



IDEX ASA

Prospectus in connection with the admission to trading on Oslo Børs of 52,500,000 new shares issued in a private placement resolved on 29 April 2015

THIS PROSPECTUS IS COMPRISED OF THE FOLLOWING PARTS AND APPENDICES

PART I: SUMMARY NOTE
PART II: SHARE REGISTRATION DOCUMENT
PART III: SHARE SECURITIES NOTE
APPENDIX 1

DATE: 7 May 2015

IMPORTANT NOTICE

This Summary (which in combination with the Share Registration Document and Securities Note are referred to as the “Prospectus”) has been prepared in connection with the application for admission to listing on Oslo Axess of 52,500,000 new shares, which are issued in a private placement resolved by the Extraordinary General Meeting dated 29 April 2015. This Prospectus has been prepared solely in the English language. The Prospectus has been reviewed and approved by Finanstilsynet pursuant to Section 7-7 of the Norwegian Securities Trading Act; provided, however, that Finanstilsynet has not controlled and/or approved the accuracy or completeness of the information contained in the Prospectus. Finanstilsynet’s control and approval relate solely to the fact that the issuer has included descriptions in accordance with a pre-defined list of content requirements. Moreover, Finanstilsynet has not undertaken any form of control or approval of the corporate law matters described in or covered by the Prospectus.

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

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

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

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

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

Investing in shares involves risks. Please refer to Section D - Risks of this Summary and Section 2 of the Share Registration Document for a description of certain risk factors.

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PART I: SUMMARY NOTE

1 SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A – E (A.1 – E.7).

This Summary contains all the Elements required to be included in a Summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the mention of “not applicable”.

1.1 Section A – Introduction and Warnings

Element	Description of Element	Disclosure requirements
A.1	Warnings	<p>This Summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff might under the applicable national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the Summary including any transactions thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Resale and final placement by financial intermediaries	Not applicable. No resale will take place. No financial intermediaries will be used for the Private Placement.

1.2 Section B – Issuer

Element	Description of Element	Disclosure requirements
B.1	Legal and Commercial Name	The Company’s registered name is IDEX ASA.

B.2	Domicile/Legal Form/Legislation/ Country of Incorporation	IDEX has its registered address at Martin Linges vei 25, NO-1364 Fornebu, Norway. The organisation number of IDEX is NO 976 846 923. The Company can be contacted on telephone +47 67 83 91 19, fax +47 67 83 91 12, e-mail mailbox@idex.no. The Company's website is www.idex.no.
B.3	Key factors relating to operations/Activities/ Products sold/Services performed/Principal markets	<p>IDEX specializes in fingerprint biometrics authentication technology, products and solutions. IDEX has since 1996 been a pioneering company in the field of miniaturized capacitive fingerprint sensors, and a leading provider of intellectual property ("IP") essential to small sized, high performance, low-cost biometric systems. IDEX holds fundamental core IP and patents in fingerprint sensing technology. Over two decades, significant investments have been made in developing low cost fingerprint sensor technology ranging from capacitive, optical, thermal and pressure based solutions. Capacitive sensors are being deployed in high volumes by mobile OEMs such as Apple and Samsung. IDEX believes it is one of a few vendors with the IP and patents for application of this technology in fingerprint sensors.</p> <p>IDEX has developed and offers the award-winning SmartFinger Film polymer technology, which facilitates IDEX's thin, flexible swipe and touch fingerprint sensors. The current activity of IDEX is focused on the development, industrialization and commercialization of the SmartFinger products targeted at the mobile, the smart and ID card, and the Internet of Things (IoT) markets. The interest and demand for fingerprint sensors in all three markets is significant, driven by the adoption of Touch ID by Apple, and more recently the introduction of mobile payment by industry leaders such as Apple, Ali Baba and Samsung.</p> <p>The Company provides hardware and software fingerprint solutions suitable for embedding into products in order to heighten security and enhance user friendliness in those products. The SmartFinger platform is a full-featured, biometric authentication solution, which enables on-device fingerprint enrolment, template storage and verification. IDEX is currently commercialising both swipe and touch sensor products suitable for the consumer mass market, which achieve low cost and high biometric performance. The swipe products rely on the user swiping across a linear fingerprint sensor array to create a fingerprint image and offer the smallest form factor and lowest cost. IDEX has completed development of the Ciris swipe sensor, and has set up a value chain of external partners to enable mass production. The sensor have been shipped in small volume, and there has been functional product insertion. Examples of product insertion of IDEX's swipe sensor include the FingerQ mobile peripheral product line, and Card Tech's</p>

		<p>prototype ISO compliant mass production ready payment card.</p> <p>Touch sensors offer a more user friendly experience by only requiring a simple single action to authenticate, and market demand from flagship mobile handsets shifted towards touch from swipe sensors in 2014. IDEX is currently in the final stage of product development phase for a range of touch or area sensors, the Eagle, based on the off-chip technology.</p> <p>IDEX is further developing its technology to create “in glass” swipe and touch sensors. Due to IDEX IP and patents, IDEX can implement fingerprint sensors in a range of materials and is currently working with major partners to develop in glass sensors suitable for direct integration into display screens. Based on feedback from mobile OEM’s IDEX believes in-glass represents the ultimate solution for the aesthetic and user experience of such devices.</p> <p>In addition to the extensive IP portfolio for creating the hardware of the sensor, IDEX is also confident the Company has a very strong position on software and algorithms. Following the growth of mobile payments the demand for security has increased, while there has been a shift towards smaller touch sensors in parallel. This is challenging as smaller touch sensors produce smaller images to analyse. This has resulted in a race to develop powerful matching algorithms, and IDEX has a strong portfolio of relevant algorithms.</p> <p>IDEX’s main focus is on biometrics for consumer applications. The markets for these are dominated by Far Eastern consumer electronics vendors particularly those supplying mobile devices based on the Android system. The industry leaders based in the US will also be a key market as they provide consumer infrastructure and also include large semiconductor component vendors.</p>
B.4a	Known trends	<p>IDEX's strategy is to leverage its core technology across three mass markets: mobile devices, ID & smart cards and devices being part of the IoT. In January 2015 the reputed analyst company IHS ranked the top 10 technologies transforming the world, and biometrics and sensors were two of those listed. This confirms IDEX’s experience that the market opportunity for fingerprint sensors is opening across all three target mass markets.</p> <p>IDEX believes its strong IP and technology is positioning the Company to take a significant share of this market with its product roadmap, including both swipe and touch sensors. Recent acquisition of a world-leading software algorithm and key patents for small area fingerprint touch sensors provides</p>

		<p>IDEX with a key competitive advantage. As touch sensors continue to get smaller, more advanced algorithms become critical in order to deliver reliable fingerprint matching performance.</p> <p>To successfully bring the technology to market, IDEX has entered into a range of partnerships with first-tier 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, these partners have deep customer relationships with OEMs, providing a channel to market and broad distribution of IDEX products. IDEX expects to continue building first-tier partnerships across the value chain to address opportunities in all three mass markets.</p> <p>IDEX has shipped both the Cardinal and the Ciris sensor to customers in small volumes. The Company expects to start sampling its new off-chip touch sensor, Eagle, in the first half of 2015. IDEX believes this sensor will have very strong biometric performance, as well as a significant cost advantage due to the innovative off-chip architecture. The next step in IDEX's product roadmap is to implement sensors in glass. The Company believes that this revolutionary sensor implementation is unique to IDEX and may provide the ultimate solution for integration of fingerprint recognition in mobile devices, and the in-glass product is currently in the product development phase. Strong partnerships enable delivery of this new family of sensors to first-tier handset manufacturers.</p> <p>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 is in the phase of commercialising the technology for sensors in cards.</p> <p>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 the Company's differentiated road map underpinned by a strong patent position that is now building customer traction.</p> <p>IDEX expects 2015 to show continued rapid growth and adoption for biometric authentication, with IDEX establishing a foothold as one of very few serious contenders. IDEX now has a robust financial base for pursuing the commercial opportunities ahead.</p>
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B.5	Group	<p>The IDEX Group comprises the parent company IDEX and the wholly-owned US subsidiaries IDEX Holding Company, Inc. and IDEX America Inc. The latter is owned indirectly through IDEX Holding Company, Inc. In addition IDEX Biometrics UK Ltd, a UK based entity was established in 2014.</p>															
B.6	Persons having an interest in the issuer's capital or voting rights	<p>As of the date of this Prospectus(including the shares to be issued in the Private Placement)¹, IDEX has a total of 1,930 registered shareholders, 1,807 of them Norwegian and 123 foreign, holding 6.38 per cent and 93.62 per cent respectively of the issued and outstanding shares in the Company. Members of the Board, management and staff, including ongoing contractors, hold a total of 2.73 per cent of the shares. The Company's largest shareholder is Sundvall Holding AS, holding about 14.8 per cent of the issued and outstanding shares.</p> <p>All shares in the Company have equal voting rights, with each share carrying the right to one vote at the general meeting of shareholders.</p> <p>As of the date of this Prospectus, the following registered shareholders have holdings in excess of the statutory thresholds for disclosure requirements. Note: The list includes a nominee shareholder, which holding may belong to one or several beneficial owners. In case of nominee shareholders, the disclosure requirement applies to the beneficial owner of the shares.</p> <table> <tr> <td>SUNDVALL HOLDING AS</td><td>69 210 643</td><td>14,8%</td></tr> <tr> <td>Woodford Investment Management LLP</td><td>52 500 000</td><td>11,2%</td></tr> <tr> <td>CHARLES STREET INTER</td><td>37 107 236</td><td>7,9%</td></tr> <tr> <td>INVESCO PERP HIGH IN</td><td>35 485 594</td><td>7,6%</td></tr> <tr> <td>EUROCLEAR BANK S.A./</td><td>35 338 639</td><td>7,5%</td></tr> </table>	SUNDVALL HOLDING AS	69 210 643	14,8%	Woodford Investment Management LLP	52 500 000	11,2%	CHARLES STREET INTER	37 107 236	7,9%	INVESCO PERP HIGH IN	35 485 594	7,6%	EUROCLEAR BANK S.A./	35 338 639	7,5%
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¹ The information is based on current VPS data and the Private Placement.

B.7

Selected historical key financial information

Profit and loss statements

Condensed consolidated profit and loss statements NOK 1,000	1 January-31 December 2014 (audited)	1 January-31 December 2013 (audited)	1 January-31 December 2012 (audited)
Gross margin	662	2 526	4 506
Operating expenses	(126 726)	(66 515)	(37 758)
Depreciation	(2 307)	(929)	(313)
Operating profit (loss)	(128 371)	(64 918)	(33 565)
Net financial items	5 827	(87)	200
Profit (loss) before income tax	(122 544)	(65 005)	(33 365)
Income tax expense	(563)	-	-
Profit (loss) for the period	(123 107)	(65 005)	(33 365)
Time-weighted number of shares	406 478 449	326 183 037	281 405 296
Profit (Loss) per share basic and diluted (kr.øre)	NOK (0.30)	NOK (0.20)	NOK (0.12)
Average number of employees in the period	35	13	13

Gross margin:

The Group has to date earned insignificant revenue from customers on its technology and IP or products. In 2012 IDEX earned revenue from a feasibility study commissioned and paid by a significant firm in the biometric industry. There was only negligible revenue from IP, products or services in 2013. In 2014, IDEX commenced deliveries of samples and trial batches of sensors, as well as configuration and bespoke electronic interfacing to customers. Time-based services are provided on customer request and is not a targeted business for IDEX. IDEX's strategic intent is to earn revenue on its IP and/or products.

In 2012-2013 IDEX earned project-specific government research and development grants and similar grants that represent revenue.

Operating expenses include payroll, research and development and other (i.e. sales and marketing and administrative). The payroll expenses largely reflect the number of employees in each period, but the effect of share-based compensation is volatile and reduces the correlation. The notional cost of the share-based incentive varies because of grants and cancellations and over the vesting periods of each grant, and the calculated employer's tax debt varies with the share price.

Research costs have been expensed in accordance with IFRS. Development costs have also been expensed, until and including financial year 2013. IDEX capitalised in 2014 NOK 0.8 million development expenses incurred in 2014 which were related to Cardinal. All other development costs were expensed also in 2014. In the period covered by this Prospectus, the major part of the R&D expenses have related to development of various sensor technologies, products, manufacturing process, software/algorithms and other IP.

The R&D activities have increased by a factor of 5 from 2012 to 2014, and represent

	<p>about 40% of total operating expenses.</p> <p>Other costs have more than doubled from 2012 to 2014. Sales and marketing activities have increased year on year in the period and with the expanded staff, the Group has expanded its facilities at Fornebu as well as in Boston, Massachusetts.</p> <p>Depreciation has represented a comparatively small cost item in the profit and loss statements until the fourth quarter of 2013. Only moderate investments in laboratory equipment, IT and offices were made in the preceding years. In 2013, IDEX acquired assets and intellectual property rights from PicoField Technologies, Inc. in an amount of NOK 23.6 million. Depreciation commenced as of the acquisition date.</p> <p>The financial items were small or negligible in 2012 and 2013. IDEX has been funded solely on equity since 2010. The net financial items in 2012 and 2013 mainly relates to net interest on cash held in bank, and gains/losses on foreign exchange transactions. The net financial income in 2014 was mainly interest income on cash in bank following a private placement in January 2014.</p> <p>Because IDEX operates at a loss and has taxable loss carried forward, the Company has not incurred any tax cost or payable income taxes in 2012, 2013 or 2014. IDEX America Inc. made a profit on its services to the parent company in 2014, and incurred tax on its profit.</p>
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Balance sheets			
Condensed consolidated balance sheets NOK 1,000	31 December 2014 (audited)	31 December 2013 (audited)	31 December 2012 (audited)
ASSETS			
<u>Long-term assets</u>			
Property, plant and equipment	5 588	1 178	626
Intangible assets and goodwill	51 065	23 197	-
Other long-term receivables	1 143	446	332
Total long-term assets	57 796	24 821	958
<u>Current assets</u>			
Inventory	7 944	-	-
Trade and other receivables	5 612	4 748	4 244
Cash and bank deposits	227 961	46 475	19 833
Total current assets	241 517	51 223	24 077
TOTAL ASSETS	299 313	76 044	25 035
EQUITY AND LIABILITIES			
<u>Equity</u>			
Share capital	61 948	51 706	46 422
Share premium	463 766	168 631	86 292
Other paid-in capital	32 787	20 183	11 235
Other equity	(315 150)	(190 636)	(125 631)
Total equity	243 351	49 884	18 318
<u>Long-term liabilities</u>			
Other long-term liabilities	10 079	-	-
<u>Current liabilities</u>			
Trade and other payables	43 652	16 449	6 685
Employer's tax on share incentives	2 231	9 711	32
Total liabilities	55 962	26 160	6 717
TOTAL EQUITY AND LIABILITIES	299 313	76 044	25 035
<p><i>Assets</i></p> <p>There were and are no contingent assets in the balance sheet. In 2013, IDEX acquired intangible assets from PicoField Technologies, Inc. in an amount of NOK 23.6 million and on 30 December 2014, IDEX purchased patents and other IP from Roger Bauchspies in an amount of NOK 28.3 million. These investments changed the asset side of the balance sheet. In 2014, IDEX inventoried NOK 7.9 million in software purchased for resale.</p> <p>IDEX's patents and other intellectual property rights created by IDEX are not held in the balance sheet because the activities have not satisfied the criteria for being added to the balance sheet as intangible assets. The same applies to the development costs until and including financial year 2013. In 2014 IDEX capitalised those development expenses incurred in 2014 which were related to Cardinal.</p> <p>A possible deferred tax asset from Norwegian tax loss carried forward has not been recognized because there is no satisfactory evidence for recognising the asset under IFRS.</p> <p>Trade and other receivables are for a large part made up by the receivable from Skattefunn. Various prepayments and VAT receivable are also included on this line.</p> <p>The cash position is commented in the section Cash flow statements below.</p>			

Equity and liabilities

The equity and liabilities were until December 2014 comprised of shareholders' equity and trade and other short-term payables and accruals. There were and are no contingent liabilities in the balance sheet. On 30 December 2014, a long-term payable amounting to NOK 10.1 million was added to the balance sheet, representing the net present value of the long-term minimum payments to Roger Bauchspies.

