

IDEX ASA interim report as at 30 September 2014

Highlights

- Touch sensor design win for a flagship smartphone from Asian second-tier mobile OEM
First decision by mobile OEM to incorporate IDEX first-generation sensor in product development for a smartphone program
- Strategic partnership with leading touch semiconductor vendor FocalTech Systems to supply swipe fingerprint sensors
Focus on rapidly growing Chinese market for cost-sensitive mobile devices, including smart phones
- Initial order delivered for swipe sensors to Card Tech tier one manufacturing partner
Sensors integrated into Card Tech's biometric cards for the access control and ID markets
- Industry veteran Michael Barrett joins IDEX's Strategy Advisory Council
President of industry consortium FIDO, former Chief Information Security Officer at PayPal
- Strengthens business development and customer support in Americas and Asia Pacific
Experienced executives recruited to support global commercialisation and expected rapid growth
- World Wide Touch Technology upgrades fingerprint sensor order from swipe to touch sensors
Reflecting the positive market reaction to these devices
- IDEX and Card Tech launches world first biometric card with ISO standard form factor which is mass production ready
Validating IDEX's strong capability for fingerprint sensors in cards compatible with global card infrastructure
- IDEX enters into MOU with Amkor Technology to formalize a strategic mass volume manufacturing partnership
Enabling IDEX to deliver fingerprint sensor in mass volume through tier-one manufacturing supply chain

Outlook and key upcoming milestones

- Continuing to develop first-tier partnerships providing high-volume manufacturing and channels to exploit identified opportunities
- Demonstration of ground-breaking second-generation fingerprint touch sensor prototype to meet demand for lower cost and improved accuracy to be jointly promoted with Cypress Semiconductor to leading mobile OEMs in fourth quarter 2014
- Initial revenues by end of 2014 including volumes of touch sensors being shipped to World Wide Touch
- Market deferrals of smartphones with integrated fingerprint sensors in second half of 2014 due to shift in demand towards small touch sensors with increased accuracy and improved aesthetics
- Increased demand for swipe is also expected in 2015 for mid/low end devices
- Biometric authentication for mobile payments expected to drive widespread market adoption after launch of Apple Pay
- On target for sampling of second-generation touch sensors in the first half of 2015
- Continued development and interest in unique IDEX in-glass sensor solution. Expecting sampling of swipe sensor in 2015
- Strong growth in demand for biometric authentication in cards also expected; IDEX has developed unique flexible fingerprint sensors and low footprint algorithms suitable for this market
- 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 as IDEX partnership strategy delivers leading patent-protected products to the rapidly developing market

A number of key events marked the progress of IDEX in the third quarter of 2014. The company achieved its first touch sensor design win for a flagship smartphone from an Asian second-tier mobile OEM. IDEX entered into a strategic partnership agreement with FocalTech Systems to supply swipe fingerprint sensors. Swipe sensors to Card Tech were delivered and inserted into Card Tech's Smart Card ready for mass production.

Meanwhile, IDEX continues to strengthen its team in order to exploit the very positive momentum in the fingerprint sensor market. The company added industry veteran Michael Barrett to its Strategy Advisory Council as well as a number of experienced executives to the management team.

Industry veteran joined Strategy Advisory Council

Michael Barrett, formerly Chief Information Security Officer at PayPal joined IDEX's Strategy Advisory Council as of July 2014. Mr. Barrett is currently the president of the FIDO alliance, an industry consortium dedicated to improving online authentication and reduce the reliance on passwords to authenticate users.

The Strategy Advisory Council advises IDEX on market, technology and strategic trends in the rapidly developing mass market for fingerprint sensors. Larry Ciaccia, formerly CEO of AuthenTec, the leading fingerprint sensor vendor for volume markets, heads the council.

Initial order for swipe sensors from Card Tech

In July IDEX received an initial order to deliver fingerprint swipe sensors to Card Tech srl. The sensors have been integrated into Card Tech's biometric cards for the access control and ID markets. The biometric cards were manufactured by Card Tech's first-tier production partner.

