Interim report fourth quarter and preliminary result 2009

Highlights in the fourth quarter

- Prototypes of the next generation SmartFinger® sensors were received in the third quarter, and the first development modules for test and verification were completed in the fourth quarter of 2009. The new design is based on new low-cost manufacturing technology and will enable realization of ultrathin, low-cost fingerprint sensors.

- The agreement with the semiconductor manufacturer (name not disclosed) has been renewed and extended until June 2010.

- The design for an updated version of IDEX Application Specific Integrated Circuit (ASIC) completed in the fourth quarter and manufacturing was started in early November 2009.

- IDEX exhibited at the Biometrics 2009 exhibition in London, England in October. Biometrics 2009 is the premier European exhibition for biometric technology suppliers, systems integrators and related ID and authentication solutions suppliers to showcase their latest products and services. IDEX booth attracted substantial interest and brought important customer leads.

- Two new patent applications were filed. The patents will strengthen the IDEX' patent protection of its core technology.

- The EUREKA project eGo, in which IDEX as a partner, was 'labeled' (recommended) by the Cluster for Application and Technology Research on NanoElectronics in Europe. The project aims to develop prototype and experiment with new ways of establishing high-speed, secure bidirectional wireless communication channels. The project will commence as and when funding has been approved.

- On 23 December 2009 IDEX filed an application for listing its shares at the Oslo Axess marketplace of Oslo Børs.

- IDEX received a purchase order from Bundesdruckerei GmbH in January 2010. Bundesdruckerei is one of the world's leading suppliers of high-security technology solutions and ID cards. Since 1987, Bundesdruckerei has produced more than 230 million ID cards and passports.

IDEX ASA

IDEX ASA is a Norwegian company specializing in fingerprint imaging and authentication. IDEX' vision is to ensure safe, user friendly application of a secure personal ID in the daily life. IDEX has developed the SmartFinger® technology platform including the patented fingerprint imaging principle, sensing scheme and chip design combined with core software algorithms for imaging and authentication.

IDEX offers the award-winning SmartFinger® single-line fingerprint swipe sensor with best possible user experience through superior biometric performance and built-in navigation functionality. The SmartFinger® sensor's unique, small dual-chip solution allows simple integration into a wide range of products and applications. Customer evaluations have confirmed that IDEX offers one of the highest performing swipe fingerprint sensors available. The SmartFinger® IP is available to customers under a technology licensing scheme or as SmartFinger® sensors and authentication solution ready to be designed into customers' products.

Investors and others may subscribe to IDEX notices by sending an e-mail with header SUBSCRIBE to IR(at)idex.no

Key events in 2009

- On 12 January 2009 IDEX announced an agreement with a major semiconductor company. The aim of the agreed program is to assess the manufacturability, cost and commercialization of the SmartFinger® sensor with an overall goal to enter high volume markets, such as mobile phones. The agreement has recently been extended until second quarter of 2010.

- Following a resolution at an extraordinary general meeting held in January 2009, IDEX in February completed a private placement of 9.2 million shares at NOK 1.10 per share, raising NOK 10.1 million before expenses.

- On 1 April 2009 it was announced that IDEX had received the 2009 Frost & Sullivan Global Swipe Sensor Product Differentiation Innovation of the Year Award, representing recognition from leading industry analysts of IDEX' excellence in the invention of new products and technologies.

- IDEX and Validus Technologies Corporation (Validus) announced on 23 July 2009 a strategic commercial licensing agreement for use of IDEX's patented SmartFinger® technology in Validus' new generation of patented biometric powered cards (VALIDcard™).

- The extraordinary general meeting on 12 August 2009 resolved to write down the share capital to NOK 0.05 per share and to conduct a 7.5 for 1 rights issue of up to 312.6 million shares at NOK 0.05 per share with a warrant having an exercise price of NOK 0.10 being allocated with each new share. The rights issue was completed in September 2009 and raised NOK 15.6 million less expenses.

- On 21 September 2009 IDEX' licensee partner Validus Technologies Corporation announced a strategic partnership with ValidCard Canada Corporation to supply the next generation of biometric powered cards.

- On 29 September 2009 IDEX and Ionics EMS Inc. (Ionics) announced a strategic IP licensing agreement providing Ionics rights to manufacturing and sales of fingerprint sensor products based on IDEX' patented SmartFinger® technology.