The ongoing losses in the years reported in this Prospectus have been charged to equity. Equity has been replenished by share issues in each of the years reported in this Prospectus. The notional equity injection from share-based remuneration (incentive subscription rights to employees) has been added to equity.

Trade and other payables also include personnel-related and other expense accruals. The amount has grown in line with the growth of the Group's activities, plus an additional NOK 18.2 million at year end 2014 due to the short-term payable in the acquisition on 30 December 2014.

Cash flow statements

Condensed consolidated cash flow statements NOK 1,000	1 January-31 December 2014 (audited)	1 January-31 December 2013 (audited)	1 January-31 December 2012 (audited)
CASH FLOWS FROM OPERATIONS			
Net cash from (used on) operating activities	(105 150)	(36 582)	(30 321)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash from (used on) investment activities	(28 820)	(24 399)	201
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash from financing activities	315 456	87 623	28 491
Net change in cash and bank deposits	181 486	26 642	(1 629)
Cash and bank deposits at the beginning of the period	46 475	19 833	21 462
CASH AND BANK DEPOSITS AT END OF THE PERIOD	227 961	46 475	19 833

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

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

Investments in 2012 and 2014 were small compared to the operational costs in the periods.

Most of the investments in 2013 and 2014 were in intangible assets acquired from PicoField and Roger Bauchspies respectively, in an amount of NOK 23.6 million and NOK 28.3 million. The investments in long-term receivables are long-term deposits for rent. Interest received relates to bank deposits and varies with the liquidity and

	<p>prevailing interest rates.</p> <p>Major shareholders have been consistently supportive over the years, and IDEX has obtained new equity and liquidity from the shareholders. IDEX completed private placements in 2012, 2013 and 2014. The private placement in January 2014 to funds managed by Invesco Asset Management Limited, of 60.0 million shares amounting to NOK 300.0 million before expenses represented about 40 per cent of the shares issued and contributed about 70 per cent of the capital injected in the three years.</p>	
B.8	Pro forma financial information	Not applicable.
B.9	Profit forecast or estimate	Not applicable.
B.10	Qualifications in audit report	The auditor's opinions for each of the years 2012, 2013 and 2014 were unqualified.
B.11	Working capital	<p>IDEX is of the opinion that the Group's working capital as at the date of this Prospectus is sufficient for its present requirements.</p> <p>On 31 December 2014 (unaudited), the Company had a cash position of NOK 228.0 million and a balance sheet solvency, i.e. uncommitted cash of NOK 187.7 million.</p> <p>Without counting in the funds from the Private Placement, IDEX has adequate funding for its planned activities beyond 12 months from the date of this Prospectus. IDEX takes for its basis that it will be able to fund the activities in the periods following the planning period, i.e. after the first half of 2016 and onwards, by profits, debt or equity as appropriate at that time.</p> <p>As a result of the Private Placement, IDEX will receive additional gross proceeds of NOK 296.6 million. Proceeds from the Warrants issued, if exercised following the one-year holding period, may amount to an additional injection of NOK 223.1 million.</p> <p>Given the cash position, the additional funds provided through the Private Placement and the potential additional funds from the possible exercise of Warrants on the one hand compared to the planned future requirements on the other, the Company does not foresee any need for additional funding in the foreseeable future. Hence, it is the Company's opinion that the working capital is sufficient for the Group's present requirements.</p>

1.3 Section C – Securities

Element	Description of Element	Disclosure requirements
C.1	Type of class of securities being offered	<p>On 29 April 2015, the Extraordinary General Meeting of IDEX resolved the issuance of a total of 52,500,000 shares, in a private placement, each share having a par value of NOK 0.15, to funds under management of Woodford Investment Management LLP. The subscription price was NOK 5.65 per share totaling NOK 296,625,000. The subscription price in the Private Placement will be paid in full on or about Friday 8 May 2015 and the share capital increase is expected to be registered in the Company Registry on or about 8 May 2015.</p> <p>The Company has one class of shares and all shares are equal in all respects.</p> <p>The New Shares will have the same VPS registrar and the same ISIN number as the Company's other shares (securities identification code ISIN NO 000 307 0609).</p>
C.2	Currency	NOK
C.3	Number of shares/Par value	Following the Private Placemet, IDEX's share capital will be NOK 70,368,033.60, divided into 469,120,224 ordinary shares each share having a par value of NOK 0.15.
C.4	Rights attached	The New Shares are ordinary shares in the Company, i.e., the same class as the IDEX shares already in issue and listed on Oslo Axess. The New Shares will obtain rights to receive dividends from the time the New Shares are issued. The Company's shares have equal rights to the Company's profits, in the event of liquidation and to receive dividends unless all the shareholders approve otherwise.
C.5	Restrictions	The Company's shares are freely transferable according to Norwegian law and the Company's Articles of Association.
C.6	Listing and admission to trading	The Company's shares are listed on Oslo Axess, under Oslo Børs ticker symbol "IDEX". The Company has applied for a transfer of listing of its shares from Oslo Axess to Oslo Børs, which application was approved by Oslo Børs on 29 April 2015. The first day of listing on Oslo Børs, following the transfer, will be 11 May 2015. . The listing on Oslo Børs of the New Shares is subject to the approval of the Prospectus by the Norwegian Financial Supervisory Authority (Norwegian: Finanstilsynet) under the rules of the Norwegian Securities Trading Act. Such approval was granted on 7 May 2015. The first day of trading of the New Shares on Oslo Børs will be on or about 11 May 2015. IDEX's shares are not listed on any other regulated market place and IDEX does not intend to seek

		such listing.
C.7	Dividend policy	IDEX does not have any established dividend policy in place except to say that the Company's aim and focus is to enhance shareholder value and provide an active market in its shares. IDEX has historically never declared or paid any dividends on its shares and does not anticipate paying any cash dividends for 2015 or the next few years. IDEX intends to retain future earnings, if any, to finance operations and the expansion of its business. Any future determination to pay dividends will depend on the Company's financial condition, results of operation and capital requirements.

1.4 Section D – Risks

Element	Description of Element	Disclosure requirements
D.1	Key risks specific to industry	<ul style="list-style-type: none"> • IDEX's business is difficult to evaluate because the Company has a limited operating history • IDEX's quarterly operating results will likely be volatile and not a reliable indicator of the Company's future performance • IDEX has a history of losses and the Company expects future losses • IDEX may have a difficulty developing relationships with key customers • IDEX's business plan depends heavily on revenues from technology, commercial acceptance of which remains unproven • IDEX will not be successful unless the Company manages to generate recurring revenue and grow its business • IDEX may need additional capital, which, if obtainable, could dilute the ownership interest of investors • IDEX's markets are highly competitive • IDEX's markets are undergoing rapid technological change, and the Company's future success will depend on its ability to meet the changing needs of the industry • IDEX depends substantially on highly qualified managerial, sales and technical personnel who are difficult to hire and retain • IDEX faces risks of international expansion and operating in multiple jurisdictions • IDEX faces risks relating to potential acquisitions of complementary companies, products or technologies • IDEX's business and prospects will suffer if the market for fingerprint recognition technology does not develop as the Company expects • IDEX is highly dependent on IP and the Company's

		<p>methods of protecting its IP may not be adequate</p> <ul style="list-style-type: none"> • IDEX faces risks of claims for IP infringement • IDEX may become subject to burdensome government regulations affecting the industry, which could adversely affect the Company's business • If IDEX incurs substantial losses, the Company could be liquidated, and its share price would fall • Anti-takeover provisions under Norwegian law may delay or prevent a change in control, even if it would benefit shareholders • IDEX expects that its shareholders may suffer a dilution of their shareholding • IDEX's cost basis is largely based on foreign currency
D.3	Key risks specific to securities	<ul style="list-style-type: none"> • IDEX may not be able to earn the planned revenue or raise sufficient capital to fund its operations until its business generates positive cash flow • Price volatility of publicly traded securities • A delay in commencement of listing of the New Shares

1.5 Section E – Offer

Element	Description of Element	Disclosure requirements
E.1	Net proceeds/Estimated Expenses	<p>The subscription price per share was NOK 5.65, amounting to an aggregate subscription price and gross proceeds of NOK 296,625,000.00.</p> <p>The Company will pay the fees and expenses related to the Private Placement. The costs of the Private Placement include a placement fee of up to 6% of the total investment to brokers assisting in the Private Placement (payable in cash or shares), and approximately NOK 500,000 in legal fees and costs related to the preparation of this Prospectus. Total net proceeds from the Private Placement will amount to about NOK 278.328 million.</p>
E.2a	Reasons for offer/Use of proceeds/Estimated net amounts	<p>The Private Placement ensures a broader shareholder base, with more international institutional investors. Having funds under management of Woodford Investment Management LLP acquire a significant interest in the Group is a reflection of increasing international presence. This is an investor of high quality and the amount of the investment is at a level which cannot be easily raised in the existing market.</p> <p>The capital raised through the Private Placement will be used to strengthen the Company's equity and financial position, and secure considerable working capital for the business and technological development and commercialization of the</p>

		Company's technology within fingerprint recognition technology.
E.3	Terms and conditions of the offer	<p>Extraordinary General Meeting approving the Private Placement: 29 April 2015.</p> <p>Subscription period commences 29 April 2015.</p> <p>Subscription period ends 30 April 2015, with subscription having been made on 30 April 2015.</p> <p>Payment due date 30 April 2015, with payment having been made on 30 April 2015.</p> <p>Registration of share capital increase: On or about 8 May 2015.</p> <p>Delivery date of New Shares: On or about 11 May 2015.</p>
E.4	Material interests in the offer	<p>Cenkos Securities plc, who acted as broker in the Private Placement, receives a performance fee equal to 4 % of the investment amount in the Private Placement, payable in cash or shares in IDEX, as determined by the broker. Further, Charles Street International Ltd, who assisted IDEX in the communication and negotiations with Woodford Investment Management LLP, will receive a 2 % performance fee, on otherwise identical terms and conditions as those applicable to Cenkos Securities plc. There are no interest of natural and legal persons other than the said brokers involved in the issue, including conflicting ones that are material to the issue.</p>
E.5	Manager/Lock-up	<p>A broker has assisted the Company with the Private Placement. No lock-up agreements have been entered into.</p>
E.6	Dilution	<p>The per share dilution of ownerships as a result of the Private Placement resolved by the Company is 11.2 per cent. The amount of dilution compared to the latest observed closing price before the Private Placement was announced to the market is NOK 0.05 per share or corresponding to a total of NOK 21.0 million.</p>
E.7	Estimated Expense	<p>Not applicable. The Company will not charge any costs, expenses or taxes directly to any shareholder or to the investor in connection with the Private Placement.</p>



PART II: SHARE REGISTRATION DOCUMENT

2 RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

IDEX may have a difficulty developing relationships with key customers.

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

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

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

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

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

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

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

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

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

2.2 Risks Related to the Company's Markets

IDEX's markets are highly competitive.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IDEX's cost basis is largely based on foreign currency

IDEX's operating cost base is largely in NOK, USD and EUR. The revenue and cost of goods sold of the business is essentially EUR or USD. The local content of the cost of goods sold is largely in Asian currencies. This conceptually constitutes a currency risk, but the uncertainty about revenue streams means that the risk cannot be hedged reliably. Until the Company has achieved a business with recurring, predictable revenue streams, currency hedging is not entered into and foreign currency assets/liabilities are minimised.

2.3 Risks Related to Legal and Regulatory Matters

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

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

As of the date of this Prospectus, IDEX holds granted patents in a total of 25 patent families and nine pending. Moreover, IDEX retains an exclusive worldwide license to the basic fingerprint technology developed by SINTEF relating to the capacitive swipe sensor.

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

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

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

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

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

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

IDEX faces risks of claims for IP infringement

Substantial litigation about IP exists in the industry. IDEX's competitors or other persons may have already obtained or may in the future obtain patents relating to one or more aspects of the

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

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

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

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

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

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

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

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

Shareholders may suffer a dilution of their shareholding

In connection with the Private Placement, IDEX is issuing a total of 26,250,000 Warrants to funds under management of Woodford Investment Management LLP. These Warrants are exercisable at any time after the one-year anniversary of the Extraordinary General Meeting dated 29 April 2015 and thereafter until 29 April 2017. In addition, IDEX has issued a total of 30,000,000 Warrants to Invesco Perpetual High Income Fund and Invesco Perpetual Income Fund, which warrants are exercisable at any time after 29 January 2015 and until 29 January 2016. Further, IDEX has commitments to issue additional shares upon exercise of outstanding independent subscription rights, which have been issued to several of the Company's executive officers, directors and key employees under the Company's share-based incentive schemes. As of the date of this Prospectus, a total of 24,734,000 incentive subscription rights are issued and outstanding.