Card Tech's patented ISO-compliant system-on-card solution uses IDEX's flexible best-in-class swipe sensor, based on IDEX's patented two-part SmartFinger technology, which is ideally suited for integration into cards. IDEX's delivery includes its market-leading algorithms capable of operating in the low-power, highly efficient processors that are required for such

embedded applications.

First touch sensor design win

The first design win for IDEX's new mobile touch fingerprint sensor was announced in August. An Asian second-tier mobile OEM selected IDEX for its smartphone flagship model with a launch date scheduled for the fourth quarter of 2014. This program has been deferred.

A design win is the decision by an OEM device vendor to incorporate an IDEX sensor component or technology in product development for a commercial model or models.

Strengthened business development and customer support

IDEX has over the last few months recruited a number of experienced executives to strengthen its business development and customer support in order to support global commercialization and expected rapid growth.

Larry Hattery and Leon Bian have joined IDEX America as VP of Software and VP of Business Development respectively.

Meanwhile, the expansion in the Asia Pacific region has been strengthened by the addition of Alister Chu, Paul Kim and Ming Gao as Senior Director of Business Development, Senior Sales Director and Field Application Engineer respectively.

Strategic agreement with FocalTech Systems

In September IDEX announced a strategic partnership agreement with FocalTech Systems Ltd to supply swipe fingerprint sensors.

The two companies will jointly target the large and rapidly growing fingerprint sensor market with a strong focus on China for cost sensitive mobile devices, including smart phones.

The serviceable market for smartphones in China is expected to reach 550 million units this year and is forecast to grow to 700 million in 2015.

FocalTech is listed in Taipei, Taiwan, and is the largest touch controller IC

provider in Asia with a market share of 50 per cent in Chinese-manufactured smartphones.

WWTT upgrades fingerprint sensor order from swipe to touch sensors

In October IDEX announced that the previously reported order of 300,000 fingerprint sensors from World Wide Touch Technology (Holdings) Limited was upgraded from swipe to touch sensors, reflecting the positive market reaction to these devices.

The value of the order from WWTT remains unchanged. Initial shipment of sensors has begun and larger volumes on this order will be shipped from IDEX in the fourth quarter of 2014.

IDEX enters into MOU with Amkor to form manufacturing partnership

In November the companies formalized six months development to enable competitive commercialization of IDEX's fingerprint sensor technology by leveraging Amkor's world-class high precision manufacturing capabilities for IDEX advanced off-chip fingerprint sensors. In addition, the parties will leverage Amkor's strong established customer base to increase fingerprint sensor deployment and market penetration.

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.

IDEX expects continued rapid mass-market adoption of fingerprint sensors on consumer devices and cards resulting from the critical mass of smartphone adoption. Analysts estimate 300-350 million mobile terminals with fingerprint sensors by late 2014, and by 2020 this is expected to grow to 1.4 billion. The growth is driven by trends like password replacement, increased attention to security and introduction of mobile payment, as exemplified by the launch of the mobile payment system Apple Pay in September. IDEX's strategy is to be a leading fingerprint sensor player in these high-growth markets.

During the year IDEX have announced a range of partnerships with tier-one companies across the value chain. These partnerships validate the market's belief in IDEX technology, and enables IDEX to ensure a robust and mass scalable delivery model. Moreover, the partners have deep customer relationships with OEM's giving a channel to market and distribution for IDEX. The company expects to continue securing first-tier partnerships in the months to come.

Following product sampling activity of swipe and first-generation touch sensors, IDEX is now at the beginning of the commercializing phase. IDEX anticipates initial revenues before the end of 2014.

The IDEX is on target for sampling the second-generation touch sensor in the first half of 2015. The partnership with Cypress ensures our ability to deliver this new family of sensors to first-tier handset manufacturers.