- Following the cooperation agreement entered into in the second quarter, IDEX entered into an in-bound licensing agreement with IKENDI Software AG in the third quarter of 2009. IKENDI holds a leading position within embedded and PC BIOS solutions using fingerprint recognition.

- In third quarter in 2009 the software solution for stand-alone, embedded fingerprint authentication modules was completed.

- Prototypes of the next generation SmartFinger® sensors were received in the third quarter. The first development modules for test and verification were completed in the forth quarter of 2009.

- The design for an updated version of IDEX Application Specific Integrated Circuit (ASIC) was completed in the fourth quarter and manufacturing was started in early November 2009.

- Two new patent applications were filed in the fourth quarter. The patents will strengthen the IDEX' patent protection of its core technology.

- On 23 December 2009 IDEX filed an application for listing its shares at the Oslo Axess marketplace of Oslo Børs.

Business and market update

<u>ID, access control, commerce and transactions.</u>
As the instances of identity theft is doubling every year there is an increasing awareness related to personal security and fraud. Identity fraud in the U.S. alone cost more than 55 billion USD, and there will be a demand for multifactor authentication in order to secure personal ID, access control, commerce and transactions.

Integration of the fingerprint sensor chip directly onto the card is an attractive solution as it brings card security to the next level by adding biometric ID into existing systems. Such *on-device* enrolment and authentication enables personal verification to be independent of online connections and centralized fingerprint databases.

In order to serve the customer requirements in these segments IDEX has completed significant developments including the "embedded" stand-alone fingerprint authentication sowftware solution and the next generation fingerprint sensor aimed at incorporation into a card format compliant with bank/credit card standards is under evaluation.

The agreement with Validus Technologies Corporation is a direct result of these strategic efforts. A successful implementation and commercialization of the biometric powered VALIDcard™ will represent a breakthrough for IDEX. Validus is a technology and solution provider in the area of security and authentication, with a specific focus on combating identity theft and cyber crime.

Large-scale Governmental initiatives aimed at introducing biometric ID cards, driver licenses and electronic passports are presently carried out in several countries. The Chinese national ID and Indian Multipurpose National ID card are clearly the most awaited with potentials of close to a stock of 2 billon cards. With the adoption of fingerprint biometrics in governmental systems, new applications of small-sized, low-cost, high-quality fingerprint sensors will emerge.

The card market for governmental ID, financial institutions and access control is estimated at 9 billion cards annually. VISA Inc., the world largest retail electronic payments network accounts for 1.8 billion cards alone. Eurosmart, the association representing the Smart Security Industry envision the 20 billion devices per year milestone passed by 2020, based on already identified new applications.

<u>The route to volume manufacturing</u>
Manufacturing partnerships are essential in order to serve volume markets and to obtain the product cost structure required for mass market adoption. The agreement with a worldwide semiconductor manufacturer which was entered into in January 2009 confirmed the commercial potential for IDEX' fingerprint sensor technology, and is a major step towards bringing the SmartFinger® technology to volume production.

The licensing agreement with Ionics EMS entails transfer of IDEX' sensor products to Ionics' manufacturing plant enabling IDEX and Ionics to serve high volume markets. Ionics possesses manufacturing expertise, supply-chain management skills and customer channels and is thus perfectly suited to advance the award-winning SmartFinger® technology to cost-effective, high quality, high-volume production. Ionics is a leading electronics services provider based in the Philippines and listed in the Singapore Stock Exchange. Technology transfer to Ionics was carried out in the forth quarter of 2009 and production planning was initiated.

Development status
Prototypes of the next generation SmartFinger® sensors were received in the third quarter, and the first development modules for test and verification were completed in the forth quarter of 2009. The new design is based on new low-cost manufacturing technology and will enable realization of ultrathin, low-cost fingerprint sensors.The new generation sensor is based on a patented substrate solution which offers customization opportunities and a range of choices as regards materials, geometry and device packaging solutions. The next generation fingerprint sensors will enable design into a variety of small, stand-alone devices and tokens, including on-card biometric systems, with ID cards, access cards and Smartcards as targeted products.

The design for the updated version of IDEX Application Specific Integrated Circuit (ASIC) was completed and manufacturing was started in early November 2009.

The chip deliveries under the agreement entered into with the semiconductor manufacturer in January 2009 were expected in the third quarter but have been delayed into 2010. The date remains unconfirmed.