2.4 Risks that are Material to the Securities being Admitted to Trading

IDEX may not be able to earn the planned revenue or to raise sufficient working capital to fund its operations until its business generates positive cash flow

The Group's business has not yet generated a profit and there has been a continuing outflow of cash.

Without counting in the funds from the Private Placement, IDEX has adequate funding for its planned activities beyond 12 months from the date of this Prospectus. The Group does not have any draft facilities or significant working capital reserves except its cash position, and does not possess assets suitable for pledging as security for borrowing. The funds from the Private Placement are expected to cover the working capital requirements, but circumstances may cause the IDEX Group to be in need of funding before it generates a positive cash flow.

Financial market conditions may cause difficulties in obtaining funding if and when additional working capital needs arise.

Price volatility of publicly traded securities

The listed price of the shares of IDEX may be volatile. Factors such as changes in the results of operations of the Company, negative publicity, changes in recommendations of securities analysts regarding the Company or in the global conditions of the financial or securities markets or in the sectors in which IDEX operates could have a negative effect on the listed price of the Company's shares.

In recent years, the securities markets in Norway and elsewhere in Europe have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It is likely that the quoted market price, if any, for the shares in the Company will be subject to market trends generally, notwithstanding the financial and operational performance of the Company.

A delay in commencement of listing of the New Shares

The Company will request that the New Shares be admitted to trading on Oslo Børs, as the case may be. In this regard, the Company believes that, except for unanticipated circumstances, the New Shares will be admitted to trading on Oslo Børs. A delay in the commencement of listing of the New Shares on Oslo Børs would affect the liquidity and pricing of the New Shares and restrict the sale of these shares until they are allowed for listing. Such delay may also adversely influence liquidity and pricing of the shares in the Company already listed.

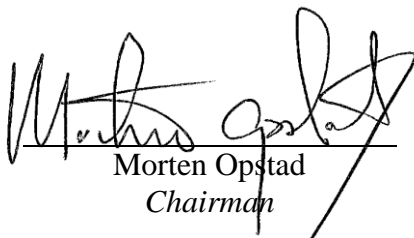
3 STATEMENTS

3.1 Statement of Responsibility for the Prospectus

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

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

IDEX ASA
Fornebu, 7 May 2015


Morten Opstad
Chairman


Frode Haugli
Director


Hanne Høvdning
Director


Andrew J. MacLeod
Director

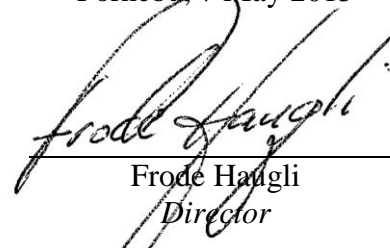

Toril Nag
Director

3.2 Statement regarding Third Party Information

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

IDEX ASA
Fornebu, 7 May 2015


Morten Opstad
Chairman


Frode Haugli
Director


Hanne Høvdning
Director


Andrew J. MacLeod
Director


Toril Nag
Director

4 THE COMPANY AND ITS BUSINESS

4.1 Incorporation, Registered Office and Registration Number

The Company's registered name is IDEX ASA. The Company is organized as a public limited liability company ("allmennaksjeselskap" eller "ASA") in accordance with the PLCA, and is registered with the Company Registry under company organization no. 976 846 923.. The Company was incorporated on 24 July 1996.

The Company's registered office is at Martin Linges vei 25, NO-1364 Fornebu, Norway. The Company can be contacted on telephone +47 67 83 91 19, fax +47 67 83 91 12, email mailbox@idex.no.

The IDEX Group comprises the parent company IDEX at Fornebu, Norway, the wholly owned UK subsidiary IDEX Biometrics UK Ltd. and a wholly owned US subsidiary, IDEX Holding Inc., which, in turn, wholly owns another US subsidiary, IDEX America Inc. (hereinafter the "**Group**").

Both US entities were incorporated on 3 September 2013 in the State of Delaware. IDEX America Inc., the US operating company, maintains its principal place of business at 6200 Stoneridge Mall Road, Suite 300, Pleasanton, California 94588, USA.

IDEX opened a representative sales office in Hong Kong on 20 December 2013.

On 29 August 2014, IDEX established a wholly-owned subsidiary in England, namely IDEX Biometrics UK Ltd.

IDEX is headquartered at Fornebu near Oslo, Norway, where the group management is situated. The Fornebu site is also active in communication, business development, sales and marketing and other group activities as well as product development. The IDEX offices in California and Hong Kong (representative marketing office) engage in marketing and customer support. The Boston site performs technology development.

4.2 Business overview

IDEX specializes in fingerprint biometrics authentication technology and products (i.e. fingerprint sensors). IDEX has since 1996 been a pioneering company in the field of miniaturized capacitive fingerprint sensors, and a provider of intellectual property ("IP") to small sized, high performance, low-cost biometric systems. IDEX holds fundamental core IP and patents in fingerprint sensing technology. Over two decades, significant investments have been made in developing low cost fingerprint sensor technology ranging from capacitive (i.e. detecting electrical signals), optical (i.e. to capture visual information), thermal (i.e. capture of heat transfer) and pressure based solutions. Capacitive sensors are being deployed in high volumes by mobile OEMs such as Apple and Samsung². IDEX believes it is one a few vendors with the IP and patents for application of this technology in fingerprint sensors.

² Research and Markets, Capacitive Fingerprint Sensors Patent Landscape – Description of report, 2015(<http://www.researchandmarkets.com/reports/3073215/capacitive-fingerprint-sensors-patent-landscape> (description of report); 27.04.15)

The key selling point for IDEX is the off-chip technology enabling IDEX to split the fingerprint sensor into two key components: a low cost sensor area, the sensor array and a silicon chip providing on-chip digital signal processing, the ASIC (Application Specific Integrated Circuit). This contrasts with competitors with conventional silicon sensors where the whole solution is implemented in a single silicon ASIC. This means that conventional silicon sensors use one piece of silicon both as the sensor array and the ASIC (whereas IDEX's technology allows the Company to separate the ASIC, which has to be made of silicon, from the sensor array, which can be made of any conductive material, such as polymer, glass, ceramic etc, with IDEX's technology. The benefit of the two part solution is that it enables IDEX to use a low cost material such as polymer to implement the array and hence as the array becomes larger, cost is advantageous versus silicon which is relatively expensive. This enables IDEX to offer a disruptive cost level fingerprint sensor together with form factor advantages due the flexible material used. The off-chip technology also allows IDEX to use a range of materials as the sensing array, including glass, thus enabling IDEX to create an "in-glass" fingerprint sensor. Lastly, the off-chip technology also allows IDEX to develop sensors of different form factors without developing new ASICs as the same ASIC can be used for different sensor arrays. The disadvantage of off-chip is that it is a more complex to manufacture requiring integration of the sensor and the ASIC. This process adds some costs (which are more than compensated by reduced silicon consumption).

IDEX develops and manufactures both swipe and touch sensors. A swipe sensor requires a swiping movement of the finger to scan the fingerprint, whereas a touch sensor requires a static touch movement to capture the image of the finger which is on the sensor array. IDEX uses the registered trademark SmartFinger for all its fingerprint sensors and components.

The current activity of IDEX is focused on the development, industrialization and commercialization of the SmartFinger products targeted at the mobile, the smart and ID card, and the Internet of Things (IoT) markets. The interest and demand for fingerprint sensors in all three markets is significant, driven by the adoption of Touch-ID by Apple, and more recently the introduction of mobile payment by industry leaders such as Apple³, Ali Baba and Samsung.

The Company provides hardware and software fingerprint solutions suitable for embedding into products in order to heighten security and enhance user friendliness in those products. The SmartFinger platform is a full-featured, biometric authentication solution, which enables on-device fingerprint enrolment, template storage and verification. IDEX is currently commercialising both swipe and touch sensor products suitable for the consumer mass market, which achieve low cost and high biometric performance.

The swipe products rely on the user swiping across a linear fingerprint sensor array to create a fingerprint image and offer the smallest form factor and lowest cost. IDEX has completed development of the Ciris swipe sensor, and has set up a value chain of external partners to enable mass production. The sensor have been shipped in small volume, and there has been functional product insertion. Examples of product insertion of IDEX's swipe sensor include the FingerQ mobile peripheral product line, and in Card Tech's prototype ISO compliant mass production ready payment card.

³ [www.techradar.com](http://www.techradar.com/news/world-of-tech/trends-in-the-payments-industry-for-2015-mobile-biometrics-and-e-money-1282044) article - Trends in the payments industry for 2015: Mobile, biometrics and E-money, 2015 (http://www.techradar.com/news/world-of-tech/trends-in-the-payments-industry-for-2015-mobile-biometrics-and-e-money-1282044; 27.04.15)

Touch sensors offer a more user friendly experience by only requiring a simple single action to authenticate, and market demand from flagship mobile handsets shifted towards touch from swipe sensors in 2014. IDEX is currently in the final stage of product development phase for a range of touch or area sensors, the Eagle, based on the off-chip technology.

IDEX is further developing its technology to create “in-glass” swipe and touch sensors. Due to IDEX IP and patents, IDEX can implement fingerprint sensors in a range of materials and is currently working with major partners to develop in glass sensors suitable for direct integration into display screens. Based on feedback from mobile OEM’s IDEX believes in-glass represents the ultimate solution for the aesthetic and user experience of such devices.

In addition to the strong IP and unique technology for creating the hardware of the sensor, IDEX believes it has a very strong position on software and algorithms. Following the growth of mobile payments the demand for security has increased, while there has been a shift towards smaller touch sensors in parallel as witnessed by Samsung changing to a touch sensor for the Galaxy S6 launched in March 2015⁴. The shift from swipe to touch has been driven by the insertion of TouchID by Apple in the iPhones which has defined the convenient user experience of a touch, and the attractive design of a small sensor. This is challenging as smaller touch sensors produce smaller images to analyse. This has resulted in a race to develop powerful matching algorithms (algorithms designed to match the full pattern of the fingerprint), and IDEX has a strong portfolio of relevant algorithms.

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

For the avoidance of doubt, it should be noted that IDEX has only delivered the SmartFinger sensor in small quantities. The Group has to date earned insignificant revenue from customers on its technology and IP or products and services.

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

4.3 Vision, Mission, Progress and Goals

Vision

Secure and simple identification by biometric authentication on every device you own.

Mission

To be the leading supplier of best in class fingerprint sensors for mass markets.

Progress

Strengthened and matured product roadmap

IDEX holds a strong portfolio of IPR related to low-cost capacitive fingerprint sensors. IDEX’s IPR encompass early priority patents assigned to IDEX covering basic sensing principles, as well as more recent patents covering sensor product implementations and fingerprint recognition algorithms. IDEX’s IPR also comprise key schematics, hardware designs, and software blocks, all

⁴ [www.sammobile.com](http://www.sammobile.com/2015/01/16/exclusive-samsung-opts-for-a-touch-based-fingerprint-sensor-for-the-galaxy-s6) article, [Exclusive: Samsung opts for a touch-based fingerprint sensor for the Galaxy S6, 2015](http://www.sammobile.com/2015/01/16/exclusive-samsung-opts-for-a-touch-based-fingerprint-sensor-for-the-galaxy-s6) (<http://www.sammobile.com/2015/01/16/exclusive-samsung-opts-for-a-touch-based-fingerprint-sensor-for-the-galaxy-s6>; 27.04.15)

protecting the Company's SmartFinger® technology and products. IPR is key in a very competitive market in which major players such as Apple, Samsung and Synaptics participate, and IDEX believes that its strong IP position constitutes a significant advantage compared to competitors. The advantages of a strong patent includes freedom to operate and is a selling point to OEM as they are concerned with the risk of being sued for IP infringement. IDEX holds early patents and several unique intellectual property and technology blocks for low-cost capacitive fingerprint sensors and has what is believed to be a unique cross-licence with Apple relating to this technology covering capacitive sensing principles. The cross-license means that IDEX's products are immune from claims of infringing certain key patents assigned to Apple. IDEX has a strong and compelling product roadmap, and the Company has spent considerable resources to develop products tailored to market demand. At the time of this Prospectus IDEX believes that it has a stronger and more mature product roadmap than ever before. IDEX therefore believes that it is well-positioned to secure a significant share of these rapidly developing mass markets.

The most important product development in 2014 was the Eagle touch sensor. This is an off-chip touch sensor where the ASIC has been co-developed with IDEX's partner Cypress Semiconductor Corporation. The off-chip architecture has been designed specifically for a small-area touch sensor. IDEX therefore expects that the sensor will have an industry-best performance in combination with a very competitive cost position. The development was completed rapidly applying fast-track methods, and IDEX together with Cypress introduced the sensor to the market at Mobile World Congress 2015 in Barcelona, Spain. At the time of this Prospectus the Eagle chip is in the final testing phase, and the Company expects to provide samples of the sensor to mobile OEMs during first half of 2015. The sensor is expected to be ready for mass production during second half 2015, and the objective is to generate revenues towards the end of 2015 through IDEX's partnerships. In addition to being a product which may generate revenues in 2015, the Eagle touch sensor also represents a sensor platform that can be utilised in a range of other application areas in mobile, cards and IoT. IDEX is in the process of readying the Eagle sensor for other application areas than mobile.

In response to the market demand shifting from swipe to touch sensors, IDEX co-developed the Cardinal sensor in partnership with CrucialTec to get a product to the market place. Cardinal is a conventional silicon touch sensor (i.e. not based on off-chip technology). This is the type of technology most fingerprint sensor companies are using (except IDEX and Synaptics, who use the off-chip technology). The first version of the Cardinal was sampled to mobile OEMs before the summer of 2014, and IDEX achieved a design win from an Asian second-tier OEM as one of two suppliers. However, the design win unit was deferred. Several fingerprint sensor suppliers experienced such delays because demand from mobile OEMs shifted to sensors whose performance would match Apple's TouchID product. The first versions of IDEX and CrucialTec's Cardinal sensors are ready for sampling, and the companies continue to refine the Cardinal sensor.

In 2014 IDEX also finalised development of the Ciris swipe sensor. The sensor is in early production phase and manufacturing of mass volumes can be ramped up upon demand. The Ciris sensor is an off-chip swipe sensor with a very compelling cost point, and the Company entered into an agreement with FocalTech for distribution to Asian mobile OEMs. Although there has been a shift in demand from swipe to touch sensors for the flagship and high-end models, IDEX believes there will be a market also for swipe sensors for use in low-end and economy mobile telephones.