The next step 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 swipe sensors implemented in glass is expected in 2015.

The partnership with Card Tech has also resulted in traction in the card market. Card Tech introduced an industry first ISO compliant biometric card, and the market response has been very positive. IDEX expects that that the interest will lead to sensors deployed in cards during the second half of 2015.

IDEX will continue to strengthen the team with high-calibre individuals in order to support global commercialization and expected rapid growth.

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

Fornebu, 11 November 2014
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 30 September 2014 (Unaudited)

Profit and loss statements

IDEX earned net income amounting to NOK 0.3 million in the first nine months of 2014, compared to NOK 2.1 million in the same period of 2013. In the third quarter net income amounted to NOK 0.2 million from initial deliveries of sensors (third quarter 2013: NOK 0.5 million). The majority of the revenue in preceding quarters of 2014 and the revenue in 2013 was related to government support of research and development (R&D) activities. Such revenue has been recognised corresponding to the recognition of the expenses that the grants compensated.

Year to date the operating expenses amounted to NOK 83.9 million, up from NOK 43.0 million in the same period of 2013. Operating expenses in the third quarter amounted to NOK 29.0 million which was about average per-quarter level this year, but significantly higher than the corresponding periods in 2013. In 2013 there was a step change in staff and activity level during the second half. IDEX is ramping up across all key functions including product development, supply chain, operations and sales, to secure commercialisation of its products. Excluding the effects of share-based remuneration, the operating expenses amounted to NOK 75.5 million in the first nine months of 2014 (third quarter: NOK 27.9 million), compared to NOK 27.8 million in the first nine months of 2013 (third quarter 2013: NOK 11.8 million).

The payroll expense has increased significantly, to NOK 39.3 million in the first nine months, from NOK 24.9 million in the same period of 2013. The payroll expense is impacted by two effects from share-based remuneration, which effects vary between quarters. Firstly, the notional cost of the incentive subscription rights including

accrued employer's tax varies with the share price, and caused a net reversal of cost in the second quarter of 2014. The year-to-date net cost amounted to NOK 3.6 million, of which NOK 1.0 million in the third quarter. These entries do not have any cash effect. Secondly, the actual, payable social security cost on exercised subscription rights amounted to NOK 4.9 million in the first quarter and nil in the second and third quarters. This actual cost is funded by the exercise. The actual, underlying payroll cost excluding effects of share-based remuneration, amounted to NOK 30.9 million in the first nine months of 2014 (third quarter: NOK 10.9 million), compared to NOK 9.7 million in the first nine months of 2013 (third quarter 2013: NOK 3.9 million).

R&D expenses amounted to NOK 33.5 million in the first nine months of 2014 (third quarter: NOK 13.2 million), up from NOK 9.9 million in the first nine months of 2013 (third quarter 2013: NOK 4.6 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 11.1 million in the first nine months (third quarter: NOK 3.8 million), up from NOK 8.2 million in the corresponding period of 2013 (third quarter 2013: NOK 3.3 million). The main reason for the increase is expanded sales and marketing activities.

IDEX had 39 employees at 30 September 2014 (first half: 32), up from 23 at the end of 2013 and 18 at 30 September 2013. Six 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. Four sales representatives

work on contract.

Depreciation amounted to NOK 1.6 million in the first nine months of 2014 (third quarter: NOK 0.6 million), up from NOK 0.3 million in the first nine months of 2013 (third quarter 2013: NOK 0.2 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 engineering tools has also been expanded by investments amounting to NOK 3.7 million in the first nine months of 2014.

EBIT in the first nine months amounted to a loss of NOK 85.2 million (third quarter: NOK 29.4 million), compared to NOK 41.2 million in the first nine months of 2013 (third quarter 2013: NOK 18.9 million). The increased staff and the increase in R&D activity explain the increased loss.