Technology and products

<u>The SmartFinger® IX 10-4 sensor</u>
The SmartFinger® technology is available to Original Equipment Manufacturers (OEMs) and integrators either as IX 10-4 fingerprint sensor components for integration into products, or by technology licensing whereby manufacturing partners may exploit the SmartFinger® IPR by using it in their own manufacturing operations.

<u>Embedded solution</u>
A hardware and software implementation for stand-alone fingerprint authentication modules is available for design into embedded products. The imaging, enrolment and authentication applications are running on a low resource, low cost, 55 MHz ARM7 controller.

<u>Development kits and end-to-end solutions</u>
IDEX offers development kits and reference designs which facilitates partners' design-in of the SmartFinger® technology in end-user products. The PC development kit includes a USB based development module, demo software and a Software Development Kit (SDK). The SmartFinger® module is running with the IDEX

authentication software as well as the end-to-end software suite from Digital Persona, Inc. that is bundled with major fingerprint laptop brands.

Employees

At the end of the 2009, IDEX had nine employees and four technical/scientific consultants working as part of IDEX' development team. Various technical and administrative tasks are also contracted from external service providers.

Consolidated condensed financial information as at 31 December 2009

Profit and loss statements

IDEX earned insignificant revenue in 2009. In 2008, the revenue was NOK 2.3 million which was largely related to a settlement made in 2007 regarding IDEX' intellectual property rights.

Because of the absence of revenue in the year, EBIT amounted to a loss of NOK 25.3 million compared to a loss of NOK 19.2 million in 2008. The change was due to less revenue, higher notional cost of share-based remuneration, increase in development activities and the cost of preparing for application for listing. The EBIT in the fourth quarter was in line with the same quarter in 2008, except for the listing application costs which amounted to NOK 1.0 million in fees plus internal resources. In 2008 there was a credit to the notional cost of subscription rights because of cancellations related to departed employees. Research and development (R&D) expenses have increased, reflecting a higher activity level than last year when there were little activity particularly in the third quarter. The R&D expenses fluctuate with the purchases made and the 'Skattefunn' grants. The Skattefunn grant is calculated and credited against cost in the fourth quarter. The amount was NOK 1.0 million in 2009, compared to NOK 0.8 million in 2008.

In connection with relocation to new facilities in the fourth quarter, IDEX invested NOK 0.4 million but depreciation remains a very small cost.

Financial items represented a net expense of NOK 0.5 million in the quarter, in line with the preceding quarters and but somewhat higher than the average quarterly financial costs in 2008. The main item was interest expense on the financial loan amounting to NOK 12.5 million which was revolved in the fourth quarter. Following the conversion of the loan on 17 February 2010, the interest costs will be significantly reduced. Other financial items relate to currency fluctuations and costs involved in revolving the loan.

Profit/loss per basic weighted average number of shares amounted to a loss of NOK 0.20 in 2009, compared to a loss of NOK 0.70 in 2008. The change is mainly due to the strongly increased number of shares following the rights issue in the third quarter.

Balance sheets

The assets held in the balance sheet essentially comprise cash, prepayments and deposits, and the receivable from the 'Skattefunn' government R&D grant scheme for the year. The patents and other intellectual property rights are not held in the balance sheet because they do not satisfy the criteria for capitalisation. Cash position is commented below.

The main liabilities are various operational payables to employees and suppliers, and the financial debt to A. S. Holding A/S amounting to NOK 12.5 million which was renewed and extended in the fourth quarter at terms reflecting the 7.5-for-1 rights issue in September. The lender may at any time after 1 October 2010 request repayment of the loan on six months notice after the notice date. IDEX may at any time after the same date request to repay the loan on two months notice. The lender may at any time upon 30 days notice request to convert all or a part of the outstanding loan (principal and interest) into capital stock of IDEX at a conversion price of NOK 0.20 per share. The right to conversion also applies after IDEX has given notice of repayment. The loan principal is held at a value less than NOK 12.5 million in the balance sheet, because of the conversion property. The lender gave notice of conversion in January 2010 and the loan including interest was converted to NOK 13.1 million new equity on 17 February 2010.