The third major product development in 2014 is the swipe in-glass sensor solution. This product is believed to be unique. IDEX's IP and patents enables sensing in the glass as different from through the glass. IDEX's technology is believed to be the only solution where the sensor is integrated in

the glass itself. At the Mobile World Congress 2015 in Barcelona, Spain, IDEX showed the new in-glass demonstrator where the sensor sensed using 550 and 700 micron cover glasses, the actual thickness of mobile cover glasses. IDEX views this as a major breakthrough for application in mobile devices. Other solutions are dependent on sensing through the glass. The glass represents a physical barrier distorting the signal and significantly decreases the performance of a fingerprint sensor. Other solutions therefore must reduce the thickness of the cover glass. Glass thinner than 400 microns does not have the structural integrity required in a mobile device. IDEX is currently in the development phase of this sensor, and is working on extending its mass-production capabilities to the in-glass touch sensors. The in-glass sensor will at the earliest be ready for sampling late 2015.

Continued development of patent and world class matching algorithm acquired

IDEX believes the Company has the strongest patent portfolio in the capacitive fingerprint sensing industry next to Apple's portfolio following the AuthenTec acquisition in 2013⁵. IDEX continued to strengthen this portfolio in 2014 by adding 3 new patent families, which included 7 new patents and 10 new patents pending.

The new patents were added in key areas, most notably in small-area algorithms through the acquisition of several patents and an algorithm from Roger Bauchspics at year-end 2014. Following the market shift towards small-area sensors in parallel with increased security requirements due to introduction of mobile payment, the fingerprint sensor industry has had to change from minutia-based matching algorithms to pattern-based matching algorithms. Minutia based matching uses certain distinct features in the full fingerprint image to create a unique signature of the finger with relative little data, whereas pattern-based matching uses the full pattern of the fingerprint to create a more data intensive unique signature from a smaller image. Given the significantly reduced size of the captured image in the small touch sensors there is not sufficient information to do a minutia-based matching, and the sensors must use more information of the pattern in the fingerprint. IDEX's new algorithm delivers superior performance and gives IDEX a complete solution to offer to its customers. This is important, as algorithms are increasingly becoming a major point of differentiation and IDEX is currently working on optimizing the acquired algorithm for integration into IDEX's fingerprint sensors. IDEX expects to supply the new algorithm with the Eagle sensors which are expected to be ready for sampling during Q2 2015.

IDEX has also successfully integrated the IP from the PicoField acquisition in 2013 into the product roadmap. The development of the Eagle sensor is an integration of existing IDEX IP and knowhow and the IP and knowhow acquired from PicoField. The combination is the ground-breaking off-chip sensor, which IDEX believes has superior performance and very low cost points.

Several first-tier partnerships

IDEX has a partner-intensive business model to keep fixed costs down, ensure the flexibility required to operate in a dynamic industry and be able to get the best quality in the entire value chain. During 2014 IDEX has taken a significant leap to ensure that the Company has the world-class supply chain required and has announced a series of strategic partnerships. IDEX took the step from working with second- and third-tier partners, who were unable to achieve the necessary price points for mass markets, to the first-tier league in terms of partnerships.

IDEX disclosed in 2014 its partnership with CrucialTec Corp., a global leader in mobile input solutions, part of the Crucial Family with headquarters and public listing in South Korea.

⁵ Reuters article - Apple buys mobile security firm AuthenTec for \$356 million, 2012
(<http://www.reuters.com/article/2012/07/27/us-authentec-acquisition-apple-idUSBRE86Q0KD20120727>; 27.04.15)

CrucialTec has a proven mobile track record in mass manufacturing, industrial knowhow and cost-efficient supply to multiple end customers. The partnership includes the joint development of the conventional silicon touch sensor Cardinal as a response to the market shift to touch sensors.

IDEX announced a partnership with Cypress Semiconductor Corporation, a world leader in interface touch controllers that has shipped more than a billion capacitive touch controllers globally. Cypress licenses IDEX IP to manufacture the ASIC for the new off-chip Eagle sensor. Cypress provides significant development resources and was able to accelerate and de-risk the development process, in addition to having established relationships with mobile OEMs.

According to research company IDC, the total market for smartphones in China is forecasted to grow to close to 500 million units in 2015⁶, and to penetrate this market IDEX signed a cooperation and supply agreement for IDEX swipe sensors with FocalTech in September 2014. FocalTech is listed in Taipei, Taiwan, and is the largest touch controller IC provider in Asia, with a dominant market share of 50 per cent in Chinese-manufactured smartphones.

IDEX entered into an agreement with Amkor in November 2014. Amkor is a first-tier supply chain partner for mass production of the Company's fingerprint sensors, and IDEX can leverage Amkor's existing customer relationships.

As the first fingerprint sensor provider, IDEX was added to Flextronics Open Innovation Platform. Flextronics is a supply chain solutions company that delivers design, engineering, manufacturing and logistics services to a range of industries. Flextronics' annual revenue is in the range of USD 27 billion, and the company has significant reach to potential customers. The partnership with IDEX covers both touch and swipe sensors.

IDEX also announced several partnerships that resulted in sensor insertions in products and small-volume sensor shipments. These include insertion of an IDEX swipe sensor into the world's first mass-manufacturable ISO card developed by partner CardTech. This was demonstrated for the first time at the trade fair Cartes in Paris, France in November 2014. IDEX also shipped both touch and swipe sensors to World Wide Touch Technologies (WWTT) for insertion into its FingerQ mobile accessory product line. These products were showcased during the Consumer Electronics Show in Las Vegas, USA in early 2015.

Strong group of industry experts and managers with strong track record attracted to the company

In 2014, IDEX has significantly grown the organisation in size, experience and capability. IDEX successfully established a Strategy Advisory Council with former CEO of AuthenTec, Larry Ciaccia, and former chairman of FIDO Alliance, CISO of PayPal and VP of Security of American Express, Michael Barrett, as members. The management team has also been strengthened with additions of several long-time industry experts with proven track records, including Larry Hattery; former Vice President of Software at Validity, Art Stewart; former Vice President at Synaptics and AuthenTec, and Lunji Qiu; former General Manager and Vice President of Next Biometrics China and AuthenTec China. IDEX hired Henrik Knudtzon, former McKinsey consultant and Director at private equity firm Herkules Capital, as CFO starting in August 2014.

The total staff of IDEX, including ongoing individual contractors, grew from 28 in December 2013 to 52 at the time of this Prospectus. IDEX believes its ability to attract the top talent in the

⁶ IDC Worldwide Quarterly Mobile Phone Tracker, 2015, (<http://www.idc.com/getdoc.jsp?containerId=prHK25437515>; 30.04.15)

fingerprint sensor industry is a strong validation of the Company's leading position and significant potential, and the addition of such experienced people is expected to ensure that IDEX will commercialise its products sooner.

Awards

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

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

In March 2015 IDEX was awarded the Industry Award of the Year at the annual Fibre Day hosted by Broadnet in Oslo. The Industry Award of the Year was handed out for the security industry, and IDEX was chosen for the Company's products and research within fingerprint technology for the markets: mobile, ID and smart cards, and the IoT.

Outlook and goals

The market for fingerprint technology is developing rapidly, and IDEX aims to capitalise on this explosive opportunity. All indicators point towards substantial growth in the biometric market in general and particularly in the low-cost fingerprint sensor segment. IDEX has positioned itself to exploit this segment and is ready to take advantage of the expected growth in demand. Products with IDEX's sensor technology are expected to be on the market in 2015.

Main goals for 2015

1. Finalise the Eagle touch sensor development for sampling in early Q2 2015.
2. Deliver Eagle touch sensors and solutions for product insertion in Q2 2015 and in volumes in the second half of 2015.
3. Secure several partnerships with first-tier large volume strategic partners for mobile and card markets.
4. Secure further strategic value chain partnerships with first-tier industrial players in order to secure additional sources for mass volume production.
5. Continue developing and growing the organisation by attracting talent.

4.4 History in brief

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

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

- 1996** IDEX was founded to develop and commercialize unique hardware and software for biometric identification by use of fingerprint.
- 1997** Partnership with SINTEF and the basic swipe fingerprint sensor patents are filed.
- 2001** IDEX enters into a license agreement with STMicroelectronics. An exclusive patent license agreement (inbound) with SINTEF is entered into.
- 2007** In October 2007, IDEX reaches a settlement with STMicroelectronics and UPEK, Inc. in connection with the dispute over patent infringement on IDEX patents. UPEK, Inc. pays a one-off settlement amount to IDEX and a cross-license is entered at the same time. The license agreement with STMicroelectronics, which was entered in 2001, is terminated.
- 2010** IDEX is listed at the Oslo Axess. SmartFinger Film polymer sensor presented to the market. The first biometric card with SmartFinger Film on-board is demonstrated. IDEX granted government support for its activities in the eGo project with Gemalto as the lead partner. The Company receives the SESAMES award.
- 2013 February:** IDEX presents a novel SmartFinger in glass technology concept at the Mobile World Congress.
- 2013 April:** Apple/AuthenTec verify IDEX licence agreement (with UPEK Inc., which entity was acquired by AuthenTec) for certain important early patents.
- 2013 May:** Hemant Mardia, formerly CEO of Filtronic Plc, appointed as new CEO.
- 2013 May:** Partnership agreement with global mobile communications partner signed (and expanded in October 2013).
- 2013 September:** IDEX acquires IP and patents for touch sensor technology from PicoField Technologies, Inc. enhancing IDEX's existing IP. Founders of PicoField and Validity join IDEX securing strong industry knowhow and credibility.
- 2013 October:** IDEX opens Silicon Valley and Boston offices in USA as part of achieving a global presence. IDEX joins FIDO alliance, which is developing protocol standards for biometric authentication.
- 2014 January:** Invesco funds, a major global investor, invest NOK 300 million in IDEX. Invesco funds acquire 60 million new shares in IDEX at a subscription price of NOK 5.00 per share, which represent 14.8 % of the issued and outstanding shares in IDEX. The funds also receive 30 million warrants in IDEX, each at an exercise price of NOK 7.50. The warrants are open to be exercised in the period 29 January 2015-29 January 2016.
- 2014 January:** IDEX secures an order of 300,000 units for the Colibri swipe sensor from World Wide Touch Technology (WWTT). This volume order is IDEX's first commercial launch for the Colibri swipe sensor embedded in consumer electronics devices for mobile and laptop accessories.

- 2014 February:** IDEX demonstrates 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.
- 2014 May:** IDEX enters into 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.
- 2014 July:** IDEX receives an initial order to deliver fingerprint swipe sensors to Card Tech srl. The sensors are 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.
- 2014 September:** IDEX entered into 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.
- 2014 October:** IDEX announces that the previously reported order of 300,000 fingerprint sensors from World Wide Technology (WWTT) is upgraded from swipe to touch sensors, reflecting the positive market reaction to these devices.
- 2014 November:** Card Tech announces that it is ready to mass-produce its Card Tech Smart Card. The Smart Card is demonstrated for the first time at the trade fair Cartes in Paris, France on 4-6 November 2014.
- 2014 November:** IDEX enters into a memorandum of understanding with Amkor Technology to establish a strategic mass volume manufacturing partnership for fingerprint sensors, formalizing significant development progress over six months.
- 2014 November:** IDEX enters into a partnership with Flextronics to provide IDEX's high performance fingerprint sensors as part of Flextronics' Open Innovation Platform Offering.
- 2014 December:** IDEX purchased a world-leading software algorithm and key patents for small area fingerprint touch sensors from Roger Bauchspies.
- 2015 January:** IDEX entered into a partnership with Trustonic, the leading provider of Trusted Execution Environments (TEEs) for smart devices. IDEX and Trustonic will collaborate to integrate IDEX's next generation fingerprint sensors and driver software with Trustonic TEE.
- 2015 March:** Funds managed by Woodford Investment Management LLP have agreed to acquire 52,500,000 new shares in the Company at a subscription price of NOK 5.65 per share. The funds will also receive 26,250,000 warrants in IDEX, each with an exercise price of NOK 8.50. The warrants are open to be exercised 12 months after the date of their issue and will expire 24 months after issue. The issuance of shares and warrants were formally approved at the extraordinary general meeting of shareholders in IDEX on 29 April 2015.

2015 April: Oslo Børs approves the Company's application for transfer of listing from Oslo Axess to Oslo Børs, with first day of listing on Oslo Børs being on or about 11 May 2015.

4.5 Business Model and Strategy

IDEX operates a dual business model to deliver revenues:

1. Supply of SmartFinger fingerprint sensors, authentication solutions and modules under the IDEX label, targeted at selected markets through manufacturing outsourcing and partnerships. IDEX's strategy is to enter into partnerships with industry leading module and semiconductor integrators who offer an established route to market to supply high volumes into first tier OEMs.
2. Offering strategic partnerships and IP licensing with first-tier original equipment manufacturers, semiconductor companies and manufacturers in order to enter mass market applications.

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

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

The Company can also offer hybrid versions of the product sale and IP licensing on different elements of the fingerprint sensor solution.

4.6 Technology and products

Biometrics includes methods for uniquely recognizing humans based upon one or more intrinsic physical or behavioral traits. Various biometric modalities can be used for both identification and authentication applications. Commercialized solutions include: face, fingerprint, hand geometry, keystroke dynamics, hand vein, iris, retinal pattern, signature, voice print, facial thermograms, odour, DNA, gait, and ear recognition. Fingerprint sensing is the most widely adopted biometric technique⁷, because of its ease of use, high performance and possible low-cost implementation enabled by capacitive sensing technology.

A key element of IDEX's solution is the off-chip sensing concept, i.e. separation of the passive finger interface, the sensor array, from the electronic fingerprint measurement circuit (ASIC). Hence, a variety of robust, low-cost materials can be used for the sensor array while the silicon measurement circuit can be reduced to an absolute minimum size. With state-of-the-art multilayer production processes IDEX can provide custom sensor designs made from virtually any solid material.

The separation of the sensing array and ASIC offers several advantages, such as ease of integration, reduced cost, high reliability, excellent performance, and customized form factors.

⁷ Biometric-solutions.com - Fingerprint Recognition, (http://www.biometric-solutions.com/solutions/index.php?story=fingerprint_recognition; 30.04.15)

The measurement principle of the IDEX sensor is based on an AC/RF (Alternating current/radio frequency)-capacitive coupling scheme. This is by far the most widely used principle in the industry, whether utilized for small swipe sensors or larger touch sensors (e.g. adopted by Apple and Samsung²). A varying voltage is transmitted through the finger and picked up by sensing nodes in the sensor surface. The signal level through the finger varies depending on whether the signal is measured from a ridge or from a valley of the fingerprint. The variations in the measured signal provide the data required to reconstruct the two-dimensional fingerprint image.