Financial items, mainly interest income, amounted to a net income amounting to NOK 4.4 million in the first nine months of 2014 (third quarter: NOK 1.9 million), compared to nil in the first nine months of 2013.

Because of the loss, there was no tax charge. The net result for the first nine months was a loss amounting to NOK 80.8 million (third quarter: NOK 27.5 million) compared to NOK 41.2 million in the corresponding period of 2013 (third quarter: NOK 19.0 million).

Profit/loss per basic weighted average number of shares amounted to a loss of NOK 0.20 in the first nine months. 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 30 September 2014, IDEX held a cash balance amounting to NOK 261.4 million, 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 261.4 million at 30 September 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 depreciating 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 September 2014, the total assets amounted to NOK 303.4 million, of which NOK 261.4 million were cash, up from total assets amounting to NOK 76.0 million and cash amounting to 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 20.1 million at 30 September 2014, including paid-in, not registered share capital. This was on par with the liabilities at the same time in 2013. There are

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

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

Equity amounted to NOK 283.3 million at 30 September 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 nine months of 2014 was NOK 90.7 million. The main cash outflow item is the profit/loss, partly offset by the share-based compensation.

Working capital has absorbed NOK 16.9 million in the first nine months of 2014 (2013: NOK 14.8 million release). In 2014, the absorption has been caused by additions to inventory, increased receivables (earned bank interest) and reduction in the notional employer's tax on subscription rights. The release in 2013 was mainly caused by accrual of notional employer's tax on subscription rights and accruals related to suppliers.

IDEX ASA relocated to a larger leasehold facility in the first quarter of 2014. The move entailed investments in equipment and furniture, and also an increase in long-term deposit. IDEX has also invested in equipment and furniture for its leasehold facility in Boston.

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 potentially NOK 225 million additional investment. The warrants are open to be exercised between 29 January 2015 and 29 January 2016.

At 30 September 2014 the cash position amounted to NOK 261.4 million, while net of receivables less payables and accruals amounted to NOK 11.6 million payable, leaving a balance sheet solvency of NOK 249.8 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 intellectual property rights, and finally, to maintain a com-

petitive advantage. IDEX considers that its fingerprint sensor technology has one of the best biometric performances, 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 September 2014 (Unaudited)

Interim consolidated statements of comprehensive income Amounts in NOK 1,000	1 July- 30 September 2014	1 July- 30 September 2013	1 January- 30 September 2014	1 January- 30 September 2013	1 January- 31 December 2013
Operating income					
Sales and services income (net)	182		194	7	7
Other operating revenue		535	91	2 114	2 519
Total revenue	182	535	285	2 121	2 526
Operating expenses					
Payroll expense	11 961	11 347	39 335	24 893	38 029
Research and development expenses	13 203	4 618	33 525	9 930	17 340
Other operating expenses	3 800	3 288	11 081	8 172	11 146
Total operating expenses	28 964	19 253	83 941	42 995	66 515
Profit (loss) before interest, tax, depreciation and amortization (EBITDA)	(28 782)	(18 718)	(83 656)	(40 874)	(63 989)
Depreciation	623	174	1 584	324	929
Profit before interest and tax (EBIT)	(29 405)	(18 892)	(85 240)	(41 198)	(64 918)
Financial income and expenses					
Interest income	1 947	113	4 529	227	391
Other financial income	268	16	569	31	47
Interest expense	(3)	(1)	(3)	(1)	(6)
Other financial expense	(270)	(226)	(682)	(256)	(519)
Net financial items	1 942	(98)	4 413	1	(87)
Net result before tax	(27 463)	(18 990)	(80 827)	(41 197)	(65 005)
Net profit (loss) for the period	(27 463)	(18 990)	(80 827)	(41 197)	(65 005)
<i>Profit (loss) per share - basic and diluted</i>	NOK (0.07)	<i>NOK (0.06)</i>	NOK (0.20)	<i>NOK (0.13)</i>	<i>NOK (0.20)</i>
Net profit (loss) for the period	(27 463)	(18 990)	(80 827)	(41 197)	(65 005)
Other comprehensive income	(196)		(194)		
Total comprehensive income for the period, net of tax	(27 659)	(18 990)	(81 021)	(41 197)	(65 005)

