	13 546	38 029
Research and development expenses	9 779	3 298	20 322	5 312	17 340
Other operating expenses	3 860	2 701	7 281	4 884	11 146
Total operating expenses	25 027	12 969	54 977	23 742	66 515
Profit (loss) before interest, tax, depreciation and amortization (EBITDA)	(25 021)	(12 180)	(54 874)	(22 156)	(63 989)
Depreciation	496	74	961	150	929
Profit before interest and tax (EBIT)	(25 517)	(12 254)	(55 835)	(22 306)	(64 918)
Financial income and expenses					
Interest income	1 936	61	2 582	114	391
Other financial income	191	6	301	15	47
Interest expense					(6)
Other financial expense	(190)	(16)	(412)	(30)	(519)
Net financial items	1 937	51	2 471	99	(87)
Net result before tax	(23 580)	(12 203)	(53 364)	(22 207)	(65 005)
Net profit (loss) for the period	(23 580)	(12 203)	(53 364)	(22 207)	(65 005)
Profit (loss) per share - basic and diluted	NOK (0.06)	NOK (0.04)	NOK (0.13)	NOK (0.07)	NOK (0.20)
Net profit (loss) for the period	(23 580)	(12 203)	(53 364)	(22 207)	(65 005)
Other comprehensive income	2		2		
Total comprehensive income for the period, net of tax	(23 578)	(12 203)	(53 362)	(22 207)	(65 005)

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

Interim consolidated balance sheets		30 June	30 June	31 December
Amounts in NOK 1,000		2014	2013	2013
ASSETS				
Long-term assets				
Goodwill		8 260		8 260
Other intangible assets		14 332		14 937
Machinery and office equipment		2 503	476	1 178
Long-term receivables		1 125	332	446
Total long-term assets		26 220	808	24 821
Current assets				
Inventory and receivables				
Inventory		5 690		
Accounts receivable		4	11	
Other receivables		4 350	2 381	3 445
Prepaid expenses		1 330	446	1 303
Total inventory and receivables		11 374	2 838	4 748
Cash and bank deposits				
Cash and bank deposits		294 667	36 571	46 475
Total cash and bank deposits		294 667	36 571	46 475
Total current assets		306 041	39 409	51 223
TOTAL ASSETS		332 261	40 217	76 044
EQUITY AND LIABILITIES				
Equity				
Paid-in-capital				
Share capital		61 867	49 433	51 706
Share premium reserve		463 031	113 612	168 631
Other paid-in capital		26 809	15 419	20 183
Total paid-in-capital		551 707	178 464	240 520
Other equity		(243 999)	(147 838)	(190 636)
Total equity		307 708	30 626	49 884
Liabilities				
Short-term liabilities				
Accounts payable		5 016	975	4 245
Public duties payable		2 342	551	2 123
Notional employer's tax on share incentives		5 634	-	9 711
Other short-term liabilities		11 561	8 065	10 081
Total short term liabilities		24 553	9 591	26 160
Total liabilities		24 553	9 591	26 160
TOTAL EQUITY AND LIABILITIES		332 261	40 217	76 044

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

Interim consolidated cash flow statements Amounts in NOK 1,000	1 April- 30 June 2014	1 April- 30 June 2013	1 January- 30 June 2014	1 January- 30 June 2013	1 January- 31 December 2013
Cash Flows from operating activities					
Profit (loss) before interest and taxes	(25 518)	(12 254)	(55 836)	(22 306)	(64 918)
Share-based remuneration (equity part)	3 735	2 480	6 626	4 184	8 948
Depreciation	496	74	961	150	929
Interest paid					(6)
Change in working capital and other items	(27 963)	2 464	(8 472)	4 265	18 465
Net cash flow from operational activities	(49 250)	(7 236)	(56 721)	(13 707)	(36 582)
Cash flows from investing activities					
Purchases of property, plant and equipment	(1 008)		(1 552)		(24 676)
Change in long-term receivables	340		(678)		(114)
Interest received	1 936	61	2 582	114	391
Net cash provided by investing activities	1 268	61	352	114	(24 399)
Cash flows from financing activities					
Share issues net of expenses	136	30 096	304 561	30 331	87 623
Net cash provided by financing activities	136	30 096	304 561	30 331	87 623
Net change in cash and cash equivalents	(47 846)	22 921	248 192	16 738	26 642
Opening cash balance	342 513	13 650	46 475	19 833	19 833
Closing cash balance	294 667	36 571	294 667	36 571	46 475