IDEX has a compelling product roadmap which includes low cost swipe and touch sensors, and a path to in glass integration. The combination of strong IP protection, low cost, high performance authentication and ease of integration provides significant competitive advantage.

SmartFinger sensors

SmartFinger Ciris; off-chip swipe sensor range

Ciris is a low cost capacitive swipe fingerprint sensor designed for modularization where ease of integration combined with excellent biometric performance, ease of use, and low power consumption is required.

Ciris is based on patented off-chip sensing concept and in which the finger interface, the sensor array, is constituted by a passive polymer substrate separated from the sensor read-out chip (ASIC), and with all I/O (Input/Output) connections at the rear side of the sensor. The separation of the sensing array and ASIC offers several advantages, such as ease of integration, high reliability and customized form factors.

IDEX offers a total solution with proprietary imaging and biometric algorithms as well as firmware for mobile and embedded products. The SmartFinger Ciris sensor family is production ready. Certain Ciris fingerprint sensors are compliant with ISO standard form factors for use in identity and smart cards, and can also be employed in a variety of other applications.

SmartFinger Eagle; off-chip touch sensor range

Eagle is IDEX's next generation touch fingerprint sensor based on the Company's patented off-chip technology that separates the sensor ASIC from the passive substrate, the sensor array, offering better performance, customized sensor geometries at lower cost.

IDEX expects Eagle to become the industry leading capacitive fingerprint touch sensor. The sensor is based on technology and IP acquired from PicoField Technologies in 2013. The more advanced grid-sensor concept is completely different from that of the first generation silicon-based fingerprint sensors. SmartFinger Eagle is polymer based and consumes only a quarter of the silicon area required by the traditional silicon sensors. This significantly lowers the overall cost of the product (> 30% lower cost). The shape and size of this two-part sensor can be rapidly adapted.

Eagle also offers patented technology to eliminate common mode noise, improve signal-to-noise ratio, and provide a large active sensing area with superior image quality.

Eagle is combined with IDEX's advanced fingerprint algorithms that facilitate high security and a greater user experience. It will offer full Trusted Execution Environment support and is planned to be FIDO-Ready™.

SmartFinger Cardinal; conventional silicon touch sensor range

The SmartFinger Cardinal family includes compact, low cost, silicon fingerprint touch sensor aimed at the mobile device market.

Cardinal features an attractive dark colored packaging, with a hard and durable surface coating, ensuring the required Electro Static Discharge (ESD) protection of ± 15 KV, as well as resistance against scratches and daile wear-and-tear.

The sensor offers a superior image quality, with high resolution 508 dpi pixel array, fast image capture and hardware support for automatic finger-on detection at very low power consumption.

IDEX offers the Cardinal sensor to the mobile market with its partner CrucialTec Corp. The Cardinal sensor is supported with market leading biometric software algorithms and firmware.

In-glass sensor technology

As mobile OEMs are offering a button-less user interface, new ways of front-side fingerprint sensor integration is required, in order to maintain device's interface design.

IDEX is developing the ultimate solution for mobile fingerprint sensing, in which sensor array becomes a seamless, integral part of the mobile device's cover glass – the glass becomes the sensor array.

The in-glass fingerprint sensor is based on IDEX's patented off-chip principles and knowhow, separating the finger interface from the electronics, as well as unique concepts enabling sensing in virtually any material such as glass, polymer and silicon.

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

SmartFinger algorithms and software

Algorithms are an integral part of a high performance fingerprint authentication solution. The purpose of the algorithms is to ensure secure and efficient real-time image reconstruction, feature extraction, and matching, for both swipe and touch sensors.

The algorithms have become an increasingly important element as customers preferences are moving towards smaller touch sensors. Since the sensors are capturing small part of the fingerprint area, less information is available in each fingerprint image. Traditional algorithms are relying on large images where a set of minutiae features can be readily extracted and matched. As touch sensors continue to move towards smaller capture areas, more advanced algorithms become critical in order to provide higher fingerprint accuracy rates, at faster matching speeds, within more operating system environments.

IDEX has a range of algorithms available for use in different applications such as mobile, embedded systems and smartcards. The available authentication solution includes proprietary algorithms for swipe sensors, and IDEX's newly purchased touch sensor algorithms.

4.7 Intellectual Property Rights (IPR)

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

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

As of the date of this Prospectus, IDEX holds issued patents in a total of 25 patent families and nine pending patent families. Moreover, IDEX retains an exclusive worldwide license to the basic fingerprint technology developed by SINTEF relating to the AC/RF capacitive swipe sensors.

In 2007, IDEX entered into a settlement with STMicroelectronics and UPEK in connection with an IP related dispute. UPEK paid a one-off settlement amount to IDEX, and a cross-license of the relevant patents was entered into at the same time. IDEX was granted a license to certain basic UPEK patents. UPEK was also allowed to incorporate certain IDEX patented technologies for use with their fingerprint biometric sensor products and solutions.

The patent rights of UPEK have later been assigned to AuthenTec Inc., which was acquired by Apple Inc. in 2012.

Apple and AuthenTec did in May 2013 verify IDEX's rights under this agreement through a notice of "recordal" of the license. The license has been recorded by the United States Patent and Trademark Office sanctioning that IDEX maintain its licensed rights to important, early patents, now controlled by AuthenTec/Apple.

In 2013, IDEX acquired patents and patent applications from PicoField further enhancing the IDEX portfolio, especially within the area of fingerprint sensors.

PicoField's patent portfolio, now assigned to IDEX, includes one granted patent and five patent applications. The patent family covers area fingerprint sensors utilizing low cost, flexible polymer technologies.

In December 2014 IDEX acquired a world-leading software algorithm and key patents for small area fingerprint touch sensors from Roger Bauchspies. The portfolio includes 3 patent families and 4 granted patents. This enables IDEX to deliver significantly enhanced security and user convenience for mass market fingerprint sensor solutions.

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

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

A summary of the patents most relevant to IDEX's technology and products are given in the table below. The listed patents include IDEX patents, patents assigned to IDEX as a result of the acquisition of the patent portfolios from PicoField and Roger Bauchspies, as well as the patents exclusively licensed from SINTEF.

IDEX's freedom to operate in the market with its current product offerings is dependent on the maintaining the rights to one or more of the patents in table. To lawfully manufacture, have manufactured and sell the SmartFinger sensors and other products making use of the patented principles, IDEX's and/or its licensees are dependent of the rights to use one or more the listed patents.

IDEX also holds several patents that are not mandatory for the current product implementations. Future products could, however, possibly be dependent of key claims included in these patents.

<i>Patent family</i>	<i>Assignee</i>	<i>Earliest Priority</i>	<i>Related Products</i>	<i>Country code</i>	<i>App. no</i>	<i>Reg. no.</i>	<i>Status</i>	<i>App. date</i>	<i>Expiry date</i>	<i>Reg. date</i>
Method and apparatus for measuring structures in a fingerprint <i>"Single-line" swipe sensor</i>	SINTEF	16.06.97	AC/RF capacitive linear fingerprint sensor	NO	19972759	304766	Issued	16.06.97	16.06.17	08.02.99
				US	09/424,210	7,110,577	Issued	12.06.98	12.06.18	19.09.06
				US	10/848,363	7,054,471	Issued	19.05.04	12.06.18	30.05.06
				US	11/522,340	7,333,639	Issued	18.07.06	12.06.18	19.02.08
				EPO	98928665.3	0 988 614	Issued	15.12.99	16.06.17	15.09.04
				EPO	02025170.8	1 304 646	Issued	15.12.99	16.06.17	01.02.06
				JP	504223/99	4051093	Issued	15.12.99	16.06.17	07.12.07
Sensor unit, especially for fingerprint sensors <i>Fingerprint sensors where the finger interface is separated (off-chip) from the ASIC</i>	IDEX	09.06.00	Off-chip fingerprint sensor with substrate vias	NO	20003004	315017	Issued	09.06.00	09.06.20	23.06.03
				US	10/297,746	7,251,351	Issued	08.06.01	04.04.23	31.07.07
				US	11/773,017	7,848,550	Issued	03.07.07	29.03.23	07.12.10
				EPO	01938853.7	1 303 828	Issued	08.06.01	09.06.20	16.01.08
Miniature unit, especially for fingerprint	IDEX	09.06.00	AC/RF capacitive scanner made in a single semiconductor	NO	20003003	315016	Issued	09.06.00	09.06.20 20	23.06.03
				US	10/297,745	7,283,651	Issued	08.06.01	18.11.23	16.10.07

Patent family	Assignee	Earliest Priority	Related Products	Country code	App. no	Reg. no.	Status	App. date	Expiry date	Reg. date
sensors			chip.	US	11/837,760	7,518,382	Issued	13.08.07	08.06.21	14.04.09
Fingerprint sensors implemented in a single chip				EPO	01938854.5	1 303 829	Issued	08.06.07	09.06.20	13.08.08
				JP	2002-503804	4818564	Issued	08.06.01	09.06.20	09.09.11
System for real time finger surface pattern measurement	IDEX	09.06.00	Measurement system for AC/RF capacitive fingerprint sensors	NO	20003005	314647	Issued	09.06.00	09.06.20	22.04.03
				US	10/297,744	7,184,581	Issued	08.06.01	19.04.23	27.02.07
				EPO	01938855.2	1 292 227	Issued	08.06.01	09.06.20	10.11.04
Sensor measurement principle and circuitry										
Device and method for generating digital signals, coding each a value of an analog signal	IDEX, STM	23.04.02	Digital signal generating device including a multiplexer with pre-set number of analog inputs array	US	10/421,380	6,836,230	Issued	22.04.03	22.04.23	28.12.04
				EPO	02291025.1	1 357 668	Issued	23.04.02	09.06.20	03.10.07
A method for reducing the complexity of the sensor ASIC										
Method for ridge map formation	IDEX	22.07.04	Algorithm for ridge map formation	US	10/897,310	7,512,256	Issued	22.07.04	18.08.26	31.03.09
Algorithm for fingerprint recognition										
System, method and computer program product for fingerprint verification	IDEX	22.07.04	Algorithm for fingerprint verification based on ridge maps	US	10/897,316	7,643,660	Issued	22.07.04	30.04.26	05.01.10
				US	12/651,834	7,970,186	Issued	04.01.10	22.07.24	28.06.11
				Algorithm for						

<i>Patent family</i>	<i>Assignee</i>	<i>Earliest Priority</i>	<i>Related Products</i>	<i>Country code</i>	<i>App. no</i>	<i>Reg. no.</i>	<i>Status</i>	<i>App. date</i>	<i>Expiry date</i>	<i>Reg. date</i>
<i>fingerprint recognition</i>										
Electronic imager using an impedance sensor grid array and method of making <i>Area/touch fingerprint sensors for which the finger interface is separated (off-chip) from the ASIC</i>	IDEX	15.01.10	Off-chip touch/area fingerprint sensor, using a grid array	US	12/688,790	8,421,890	Issued	15.01.10	31.07.30	16.04.13
				US	12/820,100	8,791,792	Issued	21.06.10	31.07.30	29.07.14
				US	13/118,243	8,866,347	Issued	27.05.11	31.07.30	21.10.14

4.8 Industrialization, research and development

IDEX performs research and development (“R&D”) activities in Norway and in the U.S. The strategy is to develop technology building blocks that can be rapidly scaled and customised to specific product and customer applications. IDEX has been developing three swipe sensor solutions: SmartFinger film for ID cards and similar flexible applications and two low cost small form factor sensors for mobile device and embedded insertion. IDEX is developing touch sensors based on similar principles to offer competitive small area sensors suitable for integration into mobile devices. These require much larger sensor arrays which capture the single touch of the user finger, and IDEX employs multiplexing techniques to reduce cost.

IDEX is currently developing a range of touch sensors suitable for mobile applications, based around similar principles. This offers a disruptive cost level versus existing touch sensors which are typically too large for mounting on the front of mobile devices. IDEX is also pursuing in glass technology with key vendors and partners which would enable direct integration of the fingerprint sensor into the display. IDEX also offers software applications and fingerprint extract, match and recognition algorithms optimized for each sensor.

IDEX expanded its R&D resources and activities in 2013 and made significant increases also in 2014 to accelerate product development to bring fingerprint sensors to the marketplace. The R&D activities involve (i) conventional ASIC design and development work, (ii) activities to extend the existing and create new IP and know-how related to fingerprint sensors, and (iii) productisation and industrialisation activities. Techniques developed by IDEX to enable best in class consumer applications include anti-spoof measures, dealing with a wide range of swipe angles and speeds, dealing with interference from charger noise and other noise sources, and also providing robust coatings with matching aesthetics and colour whilst ensuring biometric performance. These

demands for customisation whilst achieving low cost and mass manufacture provide a high barrier to entry for potential new competitors.

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

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

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

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

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

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

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

4.9 Cooperation and Strategic Partnerships, Material Contracts

IDEX has entered into, and will continue to pursue, key relationships with leading companies in their markets. IDEX has a partner strategy, and the Company has secured a world class supply chain for volume manufacture and multiple sales channels to support major customers. The core strengths and business of these industrial partners provide the necessary ecosystem for the mobile and ID/payment cards supply chain covering semiconductor solutions, sensor manufacture and module manufacture.

On the upstream side, the current agreements and material contracts are dependent on the inbound licensing agreement with SINTEF as well as on several of the core IDEX patents described in Section 4.7. Some of the agreements and contracts are also, in part, dependent on the inbound licensing agreement with IKENDI Software AG.

Manufacturing/modularization/assembly partners

As a fabless company⁸ IDEX is dependent of the partnership with manufacturing partners who are technically capable of making the various components of the SmartFinger sensor, and able and willing to make deliveries in the required volume at competitive prices. In the past, IDEX's production partners for the substrate part of the sensor have faced various challenges in the yield of their production process.

Amkor

In November 2014 IDEX entered into a Memorandum of Understanding (MoU) with Amkor Technology. Amkor is a first-tier supply chain partner for mass production of IDEX's fingerprint sensors.

The agreement contemplated by the MoU would enable competitive commercialization of IDEX's fingerprint sensor technology by leveraging Amkor's world-class high precision manufacturing capabilities for IDEX's advanced off-chip fingerprint sensors. In addition, the parties would leverage Amkor's strong established customer base to increase finger print sensor deployment and market penetration within high-growth market sectors.