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

Interim consolidated balance sheets	30 September	30 September	31 December
Amounts in NOK 1,000	2014	2013	2013
ASSETS			
Long-term assets			
Goodwill	8 260	8 260	8 260
Other intangible assets	14 030	15 239	14 937
Machinery and office equipment	4 381	465	1 178
Long-term receivables	1 125	439	446
Total long-term assets	27 796	24 403	24 821
Current assets			
Inventory and receivables			
Inventory	5 734		
Accounts receivable	273	5	
Other receivables	6 698	2 102	3 445
Prepaid expenses	1 486	1 125	1 303
Total inventory and receivables	14 191	3 232	4 748
Cash and bank deposits			
Cash and bank deposits	261 421	60 483	46 475
Total cash and bank deposits	261 421	60 483	46 475
Total current assets	275 612	63 715	51 223
TOTAL ASSETS	303 408	88 118	76 044
EQUITY AND LIABILITIES			
Equity			
Paid-in-capital			
Share capital	61 867	51 287	51 706
Share premium	463 027	166 119	168 631
Other paid-in capital	30 070	16 809	20 183
Total paid-in-capital	554 964	234 215	240 520
Other equity	(271 657)	(166 828)	(190 636)
Total equity	283 307	67 387	49 884
Liabilities			
Short-term liabilities			
Paid-in, not registered capital	837		
Accounts payable	5 451	2 861	4 245
Public duties payable	1 296	470	2 123
Notional employer's tax on share incentives	3 395		9 711
Other short-term liabilities	9 122	17 400	10 081
Total short term liabilities	20 101	20 731	26 160
Total liabilities	20 101	20 731	26 160
TOTAL EQUITY AND LIABILITIES	303 408	88 118	76 044

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

Interim consolidated cash flow statements	1 July-30 September 2014	1 July-30 September 2013	1 January-30 September 2014	1 January-30 September 2013	1 January-31 December 2013
Amounts in NOK 1,000					
Cash Flows from operating activities					
Profit (loss) before interest and taxes	(29 405)	(18 892)	(85 240)	(41 198)	(64 918)
Share-based remuneration (equity part)	3 261	1 390	9 887	5 574	8 948
Depreciation	623	174	1 584	324	929
Interest paid	(3)	(1)	(3)	(1)	(6)
Change in working capital and other items	(8 461)	10 536	(16 933)	14 801	18 465
Net cash flow from operational activities	(33 985)	(6 793)	(90 705)	(20 500)	(36 582)
Cash flows from investing activities					
Purchases of property, plant and equipment	(2 041)	(23 662)	(3 593)	(23 662)	(24 676)
Change in long-term receivables	(1)	(107)	(679)	(107)	(114)
Interest received	1 947	113	4 529	227	391
Net cash provided by investing activities	(95)	(23 656)	257	(23 542)	(24 399)
Cash flows from financing activities					
Share issues net of expenses	(4)	54 361	304 557	84 692	87 623
Paid-in, not registered share capital	837		837		
Net cash provided by financing activities	833	54 361	305 394	84 692	87 623
Net change in cash and cash equivalents	(33 247)	23 912	214 946	40 650	26 642
Opening cash balance	294 667	36 571	46 475	19 833	19 833
Closing cash balance	261 420	60 483	261 421	60 483	46 475