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 2014	51 706	168 631	20 183	(190 636)	49 884
Share issues	10 161	294 400			304 561
Share-based compensation			6 626		6 626
Total comprehensive income for the period				(53 363)	(53 363)
Balance 30 June 2014	61 867	463 031	26 809	(243 999)	307 708
Balance 1 January 2013	46 422	86 292	11 235	(125 631)	18 318
Share issues	3 011	27 320			30 331
Share-based compensation			4 184		4 184
Total comprehensive income for the period				(22 207)	(22 207)
Balance 30 June 2013	49 433	113 612	15 419	(147 838)	30 626
Balance 1 January 2013	46 422	86 292	11 235	(125 631)	18 318
Share issues	5 284	82 339			87 623
Share-based compensation			8 948		8 948
Total comprehensive income for the period				(65 005)	(65 005)
Balance 31 December 2013	51 706	168 631	20 183	(190 636)	49 884

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

Notes to the condensed consolidated interim financial statements 30 June 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 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.

In the third quarter of 2013, IDEX ASA established 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. Operations in IDEX America commenced in September 2013 when IDEX acquired assets and intellectual property rights and employed staff from PicoField Technologies, Inc.

2 Basis of preparation, accounting policies, resolution

This condensed consolidated interim financial report for the first half of 2014 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 2013.

The IFRS accounting policies applied in this

condensed interim financial report are consistent with those applied and described in the annual financial statements for 2013.

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.

This interim financial report has not been subject to audit. The report was approved by the board of directors on 12 August 2014.

3 Long-term assets

Amounts in NOK 1,000	Goodwill	Other intangible assets	Machinery and office equipment	Long-term receivables	Total long-term assets
1 January-30 June 2014					
Net book value on 1 January 2014	8 260	14 937	1 178	446	24 821
Additions			1 552	678	2 230
Disposals					0
Depreciation and other movements		(605)	(227)	1	(831)
Net book value on 30 June 2014	8 260	14 332	2 503	1 125	26 220
1 January-30 June 2013					
Net book value on 1 January 2013			626	332	958
Additions					0
Disposals					0
Depreciation and other movements			(150)		(150)
Net book value on 30 June 2013	0	0	476	332	808
1 January-31 December 2013					
Net book value on 1 January 2013			626	332	958
Additions	8 260	15 340	1 076	114	24 790
Disposals					0
Depreciation and other movements		(403)	(524)		(927)
Net book value on 31 December 2013	8 260	14 937	1 178	446	24 821

IDEX acquired assets and intellectual property rights from PicoField Technologies, Inc., and IDEX America employed three staff members from PicoField on 23 September 2013. The business combination has

been capitalised in accordance with IFRS.

Under IFRS goodwill is not depreciated or 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. The same applies to the development costs.

4 Shares, warrants and subscription rights

Number of financial instruments	1 January – 30 June 2014	1 January – 31 June 2013	1 January – 31 December 2013
Shares			
Opening balance	344 707 732	309 479 430	309 479 430
Share issue(s)	62 463 897	19 124 407	31 169 467
Exercised incentive subscription rights	5 275 983	950 000	4 058 835
Closing balance	412 447 612	329 553 837	344 707 732
Warrants			
Opening balance	0	0	0
Issue of warrants	30 000 000		
Exercise of warrants			
Expired warrants			
Closing balance	30 000 000	0	0
Incentive subscription rights			
Opening balance	28 186 345	17 745 259	17 745 286
Grant of incentive subscription rights	3 040 000	12 300 000	16 810 000
Exercised incentive subscription rights	(5 275 983)	(950 000)	(4 058 835)
Terminated or expired subscription rights		(2 310 106)	(2 310 106)
Closing balance	25 950 362	26 785 153	28 186 345

IDEX has granted incentive subscription rights (SRs) to employees, individual contractors and board members. The grants to board members (in 2010) were made by the general meeting in lieu of cash board remuneration. Unless specifically resolved

otherwise, 25 per cent of each grant of subscription rights vest 12 months following the date of the grant, and expire on the fifth anniversary following the general meeting that resolved the programme. Unvested subscription rights terminate on the hold-

er'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 outstanding incentive SRs on 30 June 2014 was NOK 2.57 per share.