Cypress

On 28 May 2014 IDEX announced a strategic partnership with Cypress Semiconductor Corporation. The partnership provides 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 the 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.

CrucialTec

In February 2014 IDEX disclosed a partnership with CrucialTec Corp. CrucialTec is a global leader in mobile input solutions, part of the Crucial Family with headquarters and public listing in South Korea. CrucialTec is a world leader in the supply of Biometric Track Pads based on fingerprint sensing to the mobile market.

The partnership addresses the growing demand for next-generation biometric solutions that advance security and provide ease-of-use for mobile end users. IDEX and CrucialTec have been working together to develop and industrialize a conventional silicon fingerprint authentication solution, the Cardinal sensor range. The combined strengths of the two companies offer major smartphone and mobile device manufacturers IDEX's best in class sensors, strong patent protection together with CrucialTec's long established mass manufacturing, industrial knowhow and cost efficient supply to multiple end customers.

Ionics EMS Inc.

In September 2009 IDEX and Ionics EMS Inc. entered into a strategic IP licensing agreement. In 2011 the partnership was expanded, facilitating volume production of IDEX SmartFinger

⁸ Fabless manufacturing is the design and sale of hardware components or devices while outsourcing the fabrication or "fab" of the components or devices to specialized or versatile manufacturer(s).

fingerprint sensors. Ionics EMS is one of IDEX's partners producing the sensors that IDEX delivers to its customers and partners.

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

Faraday Technology Corporation

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

Faraday Technology Corporation is a leading silicon IP and fabless ASIC vendor. The company's broad IP portfolio includes 32-bit RISC CPUs, USB 2.0, Ethernet, Serial ATA, and PCI-Express. Faraday has already completed over 3,000 successful designs, with nearly 100 million chips shipped annually worldwide. Faraday is one of the largest fabless ASIC companies in the Asia-Pacific region, and it also has a significant presence in other markets, worldwide. Headquartered in Taiwan, Faraday has service and support offices around the world, including the US, Japan, Europe, and China.

Substrate vendors

From the beginning of 2012 IDEX has been qualifying alternative substrate manufacturers with volume capabilities. IDEX has now secured partnerships with three major substrate suppliers.

Integrator/sales/support partners

Flextronics

On 25 November 2015 IDEX entered into a partnership with Flextronics to provide its high performance fingerprint sensors, including swipe and touch sensors being used in personal identification security as part of the Open Innovation Platform offering at Flextronics.

Flextronics is an innovative supply chain solutions company that delivers design, engineering, manufacturing and logistics services to a range of industries. Flextronics is a Global Fortune 500 company based in the Silicon Valley and is the second largest global Electronics Manufacturing Services (EMS) company by revenue.

FocalTech

In September 2014 IDEX entered into a strategic partnership agreement with FocalTech Systems Ltd to supply swipe fingerprint sensors. The cooperation and non-exclusive supply agreement will enable the two companies to jointly target the large and rapidly growing fingerprint sensor market with a strong focus on the China region for cost sensitive mobile devices, including smart phones.

FocalTech is the largest touch controller IC provider in Asia with a dominant market share of 50% in Chinese manufactured smartphones. In January 2015 FocalTech merged with the third largest driver IC company in the world, Orise Technology, thus creating a strong position to offer integrated and bundled solutions to mobile device manufacturers.

World Wide Touch Technology (WWTT)

In January 2014 WWTT placed an initial volume order for 300,000 units, which was converted from swipe to touch sensors in October 2014. These sensors will be incorporated into the WWTT

Finger Q product line which is a smart biometric security system consisting of a range of mobile peripherals and a proprietary secure software solution. In January 2015 WWTT showcased several FingerQ products with integrated IDEX fingerprint sensors.

WWTT is a Hong Kong listed company, operating chiefly in Hong Kong and the People's Republic of China and has approximately 2,400 employees. The company develops and manufactures a broad range of automation and high-tech products, modules and components, and operates a Biometric Security Platform (division).

Card Tech

In 2011 IDEX entered into a cooperation agreement with Card Tech with the objective of integrating IDEX's fingerprint sensor and algorithms into thin and bendable ISO-format cards and other biometric devices designed by Card Tech. In November 2014 Card Tech had completed development of the Smart Card and announced that it was ready for mass production. The Smart Card was demonstrated for the first time at the trade fair Cartes in Paris, France on 4-6 November 2014.

Card Tech srl is a privately held Italian company which operates in the sector of the research, development and marketing of mobile devices devoted to security. Card Tech aims to improve the life of people thanks to innovative, secure and user-friendly solutions and products. In the smart cards sector, the company has developed and patented internationally ISO7810 ID-1 and ISO 7816 compliant card fitted with an ultra-thin biometric sensor, battery and chip that allow for a secure match-on-card system.

Future Electronics

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

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

The agreement defines specific cooperation milestones for development, test and verification of the solution. The partnership with Future Electronics is the core of IDEX's distribution strategy. With its global presence Future Electronics will expand the customer basis for IDEX's solutions significantly. The two companies also work jointly to establish new products incorporating the IDEX SmartFinger Film fingerprint sensor and biometric algorithms targeting the access control and embedded market segments. IDEX has recently sampled the embedded swipe sensor product to Future Electronics and expects to move to product launch in the early part of 2014.

Software and algorithms and other partners

Trustonic

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

Bio-Key

In March 2014, IDEX entered into a license agreement with Bio-Key International. Bio-Key will collaborate to deliver a sensor-to-server infrastructure solution for trustworthy, yet simple and low-cost, in device and online authentication for consumer applications and in particular the smartphone, tablet, and PC markets. The software and hardware combination will be capable of delivering the most accurate, flexible and cost-efficient fingerprint biometric solutions available.

BIO-key is a global leader in fingerprint biometric identification solutions, advanced mobile authentication and identity assurance technologies.

SINTEF

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

IKENDI

IDEX's embedded fingerprint solution has been developed in close collaboration with IKENDI Software AG and a cooperation agreement was entered into between the two companies in the second quarter of 2009. Subsequently, in the third quarter of 2009, IDEX signed an inbound licensing agreement with IKENDI, under which IDEX received a license to IKENDI's extraction and match software algorithms.

IKENDI has 15 year old roots in research of digital image processing and artificial intelligence. IKENDI today has reached a leading position for embedded and PC BIOS solutions using fingerprint recognition.

4.10 Market, Outlook and Competitors

Market and Outlook

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

The mobile market is the most mature market in terms of fingerprint sensor penetration. Mobile devices include smart phones, tablets and wearables. In 2014 a total of 1.3 billion smart phones alone were shipped according to IDC⁹. Acuity Research estimates that for the same period the total number of shipped smart devices was about 1.8 billion, of which around 400 million were enabled with biometrics¹⁰. Acuity Research goes on to estimate total growth of smart devices to 3 billion by 2020 and that 100% of these will have biometric authentication enabled. The largest smart phone OEMs are Samsung, Apple, Lenovo, Huawei and LG (accounting for almost 55% of smart phone volumes in 2014 according to IDC).

⁹IDC Worldwide Quarterly Mobile Phone Tracker, 2015
(<http://www.idc.com/getdoc.jsp?containerId=prUS25407215;30.04.15>)

¹⁰Acuity Market Intelligence - The Global Biometrics and Mobility Report, 2015, Free preview requires registration,
(http://www.acuity-mi.com/GBMR_Report.php;30.04.15)

The card market is a huge potential market, and Nielsen estimates that there will be around 21 billion payment cards in circulation by 2017¹¹. In addition there is the market for ID cards, and this opportunity is especially in populous developing markets such as India and China. The potential customers for IDEX in the payment card market will be card integrator companies such as Gemalto, Giesecke and Devrient, Morpho and Oberthur Technologies, as well as the card issuers such as VISA, MasterCard, UnionPay. For ID cards IDEX believes the most likely customers will be the government backed ID program offices. IDEX expects fingerprint sensor adoption in the card market to be slower than in the fast moving mobile market. The market may see pilot implementation in 2015 and mass adoption beyond that timeframe.

According to a market forecast from ABI Research, the installed base of active wireless connected devices (IoT) will exceed 16 billion in 2014. The number of devices will more than double from the current level, with 40.9 billion forecasted for 2020¹². In this market segment there is a multitude of potential customers, including OEM of all sorts of consumer electronics, access control etc. There is already small scale market adoption for fingerprint sensors (including WWTT's FingerQ product line). There is a significant potential opportunity in IoT applications such as access control, mobile accessories, consumer electronics products requiring password protection or personalization etc. However, given the many potential applications in the IoT market combined with the limited focus to date by the fingerprint sensor industry relative to servicing this market (given the huge demand from the mobile industry), it is difficult to quantify the market opportunity precisely.

In January 2015 the reputed analyst company IHS ranked the top 10 technologies transforming the world, and biometrics and sensors were two of those listed. This confirms IDEX's experience that the market opportunity for fingerprint sensors is opening across all three target mass markets.

IDEX has very strong IP and technology, positioning the Company to take a significant share of this market with its product roadmap, including both swipe and touch sensors. The acquisition of a world-leading software algorithm and key patents for small area fingerprint touch sensors provides IDEX with a key competitive advantage. As touch sensors continue to get smaller, more advanced algorithms become critical in order to deliver reliable fingerprint matching performance.

To successfully bring the technology to market, IDEX has entered into a range of partnerships with first-tier 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, these partners have deep customer relationships with OEMs, providing a channel to market and broad distribution of IDEX products. IDEX expects to continue building first-tier partnerships across the value chain to address opportunities in all three mass markets.

IDEX has shipped both the Cardinal and the Ciris sensor to customers in small volumes. The Company expects to start sampling its new off-chip touch sensor, Eagle, in the first half of 2015. IDEX believes this sensor will have very strong biometric performance, as well as a significant cost advantage due to the innovative off-chip architecture. The next step in IDEX's product roadmap is to implement sensors in glass. The Company believes that this revolutionary sensor implementation is unique to IDEX and may provide the ultimate solution for integration of fingerprint recognition

¹¹Nilsen Report – Payment Cards Worldwide 2012 – 2017, 2013
(http://www.nilsenreport.com/publication_chart_and_graphs_archive.php?1=1&year=2013;30.04.15)

¹² ABI Research - Internet of Everything Market Tracker, 2014, (<https://www.abiresearch.com/press/the-internet-of-things-will-drive-wireless-connect;30.04.15>)

in mobile devices, and the in-glass product is currently in the product development phase. Strong partnerships enable delivery of this new family of sensors to first-tier handset manufacturers.

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 is in the phase of commercialising the technology for sensors in cards.

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 the Company's differentiated road map underpinned by a strong patent position that is now building customer traction.

IDEX expects 2015 to show continued rapid growth and adoption for biometric authentication, with IDEX establishing a foothold as one of very few serious contenders. IDEX now has a robust financial base for pursuing the commercial opportunities ahead.

Factors that may impact IDEX's business

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

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

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

Competitors

There are only a few significant competitors offering fingerprint sensors to the consumer markets and applications. The main competition for IDEX is from companies offering fingerprint sensors for high-volume products. The most significant companies in this segment are Apple (through the acquisition of AuthenTec, Inc.)¹³, Fingerprint Cards AB¹⁴ and Synaptics, Inc.¹⁵ (through the acquisition of Validity Sensors). These companies have until fairly recently mainly supplied to the laptop and PC peripherals market. The fingerprint structure is measured by injection and pick up of an electrical signal. Apple/AuthenTec and Fingerprint Cards rely on silicon chip technology, while Synaptics/Validity offers off-chip fingerprint sensors. It is anticipated that the major consumer electronic device players will require dual sources hence, with the limited number of vendors, the market opportunity for IDEX is significant.

AuthenTec and Validity have shipped most of the total volume to the PC industry.

¹³ Apple company website, (www.apple.com, 30.04.15)

¹⁴ Fingerprint Cards company website (www.fingerprint.com, 30.04.15)

¹⁵ Synaptics company website (www.synaptics.com, 30.04.15)

AuthenTec Inc. was a public company listed on the NASDAQ stock exchange. Apple Inc made a successful bid for AuthenTec in July 2012, and acquired the company in October 2012 for over \$350 million. Apple has developed and is implementing AuthenTec's technology in Apple products through the Touch ID.

Validity Sensors, Inc., a privately-held company, specializes in fingerprint authentication solutions. In 2008-2010 Validity gained larger market shares especially in the laptop markets. Validity's non-silicon sensor differs from most other swipe sensors. Validity sold 30 million sensors to the PC industry, mainly to Hewlett-Packard. Validity has a two part sensor approach (off-chip) that is similar to that utilised by IDEX. Validity was acquired by Synaptics Inc. in October 2013 for over \$250 million following a successful bid in September 2013. Synaptics is a leading supplier of capacitive touchscreen semiconductors and other sensing solutions to the mobile market and it is understood that the rationale was the expected rapid growth of the mobile market for fingerprint sensors and the convergence of touchscreen technology. Synaptics has supplied fingerprint sensors to Samsung Mobile.

Fingerprint Cards AB develops, produces and markets biometric technology. The company has its head office in Gothenburg, Sweden and is listed on Nasdaq OMX Stockholm. The company provides low-cost silicon-based fingerprint sensors to the mass market mobile handset and laptop computer market. The company has been first to market with low cost swipe sensors for the mobile market and has announced several design wins and orders in the Far East market. The company has recently introduced several touch sensors for mobile applications, and has announced several design wins.

In addition to the more established players that have traditionally supplied the laptop market, and more recently have begun to supply the mobile market, there are several new Far East players who have emerged.

Egis Technologies Inc.¹⁶ is headquartered in Taipei, Taiwan, with an office in Hangzhou, China. EgisTech is offering complete solutions containing its data security and biometric software suites. EgisTech has integrated sensors for Lenovo's K43 and E43 notebook series.

Goodix¹⁷, formally known as Shenzhen Huiding Technology Co Ltd, is a Chinese company in the area of research and development of human-computer interaction technologies, including but not limited to chip design, software development, and touch screen solutions.

Sonavation¹⁸ is a provider with a bespoke acoustic sensing principle.

Next Biometrics¹⁹ is new entrant with a thermal sensing principle. The company markets sensors that are somewhat larger than the capacitive sensors the market has seen inserted into mobile handsets (e.g. Apple, Samsung). The company has started to ship sensors to customers.