Equity

A private placement amounting to NOK 10.2 million before expenses was completed in February 2009 at NOK 1.10 per share. The extraordinary general meeting on 12 August 2009 resolved to write down the share capital to NOK 0.05 per share and to conduct a 7.5-for-1 rights issue of up to 312.6 million shares at NOK 0.05 per share. The write-down amount, NOK 18,8 million was offset to uncovered loss. The rights issue was completed in September 2009 and NOK 15.6 million less expenses was added to IDEX' equity and cash position. There were 354,233,139 shares in the company on 30 September 2009. By subscribing to the new shares, the subscribers also obtained one warrant per new share. There are 312,558,652 warrants outstanding. The holder may in the period 12 August-30 September 2010 or 1 May-12 August 2011 request the issue of one share at NOK 0.10 per share for each warrant held.

The company has operated at a loss in 2009. The share capital of the parent company was lost and the group had NOK 8.2 million negative equity at 31 December 2009.

Cash flow, cash position

The operational cash outflow in the quarter was NOK 6.1 million, compared to NOK 5.8 million in the corresponding quarter of 2008, reflecting cash costs in the respective periods. The net inflow in the year was NOK 1.3 million in 2009 because of the share issues. IDEX conducted a share issue also in 2008, leaving a net outflow in that year amounting to NOK 10.4 million. IDEX has not capitalised any investments in 2008 or 2009.

At 31 December 2009 the cash position amounted to NOK 5.3 million while net receivables and payables excluding financial debt amounted to NOK 1.9 million payable. IDEX will need additional working capital in 2010, see below.

Going concern, events after 31 December 2009

The going concern assumption has been applied when preparing the financial statements at 31 December 2009. The equity was negative on 31 December 2009 and IDEX does not earn recurring revenue. The conversion of NOK 13.1 million debt to equity on 17 February 2010 replenished the equity. At the date of this report, the board has reasons to take for its basis that new, adequate funding will be obtained in connection with the planned admission to listing of IDEX at Oslo Axess primo March 2010.

Outlook

The board of Oslo Børs resolved on 28 January 2010 to admit the IDEX shares to listing on Oslo Axess latest on 12 March 2010 on certain conditions, i.a. raising at least NOK 30 million of new liquidity, increasing equity by a further NOK 12 million through conversion of debt to equity, and consolidating its shares in order that the shares have a market value of at least NOK 1.

In an extraordinary general meeting on 17 February 2010, the shareholders (i) authorised the board to allow early exercise of warrants in an amount of NOK15-30 million, (ii) approved the lender's request for conversion of debt in an amount on NOK 13 million to shares, and (iii) resolved a 3-to-1 share consolidation effective no later than 12 March 2010. Following succesful implementation of these measures, IDEX will have sufficient liquidity and working capital into 2011.

The new shares from the conversion were registered on 19 February 2010.

IDEX' ambition is that that the SmartFinger® technology will be relased in products available on the market in 2010 and IDEX expects to generate revenue from customers in the first half of 2010.

SmartFinger®is the next generation fingerprint sensor technology and suitable for a range of mass market applications. IDEX offers solutions that can raise card security to the next level by incorporating biometric ID within existing systems.
IDEX has identified applications with technologically receptive markets of immense potential. IDEX has established relationships with suitable manufacturing partners SmartFinger® targeted at reaching manufacturing at the crucial price performance nexus to create mass market adoption.

Fornebu, 25 February 2010
The board of directors of IDEX ASA

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IDEX ASA Group
Condensed consolidated interim financial report (IFRS)
31 December 2009 (Unaudited)