Changes in number of financial instruments	Subscription rights	Warrants	Shares
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
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		
Balance 30 June 2014	25 950 362	30 000 000	412 447 612
Balance 1 January 2013	17 745 286	0	309 479 430
16 May 2013: Private placement			18 771 250
16 May 2013: Share issue (board remuneration)			353 157
1 September 2013: Private placement to WWTT			7 365 060
23 September 2013: Private placement to WWTT			4 680 000
Several dates: Grants of incentive subscription rights	16 810 000		
Several dates: Exercises of incentive subscription rights	(4 058 835)		4 058 835
Several dates: Forfeited and expired incentive subscription rights	(2 310 106)		
Balance 31 December 2013	28 186 345	0	344 707 732

5 Payroll expense

Amounts in NOK 1,000	1 April- 30 June 2014	1 April- 30 June 2013	1 January- 30 June 2014	1 January- 30 June 2013	1 January- 31 December 2013
Salary, payroll tax, benefits and other personnel expenses	11 762	2 498	19 921	5 726	17 427
Payroll tax on exercised subscription rights	27	117	4 904	179	1 975
Share-based remuneration, notional salary expense	3 735	2 574	6 626	4 184	8 948
Share-based remuneration, accrual (reversal) of employer's tax	(4 136)	1 781	(4 077)	3 457	9 679
Payroll expense	11 388	6 970	27 374	13 546	38 029

The fair value at grant date of subscription rights granted to employees and, members of the board of directors are charged against the profit and loss over the vesting period of each tranche. 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 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 Profit (loss) per share

	1 January – 30 June 2014	1 January – 30 June 2013	1 January – 31 December 2013
Profit (loss) attributable to the shareholders (NOK 1 000)	(53 365)	(22 207)	(65 005)
Weighted average basic number of shares	400 138 456	314 018 649	326 183 037
Weighted average diluted number of shares	415 535 733	322 398 284	339 923 615
Profit (loss) per share, basic and diluted	NOK (0.13)	NOK (0.07)	NOK (0.20)

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.

7 Contingent assets and liabilities

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

8 Related party transactions

In the first half 2014 IDEX has recorded NOK 1,425 thousand for services provided from IDEX's legal counsel, law firm Ræder, in which chairman Morten Opstad is a partner. Mr. Opstad's work beyond board duty has been invoiced by Ræder. The services in the first half 2014 includes legal assistance in connection with the private placements of shares in the first quarter and in particular preparation of the listing prospectus in connection with the private placement of

60 million shares on 29 January 2014.

Ralph W. Bernstein, CTO, exercised 1,672,960 subscription rights and acquired the corresponding number of shares at a weighted average price of NOK 1.14 per share on 24 February 2014. On the same date, Erling Sveta, then CFO, exercised 66,668 subscription rights and acquired the corresponding number of shares at a price of NOK 1.20 per share.

The board resolved on 1 April 2014 to grant 1,500,000 incentive subscription rights (SRs) to Henrik Knudtzon, CFO as of August 2014. The grant was made under the company's 2013 incentive subscription rights plan as resolved at the annual general meeting on 16 May 2013. The exercise price of the SRs was NOK 7.03 per share.

9 Events occurring after the balance sheet date

Between 30 June 2014 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 half of 2014 or the value of the company's assets

and liabilities at 30 June 2014.

Responsibility statement

30 June 2014 (Unaudited)

We confirm, to the best of our knowledge, that the condensed consolidated financial statements with notes for the period 1 January-30 June 2014 has been prepared in accordance with IAS 34 - Interim Financial Reporting and gives a true and fair view of IDEX's assets, liabilities, financial position and profit or loss as a whole. Major related parties transactions have been disclosed in note 8.

We also confirm, to the best of our knowledge, that the interim report issued in concert with these condensed financial statements includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Fornebu, 12 August 2014

The board of directors of IDEX ASA

Morten Opstad, chairman

Frode Haugli, board member

Hanne Høvding, board member

Andrew J. MacLeod, board member

Toril Nag, board member

Hemant Mardia, CEO