IDEX has a strong advantage against its competition related to the Company's technology, IP and patent portfolio. IDEX owns or holds exclusive rights to an extensive portfolio of basic patents of

¹⁶Egistech company website (<http://www.egistec.com/company/aboutegistec.html>; 30.04.15)

¹⁷ Goodix company website (<http://www.goodix.com>; 30.04.15)

¹⁸ Sonavation company website (<http://www.sonavation.com>; 30.04.15)

¹⁹ Next Biometrics company website (<http://www.nextbiometrics.com>; 30.04.15)

early priority dates. The patents are required to realize high performance, small sized, low cost fingerprint sensors. The IP portfolio also includes key design features as well as hardware and software blocks. The SmartFinger sensor products offer several competitive advantages when it comes to biometric performance, design versatility and usability. These qualities are all related to product features enabled by IDEX's patents and other IP and know-how. In particular, IDEX's two part sensor enables low cost implementation such as Chip on Flex (i.e. using a cheap flexible conductive material as the sensor array) which leverages mass produced materials and capabilities and does not require exotic technology.

IDEX's main competitors have made further progress in commercialization of their product as compared to IDEX. Apple has inserted its fingerprint sensor in several models of iPhones and iPads, and Synaptics has supplied Samsung Mobile with fingerprint sensors in volume. Fingerprint Cards has until recently mainly addressed commercial markets with its area sensor products, but has over the last 12 months commenced volume shipments of fingerprint sensors into the mobile market.

4.11 Organisational Structure

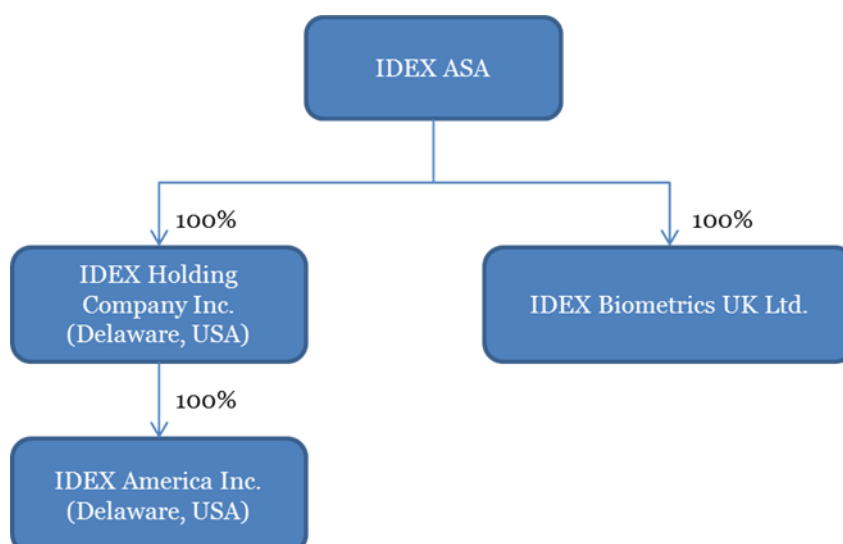
The IDEX Group comprises the parent company IDEX at Fornebu, Norway and the wholly-owned US subsidiaries IDEX Holding Company, Inc. and IDEX America Inc. IDEX America Inc. is owned indirectly through IDEX Holding Company, Inc. In addition IDEX Biometrics UK Ltd, a UK based entity, was established in 2014. All IP and IPR are held by IDEX and, for this reason, IDEX is the entity in the IDEX Group entering commercial agreements. There are presently fifty-two members of staff in the Group, of which 26 are employed by or on contract with IDEX ASA and situated at Fornebu, Norway. There are 22 staff members in IDEX America Inc., while there are three staff members in IDEX Biometrics UK Ltd.

In September 2013, IDEX acquired certain assets and intellectual property of PicoField Technologies, Inc., a US company engaged in touch fingerprint sensor design and development tailored for consumer devices. Three PicoField employees have been employed by IDEX America Inc.

The employed staff is supplemented by contracted specialists and outsourced services. Presently, IDEX has six technical/scientific individual contractors that work full time or regularly as part of the development team, and additional technical experts are contracted as and when needed, who all form an integral part of IDEX's organization. Three independent sales representatives work on contracts.

In January 2014, IDEX established a Strategy Advisory Council with the mandate to advise the Company on market, technology and strategic trends in the rapidly developing mass market for fingerprint sensors.

The foregoing Group structure is illustrated as follows:



4.12 Property, Plant and Equipment

The IDEX Group does not own any real property. IDEX rents general office premises at Martin Linges vei 25, NO-1364 Fornebu, Norway. The gross size (Norwegian: BTA) of the rented area is 680 square meters. The facilities are used for administrative, research and development, and sales and marketing functions.

IDEX America Inc. rents office facilities at Three Highwood Drive, Suite 102W, Highwood Office Park, Tewksbury, Massachusetts 01876, which consist of 3,285 square feet.

IDEX America Inc. also rents three suites at a Regus location at 6200 Stoneridge Mall Road, Suite 300, Pleasanton, CA 94588 United States.

In December 2013, IDEX opened a representative sales office in Hong Kong. The Hong Kong sales office is a shared front-office service jointly with Global Era Limited. No assets are held in Hong Kong.

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

IDEX America Inc. holds tangible assets such as facility upgrade investments, and laboratory, IT and office equipment. Virtually all of these assets are located at the Boston development centre.

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

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

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

5 FOUNDER, BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

5.1 Founders

The founders of IDEX were ISM AS and Svein Mathiassen, who established IDEX on 24 July 1996.

5.2 Board of Directors and Management, Other Corporate Bodies

Board of directors

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

At the general meeting of shareholders, the board members are elected to serve for a term of two years from the time of election. There are presently five board members including the chairman. The chairman Morten Opstad and board members Frode Haugli, Hanne Høyding and Toril Nag were elected at the 2013 annual general meeting for a period of two years. At the 2014 annual general meeting, Andrew James MacLeod was elected for a period of two years.

Morten Opstad, Chairman

Mr. Opstad has served as chairman of the board in IDEX since March 1997. Mr. Opstad is a partner and chairman of the board in Advokatfirma Ræder DA in Oslo. He has rendered legal assistance with respect to establishing and organising several technology and innovation companies within this line of business. His directorships over the last five years include current positions as chairman of the board of directors in the publicly listed companies Thin Film Electronics ASA and Cxense ASA, as well the following other board positions: Glommen Eiendom AS (chairman), Chaos AS and K-Konsult AS. Mr. Opstad had a previous directorship in Total Sports Online AS (chairman). Mr. Opstad has a legal degree (Cand.Jur.) from the University of Oslo from 1979. He was admitted to the Norwegian Bar Association in 1986. Mr. Opstad was born in 1953, is a Norwegian citizen and maintains a business address at Henrik Ibsens gate 100, NO-0230 Oslo, Norway.

Frode Haugli, Board Member

Mr. Haugli has served on the board of IDEX since May 2013. Mr. Haugli works as professional board member and management consultant. He holds a Master's degree in business management from the Oslo Business School (Handelsakademiet) and has attended management studies at Henley Business School and the Solstrand programme of the Institute for Administrative Research (AFF) at the Norwegian School of Economics and Business Administration. In 2006-2010 he was CEO for Software Innovation AS (formerly ASA and publicly listed). Previously, Mr. Haugli worked for Hewlett-Packard where he was president for the Norwegian operations and also managed the Nordic, Benelux and Baltic business. Mr. Haugli is a board member of the following companies: Interplaza AS, Imatis AS, Bluegarden AS, Netledger AS, Offpiste AS (Chairman), Phonect AS, and Edorf Invest AS (Chairman). Former board positions, over the five years preceding the date of this Prospectus, include: Basefarm AS (Chairman), Digitalpenn AS (Chairman), Network Norway AS, Selmer Holding AS, Sysco AS, Elixia AS, Virke Trening (Chairman) and Snarøya Sportsklubb. Mr. Haugli was born in 1960, is a Norwegian citizen and maintains a business address at Skipperstien 9, 1367 Snarøya, Norway.

Hanne Høvding, Board Member

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

Andrew James MacLeod, Board Member

Mr. MacLeod has served on the board of IDEX since May 2014. Mr. MacLeod is CTO for Vodafone plc.'s Africa, Middle East and Asia-Pacific region, responsible for all technology activities in the operating companies in the region. He holds an MBA from Warwick Business School, is a Chartered Engineer (metals, materials and mining) and has also an MA (metallurgy and material science) from Keble College, Oxford University. Previously, Mr. MacLeod was Group Chief Networks Officer at Vodafone responsible for its network policy and operational activities world-wide. He has since the early 1990s held CEO, COO and CTO positions at major telecommunication companies. He is a board member of Vodafone Australia and Indus. Mr. MacLeod was born in 1957, is a British citizen and maintains a business address at Vodafone Group Services Limited, Vodafone House, The Connection, Newbury, Berkshire RG14 2FN United Kingdom.

Toril Nag, Board Member

Ms. Nag has served on the board of IDEX since May 2013. Ms. Nag is executive vice president for the telecom business in Lyse Energi AS, an energy and telecom company. She holds a Master's degree (Honours degree) in Computer Science from University of Strathclyde and management training from Norwegian Business School BI. Ms. Nag has for about 15 years held various senior management positions in the technology and telecom industries, the financial industry and audit, inter alia Tandberg (now: Cisco), Telia, KPMG and Fokus Bank (now: Den Danske Bank). Ms. Nag was a board member in Tandberg Television ASA 2005-2007. Current board positions include: Hadeland og Ringerike Bredbånd AS, Lyse AS, Lyse Smart AS, Norsk Eiendomsinformasjon AS, Lyse Produksjon AS and Dolphin Group ASA. She is the chairman of Bergen Fiber AS, Lyse Kraft AS, Viken Fiber Holding AS, Lyse Fiber AS, Telekom Holding AS, Nor-Alarm AS, Altibox AS, Lyse IT AS and Viken Fiber AS. Ms. Nag was born in 1964, is a Norwegian citizen and maintains a business address at Gravarslia 55, 4327 Sandnes, Norway.

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

There are no family relationships among the Board members and no Board member has a family relationship with any member of the management or key employees. IDEX' Senior Vice President of Operations, Ms. Preeti Mardia, is the wife of the Company's CEO, Dr. Hemant Mardia. It is noted that prior to being employed as Senior Vice President of Operations as of 1 July 2014, Ms. Mardia was retained as a consultant to IDEX from February 2014. There are no other family relationships among the management and the key employees or between these groups of employees and a member of the board.

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

Management

Hemant Mardia, Managing Director/CEO and Acting Chief Tehnology Officer/CTO

Dr. Mardia serves as Managing director of IDEX and CEO for the group. He joined IDEX in March 2013 on a part-time basis and on a full-time basis from 1 August 2013. Dr. Mardia became Managing director/CEO as of May 2013. Dr. Mardia has also served as acting Chief Technology Officer/CTO since 31 March 2015 (at which time the former CTO, Ralph W. Bernstein, ceased serving in this role), which position will be held pending the appointment of a permanent Chief Technology Officer/ CTO. Dr. Mardia was President and founder of Axxcss Wireless Ltd., a subsidiary of the Moseley Wireless Group for the period from October 2012 to July 2013. Dr. Mardia was formerly CEO of Filtronic Plc, a London Stock Exchange listed business in the telecoms sector, for five years up to July 2013, and his career includes various management roles in telecoms, security and defense equipment companies. Dr. Mardia holds a Ph.D in electronics. Dr. Mardia was born in 1961, is a British citizen and maintains a business address at Martin Linges vei 25, NO-1364 Fornebu, Norway.

Fred Benkley, Chief Technology Officer IDEX America Inc.

Mr. Benkley has served as Chief Technology Officer at IDEX America Inc. since September 2013. He has over thirty years of experience in the semiconductor technology and biometrics industries. Mr. Benkley founded PicoField Technologies in 2010 where he developed a touch fingerprint sensor technology, which was acquired by IDEX in 2013. Mr. Benkley founded Validity Sensors in 2002 where he developed and patented the world's first off-chip flex fingerprint sensor. Validity was acquired by Synaptics in 2013 for USD 255 million. Prior to Validity, Mr. Benkley founded Metro Engineering, which developed a variety of industrial and consumer products under OEM contact. From 1978 to 1991, Mr. Benkley worked for Analog Devices developing products for the semiconductor industry. Mr. Benkley has filed more than 25 patents, 14 of which have been granted. He holds a B.S. in Electrical Engineering from Northeastern University. He currently serves on the Board of Directors of Covenant Christian Academy Peabody, MA, North Shore United Pentecostal Church Danvers, MA and PicoField Technologies, Inc. Mr. Benkley was born in 1957, is a United States citizen and maintains a business address at Three Highwood Drive, Suite 102W, Highwood Office Park, Tewksbury, Massachusetts, 01876, USA.

Thar Casey, President IDEX America Inc.

Mr. Thar Casey serves as the President of IDEX America Inc. Recently, Mr. Casey served as President and CEO at PicoField Technologies, Inc. which was acquired by IDEX in September 2013. He is a veteran entrepreneur with strong background in operations, finance and extensive experience in developing leading technology based companies from product concept to high volume manufacturing. He co-founded Insound Medical and served as its CFO and Vice President of Operations. The company was acquired by Sonova-Phonak in 2011 for a total of USD 169 million. Earlier, he co-founded Prenateck, a fetal heart rate monitor, serving as its CEO; founded Phantom IT Solutions also as CEO and served as Vice President of Finance at the Monterey Bay Bank. In the last five years, Mr. Casey was a board member of Phantom IT Solutions, Inc and West Coast Pentathlon. He currently serves on the Board of Directors for PicoField Technologies, Inc. and Systems Technology Resources, Inc. Mr. Casey holds a BSc degree in Business Administration from California State University, Hayward. Mr. Casey was born in 1963, is a United States citizen and maintains a business address at 6200 Stoneridge Mall Road, Suite 300, Pleasanton, California, 94588, USA.

Larry Hattery, Vice President Software Engineering

Mr Hattery joined IDEX as Vice Preseident of Software Engineering in June 2014. Previously, he served as Vice President of Software at Validity, Inc. since 2006, where he was responsible for

software product engineering, OEM security integrations, and lifecycle support for Windows, Android and embedded solutions. Mr. Hattery brings over twenty years of leadership experience in building software for high-volume devices. While at Validity, he worked with the CTO to establish the FIDO Alliance based on secure authentication methods they invented and patented. Mr. Hattery also built the software team from a few developers in 2006 into a globally distributed, world-class production team shipping more than three million units per month. Prior to joining Validity, Mr. Hattery was founder and President of TriplePoint, Inc. where he worked for 15 years providing software development services to leading silicon, hardware and software companies worldwide. He currently is a board member of TriplePoint, Inc. Mr. Hattery graduated from Montana State University in 1984 with a BSc in Computer Science, and continued post-graduate studies at Oregon Graduate Institute while working for Tektronix. Mr. Hattery was born in 1954, is a United States citizen and maintains a business address at Three Highwood Drive, Suite 102W, Highwood Office Park, Tewksbury, Massachusetts, 01876, USA.