Consolidated interim Profit and loss statements Amounts in NOK 1,000	**2009 1 Oct.-31 Dec.**	2008 1 Oct.-31 Dec.	**2009 1 Jan.-31 Dec.**	2008 1 Jan.-31 Dec.
Operating income				
Sales revenue	**-**	-	**3**	25
Other operating revenue	**13**	-	**65**	2 225
Total revenue	**13**	**-**	**68**	**2 250**
Operating expenses				
Payroll expense	**2 532**	2 400	**9 013**	9 135
Share-based remuneration	**1 096**	735	**2 993**	1 283
Research and development expenses	**992**	984	**4 989**	4 256
Other operating expenses	**3 435**	2 554	**8 296**	6 780
Total operating expenses	**8 055**	**6 673**	**25 291**	**21 454**
Profit (loss) before interest, tax, depreciation and amortization (EBITDA)	**(8 042)**	**(6 673)**	**(25 223)**	**(19 204)**
Depreciation	**28**	6	**43**	20
Profit before interest and tax (EBIT)	**(8 070)**	**(6 679)**	**(25 266)**	**(19 224)**
Financial Income and Expenses				
Interest income	**53**	117	**116**	318
Other financial income	**26**	1	**114**	9
Interest expense	**(589)**	(583)	**(2 420)**	(2 233)
Other financial expense	**(38)**	(7)	**(129)**	(11)
Net financial items	**(548)**	**(472)**	**(2 319)**	**(1 917)**
Net result before tax	**(8 618)**	**(7 151)**	**(27 585)**	**(21 141)**
Taxes	**-**	-	**-**	
Net profit (loss) for the period	**(8 618)**	**(7 151)**	**(27 585)**	**(21 141)**
Profit (loss) per share -basic and diluted	***NOK (0.02)***	*NOK (0.22)*	***NOK (0.20)***	*NOK (0.70)*

Consolidated interim statements of comprehensive income Amounts in NOK 1,000	**2009 1 Oct.-31 Dec.**	2008 1 Oct.-31 Dec.	**2009 1 Jan.-31 Dec.**	2008 1 Jan.-31 Dec.
Net profit (loss) for the period	**(8 618)**	**(7 151)**	**(27 585)**	**(21 141)**
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income for the period, net of tax	**(8 618)**	**(7 151)**	**(27 585)**	**(21 141)**

The notes on pages 4-5 are an integral part of this condensed interim financial report.

Consolidated interim balance sheets Amounts in NOK 1,000	31 Dec. 2009	31 Dec. 2008
ASSETS		
Long-term assets		
Fixed assets		
Machinery and office equipment	409	34
Total fixed assets	409	34
Financial assets		
Long-term receivables	313	820
Total financial assets	313	820
Total long-term assets	722	854
Current assets		
Receivables		
Accounts receivable	16	
Other receivables	3 189	1 448
Prepaid expenses	125	757
Total receivables	3 330	2 205
Cash and bank deposits		
Cash and bank deposits	5 286	4 024
Total cash and bank deposits	5 286	4 024
Total current assets	8 616	6 229
TOTAL ASSETS	9 338	7 083

EQUITY AND LIABILITIES		
Equity		
Paid-in-capital		
Share capital	17 712	16 206
Share premium reserve	4 877	
Other paid-in capital	4 034	
Total paid-in-capital	26 623	16 206
Other equity	(34 814)	(25 983)
Total equity	(8 191)	(9 777)
Liabilities		
Long-term liabilities		
Financial loan	11 954	
Total long-term liabilities	11 954	-
Short-term liabilities		
Financial loan		11 950
Accounts payable	2 796	1 885
Public duties payable	638	530
Other short-term liabilities	2 141	2 495
Total short term liabilities	5 575	16 860
Total liabilities	17 529	16 860
TOTAL EQUITY AND LIABILITIES	9 338	7 083

The notes on pages 4-5 are an integral part of this condensed interim financial report.

Consolidated interim cash flow statements Amounts in NOK 1,000	**2009 1 Oct.-31 Dec.**	2008 1 Oct.-31 Dec.	**2009 1 Jan.-31 Dec.**	2008 1 Jan.-31 Dec.
Profit (loss) before taxes	**(8 618)**	(7 151)	**(27 585)**	(21 141)
Depreciation	**28**	6	**43**	20
Cost of share-based remuneration	**985**	735	**2 882**	1 283
Change in working capital and other items	**1 495**	607	**698**	(1 876)
Net cash flow from operational activities	**(6 110)**	**(5 803)**	**(23 962)**	**(21 714)**
Purchases of property, plant and equipment	**(420)**		**(420)**	
Net cash provided by investing activities	**(420)**	**-**	**(420)**	**-**
Issuance of shares (net)	**(118)**	(40)	**25 137**	9 135
Change in long-term receivables	**(313)**	(52)	**507**	(40)
Change in financial loan	**-**	578		2 226
Net cash provided by financing activities	**(431)**	**486**	**25 644**	**11 321**
Net change in cash and cash equivalents	**(6 961)**	(5 317)	**1 262**	(10 393)
Opening cash balance	**12 247**	9 341	**4 024**	14 417
Closing cash balance	**5 286**	**4 024**	**5 286**	**4 024**