Interim consolidated statements of changes in equity	Share capital	Share premium	Other paid-in capital	Retained earnings (uncovered loss)	Total equity
Amounts in NOK 1,000					
Balance 1 January 2014	51 706	168 631	20 183	(190 636)	49 884
Share issues	10 161	294 396			304 557
Share-based compensation			9 887		9 887
Total comprehensive income for the period				(81 021)	(81 021)
Balance 30 September 2014	61 867	463 027	30 070	(271 657)	283 307
Balance 1 January 2013	46 422	86 292	11 235	(125 631)	18 318
Share issues	4 865	79 827			84 692
Share-based compensation			5 574		5 574
Total comprehensive income for the period				(41 197)	(41 197)
Balance 30 September 2013	51 287	166 119	16 809	(166 828)	67 387
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 September 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 nine months 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 11 November 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
Balance 1 January 2014	8 260	14 937	1 178	446	24 821
Additions			3 700	679	4 379
Disposals at cost					
Depreciation and impairment losses		(907)	(677)		(1 584)
Effects of changes in foreign currency			179		179
Balance 30 September 2014	8 260	14 030	4 381	1 125	27 796
Balance 1 January 2013	0	0	626	332	958
Additions	8 260	15 340	62	107	23 769
Disposals at cost					
Depreciation and other movements		(101)	(223)		(324)
Balance 30 September 2013	8 260	15 239	465	439	24 403
Balance 1 January 2013	0	0	626	332	958
Additions	8 260	15 340	1 076	114	24 790
Disposals at cost					
Depreciation and other movements		(403)	(524)		(927)
Balance 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 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	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		
15 September 2014: Grant of subscription rights	2 200 000		
Forfeited subscription rights	(743 750)		
Balance 30 September 2014	27 406 612	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	14 400 000		
Several dates: Exercises of incentive subscription rights	(1 265 500)		1 265 500
Several dates: Forfeited and expired incentive subscription rights	(2 410 106)		
Balance 30 September 2013	28 469 680	0	341 914 397
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	14 400 000		
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	25 776 345	0	344 707 732

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 September 2014 was NOK 2.82 per share.

5 Payroll expense

	1 July- 30 September 2014	1 July- 30 September 2013	1 January- 30 September 2014	1 January- 30 September 2013	1 January- 31 December 2013
Amounts in NOK 1,000					
Salary, payroll tax, benefits and other personnel expenses	10 940	3 943	30 861	9 669	17 427
Payroll tax on exercised subscription rights	-	146	4 904	325	1 975
Share-based remuneration, notional salary expense	3 261	1 390	9 887	5 574	8 948
Share-based remuneration, accrual (reversal) of employer's tax	(2 240)	5 868	(6 317)	9 325	9 679
Payroll expense	11 961	11 347	39 335	24 893	38 029

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 Profit (loss) per share

	1 January – 30 September 2014	1 January – 30 September 2013	1 January – 31 December 2013
Profit (loss) attributable to the shareholders (NOK 1 000)	(80 827)	(41 197)	(65 005)
Weighted average basic number of shares	404 286 597	320 142 154	326 183 037
Weighted average diluted number of shares	418 737 381	331 232 301	339 923 615
Profit (loss) per share, basic and diluted	NOK (0.20)	NOK (0.13)	NOK (0.20)

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.

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 nine months of 2014 IDEX has recorded NOK 1,881 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 2014 include 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.

On 24 February 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 the same date, Erling Svela, 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, at an exercise price of NOK 7.03 per share. The board resolved on 15 September 2014 to grant 1,500,000 SRs to Hemant Mardia, CEO, at an exercise price of NOK 4.45 per share. The grants were made under the company's 2013 and 2014 incentive subscription rights plans as resolved at the annual general meetings on 16 May 2013 and 7 May 2014 respectively.

9 Events occurring after the balance sheet date

Between 30 September 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 nine months of 2014 or the value

of the company's assets and liabilities at 30 September 2014.

On 2 October 2014 the board resolved to issue 541,250 shares to an employee who had exercised incentive subscription rights

which were granted in 2010, 2011 and 2013 under the company's incentive subscription rights plans in the respective periods. The weighted average exercise price per share was NOK 1.55. The amount was paid in before 30 September. The shares have been issued.