Consolidated interim statements of changes in equity Amounts in NOK 1,000	Share capital	Share premium	Other paid-in capital	Retained earnings	**Total**
Balance 1 January 2009	**16 206**	**-**	**-**	**(25 983)**	**(9 777)**
Share issues	**20 260**	**5 557**			**25 817**
Share issuance costs		**(680)**			**(680)**
Reduction of share capital	**(18 754)**			**18 754**	**-**
Convertible loan rollover			**1 152**		**1 152**
Share-based compensation			**2 882**		**2 882**
Comprehensive income for the period				**(27 585)**	**(27 585)**
Balance 31 December 2009	**17 712**	**4 877**	**4 034**	**(34 814)**	**(8 191)**
Balance 1 January 2008	14 466	-	-	(15 207)	(741)
Share issues	1 740	7 535			9 275
Share issuance costs		(140)			(140)
Convertible loan			1 688		1 688
Share-based compensation			1 283		1 283
Comprehensive income for the period		(7 395)	(2 971)	(10 775)	(21 141)
Balance 31 December 2008	16 206	-	-	(25 983)	(9 777)

The notes on pages 4-5 are an integral part of this condensed interim financial report.

Selected notes to the condensed consolidated interim financial report (unaudited)

1 IDEX ASA group

The IDEX ASA group ("IDEX") consists of the parent company IDEX ASA and the subsidiary IDEX Holding Inc. and its subsidiary IDEX America Inc. The group was formed in January 2007 when IDEX ASA established IDEX Holding Inc and IDEX America Inc. IDEX ASA is a public limited liability company incorporated and domiciled in Norway. The address of its registered office is Rolfsbuktveien 17, Fornebu, Norway. Trades in IDEX ASA shares are reported at the Norwegian Securities Dealers Association's information service, NOTC, at www.nfmf.no and also distributed via various secondary information providers. On 23 December 2009, IDEX applied for listing of its shares at Oslo Axess marketplace of Oslo Børs. See note 8.

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

2 Basis of preparation, accounting policies, resolution

This condensed interim financial report for the year ended 31 December 2009 has been prepared in accordance with IAS 34 'Interim financial reporting'. The condensed consolidated interim financial report should be read in conjunction with the consolidated annual financial statements for 2008.

The IFRS accounting policies applied in this condensed consolidated interim financial report are consistent with those applied and described in the consolidated annual financial statements for 2008. There are no effects other than the minor change in presentation format from the amendments to IAS 1 'Presentation of Financial Statements' becoming effective on 1 January 2009.

The going concern assumption has been applied when preparing this interim financial report. The Board points out that until the company enters the commercial stage, there is significant uncertainty attached to this assumption. IDEX does not earn recurring revenue. The company has limited working capital and the equity was negative on 31 December 2009. There were limited assets readily available for sale to cover future expenses. The outstanding warrants represented a likely source of new equity in the exercise periods. See note 8.

This consolidated interim financial report has not been subject to audit. The report was approved by the board of directors on 25 February 2009.

3 Property, plant and equipment

Amounts in NOK 1 000	**Tangible assets**
Year ended 31 December 2009	
Net book value on 1 January 2009	**34**
Additions	**420**
Disposals	**0**
Depreciation and other movements	**(45)**
Net book value on 31 December 2009	**409**
Year ended 31 December 2008	
Net book value on 1 January 2008	50
Additions	0
Disposals	0
Depreciation and other movements	(16)
Net book value on 31 December 2008	34

4 Shares and subscription rights

Shares	**1 Jan.-31 Dec. 2009**	1 Jan.-31 Dec. 2008
Opening balance	**32 411 588**	28 932 858
Share issue(s)	**321 821 551**	3 478 730
Closing balance	**354 233 139**	32 411 588

A private placement of 9,262,899 shares at NOK 1.10 per share was completed in February 2009. An extraordinary general meeting on 12 August 2009 resolved to write down the share capital to NOK 0.05 per share and to conduct a 7.5 for 1 rights issue of up to 312,558,652 shares at NOK 0.05 per share. The write-down amount, NOK 18,8 million was offset to uncovered loss. The rights issue was fully subscribed and was completed in September 2009.

Warrants and subscription rights	1 Jan.-31 Dec. 2009	1 Jan.-31 Dec. 2008
Opening balance	**2 396 875**	812 500
Grant of incentive subscription rights	**19 847 500**	1 936 875
Expired and forfeited subscription rights	**(1 605 000)**	(352 500)
Allotment of warrants	**312 558 652**	
Closing balance	**333 198 027**	2 396 875

The subscribers to shares in the rights issue completed in September 2009 were allocated one warrant per new share. The holders may in the period 12 August-30 September 2010 or 1 May-12 August 2011 request the issue of one share at NOK 0.10 per share for each warrant held. See note 8.

IDEX has granted incentive subscription rights (SRs) to employees and board members, the latter in lieu of cash board remuneration. The subscription rights vest by ¼ every 12 months following the date of the grant and expire on the fifth anniversary following the general meeting that resolved the programme. Unvested subscription rights terminate on the holder's last working day. Vested subscription rights terminate 90 days after the holder's last working day. The board of directors granted on 8 October 2009 19,847,500 subscription rights under IDEX' 2009 incentive subscription rights plan. The weighted average exercise price was NOK 0.35 per share. The weighted average exercise price of outstanding incentive SRs on 31 December 2009 was NOK 0.50 per share.

5 Profit (loss) per share

	1 Jan.-31 Dec. 2009	1 Jan.-31 Dec. 2008
Profit (loss) attributable to the shareholders (NOK 1 000)	**(27 585)**	(21 141)
Weighted average basic number of shares	**135 609 947**	30 028 350
Weighted average diluted number of shares	**213 408 979**	30 028 350
Profit (loss) per share, basic and diluted	**NOK (0.20)**	NOK (0.70)

When the period result is a loss, the loss per diluted number of shares shall not be reduced by the higher number of shares but equals the result per basic number of shares.

The diluted number of shares has been calculated by the treasury stock method. If the exercise price of subscription rights exceed the average share price in the period, the subscription rights are not counted as being dilutive.

6 Contingent assets and liabilities

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

7 Related party transactions

Shareholder Simpson Financial Ltd. was the original lender of a financial loan to the Company, which was obtained on 8 June 2007. On 10 September 2007, the loan was extended and transferred to shareholder A. S. Holding A/S. The loan duration was extended in an amount of NOK 12.5 million at new terms effective 1 July 2008 and again on 20 November 2009. The lender may at any time after 1 October 2010 request repayment of the loan on six months notice after the notice date. IDEX may at any time after the same date request to repay the loan on two months notice. The lender may at any time upon 30 days notice request to convert all or a part of the outstanding loan (principal and interest) into capital stock of IDEX at a conversion price of NOK 0.20 per share. The right to conversion also applies after IDEX has given notice of repayment. See note 8.

In the year ended 31 December 2009 IDEX has recorded NOK 1,690 thousand for services provided from IDEX' legal counsel, law firm Ræder, in which IDEX' chairman is a partner. The amount includes Ræder's work with preparing and conducting the share issue in September 2009 including the registration prospectus as well as the work with preparing the application for listing at Oslo Axess. Andrew Heap, who is a board member has charged NOK 127 for sales support services beyond board duty. The services are provided on request from IDEX. IDEX does not have any ongoing obligation to purchase services from Mr. Heap. Castor August AS, who is a shareholder, has charged NOK 445 for marketing and sales activities under a service agreement which ended on 31 December 2009.

8 Events occurring after the balance sheet date

Between 31 December 2009 and the resolution of this condensed consolidated financial information, there has not been any events which have any noticeable impact on IDEX' result for 2009 or the value of the company's assets and liabilities at 31 December 2009.

The board of Oslo Børs resolved on 28 January 2010 to admit the IDEX shares to listing on Oslo Axess latest on 12 March 2010 on certain conditions, i.a. raising at least NOK 30 million of new liquidity, increasing equity by a further NOK 12 million through conversion of debt to equity, and consolidating its shares in order that the shares have a market value of at least NOK 1.

In an extraordinary general meeting on 17 February 2010, the shareholders (i) authorised the board to allow early exercise of warrants in an amount of NOK15-30 million, (ii) approved the lender's request for conversion of debt in an amount on NOK 13 million to shares, and (iii) resolved a 3-to-1 share consolidation effective no later than 12 March 2010.

The new shares from the conversion were registered on 19 February 2010. Following the registration, the issued issued and outstanding number of ordinary shares is 419,884,389, each having a par value of NOK 0.05.

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