Henrik Knudtzon, Chief Financial Officer (CFO)

Mr. Knudtzon joined IDEX as Chief Financial Officer (CFO) in August 2014. Prior to joining IDEX, Mr. Knudtzon was a Director at the private equity firm Herkules Capital, where he worked for six years in a range of industries, including in the technology, finance and retail. From 2004 to 2008 Mr. Knudtzon was a consultant at McKinsey & Company, working primarily in Europe and the Middle East. His directorships over the last five years include former board positions in Projectiondesign AS, Gothia Financial Group, Shopex Group, Elektroimportøren AS, Hercules Capital, Micro Matic Norge AS, New Store Europe AS and Didriksons Regnkläder AB. Mr. Knudtzon holds a MSc degree in Economics and Business Administration, with a specialization in finance, from the Norwegian School of Economics (NHH). Mr. Knudtzon was born in 1980, is a Norwegian citizen and maintains a business address at Martin Linges vei 25, NO 1364 Fornebu, Norway.

Preeti Mardia, Senior Vice President of Operations

Ms. Mardia has varied executive management and operations expertise across semiconductors, telecoms, aerospace, and food industry sectors. Ms. Mardia joined IDEX ASA as Senior Vice President of Operations on a part-time basis in February 2014 and on full-time from July 2014. Ms. Mardia is a board member of Thin Film Electronics ASA. Ms. Mardia previously worked within Moseley Wireless Group and Filtronic Plc as Operations Director and established commercial and supply relationships with first-tier OEMs for mobile telecoms infrastructure and implemented a world-class highly automated electronics manufacturing plant and established global supply chain partnerships. She scaled a semiconductor foundry from technology phase to high volume manufacturing of Gallium Arsenide semiconductor devices for the mobile handset, aerospace, and base-station markets. Ms. Mardia has experience in fastmoving consumer goods, in manufacturing, product development and quality assurance with Cadbury Schweppes Plc. Ms. Mardia holds a degree in Food Science & Technology and is completing her Masters Degree in Executive Management at Ashridge, UK. Ms. Mardia was born in 1967, is a British citizen and maintains a business address at the Fold, Ridding Dower, Ridding Lane, HG 3 ILL, Harrogate, England.

Art Stewart, Senior Vice President Product Management

Mr. Stewart joined IDEX in January 2015 as Senior Vice President of Product Management. Following an engineering design background in government communications systems, Mr. Stewart started his career in biometrics with technology start-up AuthenTec in 2002. He lead AuthenTec's early push into mobile systems resulted in the world's first high-volume biometrically-enabled cell phones on the docomo network, and established an early beachhead for the company in Asia for continued mobile expansion. He held several executive-level positions in the company, Vice

President of Business Development, Vice President of Global Sales - driving revenues to result in AuthenTec's IPO on the NASDAQ, and as Vice President and General Manager of Mobile and PC Smart Sensor Solutions, leading the team that begun AuthenTec's engagement with Apple. Following AuthenTec's acquisition by Apple, Mr. Stewart was recruited by Synaptics, to lead its technical diligence activities for migration from an established touch-based control business to touch-based identity business, and resulting in Synaptics's acquisition of Validity Sensors. Post acquisition of Validity, Mr. Stewart was appointed to Vice President of Product Management for Synaptics's Biometrics Product Division. Mr. Stewart has been a representative on the board of directors for the FIDO Alliance, and currently serves on the board of the Biometrics Institute. Mr. Stewart was born in 1956, is a United States citizen and maintains a business address at 6200 Stoneridge Mall Road, Suite 300, Pleasanton, California, 94588, USA.

Erling Sveta, Vice President Finance

Mr. Sveta served as IDEX's chief financial officer (CFO) 2008-2014, when he assumed the position of Vice President for Finance. From 2006 until 2011 Mr. Sveta was also on part-time basis the CFO of Thin Film Electronics ASA, which is listed on Oslo Børs. From 2006 to 2008, he was CFO and corporate vice president in Kitron ASA, a company listed on Oslo Børs. Previously, he was finance director in Opticom AS and Thin Film OldCo AS, and earlier he worked for Elkem, Thorn EMI and Hewlett-Packard. Mr. Sveta holds an MSc. in Forest Economy and Management from the Norwegian University of Life Sciences (1985), an MBA from Henley Business School and he is a certified European financial analyst from the Norwegian School of Economics and Business Administration. He has also completed the IFRS Academy by the Norwegian Institute of Public Accountants. Mr. Sveta was born in 1958, is a Norwegian citizen and maintains a business address at Martin Linges vei 25, NO-1364 Fornebu, Norway.

Kristian Wiermyhr, Vice President of Strategy and Sales

Mr. Wiermyhr joined IDEX in August 2012 to support and advice the company on strategic partner projects. He was appointed Vice President of Strategy and Sales in January 2013. He has more than twenty years' experience in the financial sector in Norway and internationally. Mr. Wiermyhr has extensive experience in investment banking, portfolio management and proprietary trading. Mr. Wiermyhr has served as a senior partner at investment banks RS Platou Markets and ABG Sundal Collier. Mr. Wiermyhr was born in 1970, is a Norwegian citizen and maintains a business address at Martin Linges vei 25, NO-1364 Fornebu, Norway.

Offences or other incidents

None of the members of the Board or management have for the last five years been subject to convictions in relation to fraudulent offences or been involved in any bankruptcies, receiverships or liquidations. None of the members of the Board or management has been involved with any public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor has any of them been disqualified by a court from acting as a member of the administrative management or supervisory body of a company or from acting in the management or conduct the affairs of a company for the last five years.

Board committees

The Company does not have any other sub-committees to the Board. The full Board serves as the audit committee. Reference is made to Section 5.6 below.

Nomination committee

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

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

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

The members of the nomination committee are: Harald Voigt (chairman), Larry Ciaccia and Christian Rust Tveten. Messrs. Ciaccia and Tveten were elected by the 2014 Annual General Meeting for a period of two years. Mr. Voigt was elected by the 2013 Annual General Meeting for a period of two years.

5.3 Conflicts of Interest

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

Lupum AS, which is a shareholder in IDEX and is controlled by Kristian Wiermyhr, provided services performed by Kristian Wiermyhr to the Company from 1 August 2012 until 30 June 2013. As of 1 July 2013 Mr. Wiermyhr has been employed in the Company as Vice President of Strategy and Sales, on arms-length terms for such position.

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

5.4 Remuneration and Benefits to the Board of Directors and Management

Board remuneration

At the 2014 Annual General Meeting it was resolved that the chairman of the Board, Morten Opstad, should receive NOK 225 thousand while Jon Ola Frankplads (former Board member), Frode Haugli, Hanne Høvding, and Toril Nag should each receive a remuneration of NOK 185 thousand for serving as a Board member from the date of the 2013 Annual General Meeting until the date of the 2014 Annual General Meeting. The Board members had an opportunity to elect to receive all or part of the board remuneration in the form of shares. Board member Frode Haugli elected to receive parts of the board remuneration in shares and IDEX issued 20,116 shares to Mr. Haugli instead of NOK 85,000 in cash consideration. Board member Hanne Høvding elected to receive the full board remuneration in shares and IDEX issued 43,781 shares to Ms. Høvding instead of the cash board remuneration amounting to NOK 185,000. Mr. Haugli and Ms. Høvding paid a subscription price of NOK 0.15 per share. The shares issued as board remuneration are locked up until the earliest of the date of the annual general meeting in 2015 and 30 June 2015.

There is no remuneration to any board member from IDEX Holding Company Inc., IDEX America Inc. or IDEX Biometrics UK Ltd.

The accumulated number of issued and outstanding shares and subscription rights to Board members in the Company is presented in Section 5.7 of the Prospectus.

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

Advokatfirma Ræder DA, in which Morten Opstad is a partner, is the Company's current legal counsel. In 2012, 2013 and 2014, IDEX expensed fees from Advokatfirma Ræder DA in the amount of NOK 2,425 thousand, NOK 3,101 thousand and NOK 3,418 thousand respectively (amounts excluding VAT). Remuneration to Mr. Opstad for his service as chairman has not been included in the foregoing amounts.

Remuneration and benefits to management

The following remuneration was earned by the management in 2014:

Management remuneration NOK 1,000	Salary	Incentive pay (bonus)	Other benefits	Pension cost	Share- based remune- ration	Total remune- ration
Hemant Mardia, CEO	2 478	2 250	4 incl. in salary		1 990	6 722
Ralph W. Bernstein, CTO (1)	1 525	-	12	20	354	1 911
Fred Benkley, CTO IX America	1 285	173 incl. in salary		-	650	2 108
Thar Casey, President IX America	1 489	339 incl. in salary		-	650	2 478
Larry Hattery, VP Softw Eng (2)	778	- incl. in salary		-	108	886
Henrik Knudtzon, CFO (3)	656	-	5	8	1 870	2 539
Preeti Mardia, SVP Operations (4)	1 305	95	5	-	631	2 036
Erling Svela, VP Finance	1 346	63	12	20	84	1 525
Kristian Wiermyhr, VP Sales	1 401	520	12	19	382	2 334

Notes:

(1) Until 31 March 2015

(2) AS of 1 June 2014

(3) As of 4 Aug. 2014

(4) Parttime Feb.-Jun. 2014

Salary and other benefits in the table above are the amounts declared for income tax purposes plus accrued but not paid cash incentives for 2014, while pension contribution and share based remuneration are the expensed amounts. All amounts are excluding payroll taxes. The mandatory service pension scheme is the same as for all employees in IDEX, but for Hemant Mardia, and is a fully insured defined contribution scheme. There is no pension contribution other than the contribution to the mandatory service pension scheme (Norwegian: obligatorisk tjenestepensjon). IDEX pays a contribution towards Dr. Mardia's personal UK-based plans, which contribution amounts to the same amount as the cost of him being a member of the Norwegian plans.

The parent company provides a contribution-based pension insurance scheme for all its employees. The scheme satisfies the mandatory service pension (obligatorisk tjenestepensjon, OTP) in Norway. The contribution is 2 per cent of the employee's annual salary between 2G and 12G. G is the basic amount in the Norwegian social security system, and amounted to NOK 88 thousand in 2014. The pension scheme is a fully insured, defined contribution plan.

Employees of IDEX America Inc. are offered coverage in an insured health plan where the employee selects coverage level and inclusion of any family members, and the employee pays the full pre-tax premium. IDEX America Inc. contributes a salary supplement up to USD 1,800 per

employee per month, depending on family status and chosen plan options. IDEX America Inc. does not offer or plan to offer any pension plans.

Employees in IDEX Biometrics UK Ltd. have a pension plan in which IDEX pays a contribution towards the employees' personal UK-based plans, which contribution amounts to the same amount as the cost of being a member of the Norwegian plans.

The pension schemes are fully insured defined contribution plans, and there are no other retirement or similar post-employment benefit obligations. Consequently, there are no pension plan-related assets or liabilities in the Group's balance sheet.

The accumulated number of outstanding subscription rights to members of management is presented in Section 5.7 below.

Dr. Mardia, the CEO, is entitled to a severance pay equal to his monthly salary in the event that the Company gives termination notice, during the notice period and for three months thereafter. Each of Mr. Casey and Mr. Benkley is entitled to a severance pay equal to their respective base salary for a minimum of six months following termination, if their employment is terminated by IDEX without cause. If terminated without cause during the initial two year-period of employment, each of Mr. Casey and Mr. Benkley is entitled to continuation of the base salary for the balance of the initial two year term.

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

5.5 Employees and contractors

Employees

As of the date of this Prospectus, there are 43 employees in the Group, of which 20 are employed by IDEX and situated at Fornebu, Norway. There are 19 employees in IDEX America Inc., 13 located in Boston, Massachusetts and 6 located in Silicon Valley, California. In addition, 4 employees are employed by IDEX Biometrics UK Ltd.

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

Average number of employees	1 January -31 December 2014	1 January -31 December 2013	1 January -31 December 2012
Average number of employees in the period	35	13	13

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

The working environment at IDEX is pleasant, stimulating and safe, and beneficial for all employees. The working environment complies with the relevant laws and regulations. No specific

actions have been considered necessary. There have not been any injuries to the Company's employees at the place of work causing absence from work and no significant incidents involving the Company's assets have occurred. The sick leave has been 2 per cent or less in each year 2012-2014. There have not been any indications that any sick leave relates to the work or workplace.

Contractors

The employed staff is supplemented by contracted specialists and outsourced services. Presently, IDEX has 11 technical/scientific individual contractors that work full time or regularly as part of the development team, and additional technical experts are contracted as and when needed. 2 independent sales representatives work on contracts. The service agreements have fixed terms up to 6 months or conventional notice periods.

In January 2014, IDEX established a Strategy Advisory Council with the mandate to advise the Company on market, technology and strategic trends in the rapidly developing mass market for fingerprint sensors. The Strategy Advisory Council comprises Mr. Larry Ciaccia, former CEO of AuthenTec, Inc.; Mr. Michael Barrett, president of the FIDO Alliance; Fred Benkley, CTO of IDEX America Inc.; and Dr. Hemant Mardia, CEO of IDEX. IDEX intends to attract further strategic industry leaders to the Strategy Advisory Council to provide broad market insight.

None of the Board members have any ongoing assignments beyond board duty and there are no future commitments for any such services.

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

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

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

5.6 Board Practices and Corporate Governance, Nomination Committee

Corporate Governance

The Company's corporate governance practices were last updated on 16 April 2015 and is based on and complies with the Norwegian Code of Practice for Corporate Governance ("Code of Practice") dated 30 October 2014. The Code of Practice is a comply or explain guideline and the Board will state and explain any deviation by the Company from the recommended guidelines in the annual report. IDEX posts its corporate governance statement on its website and in the annual report.

At the date of this Prospectus, the Company does not comply with Section 9 in the Code: The Company does not have sub-committees to the Board. With a compact Board of only five members, the Board has not determined a need for sub-committees to date. The full Board undertakes the tasks of the audit committee. The future need for any further sub-committee(s) is reviewed minimum annually in connection with the annual review of the Company's corporate governance practices.

Board sub-committees

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

Audit committee

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

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

Compensation committee

The full Board undertakes the tasks of a compensation committee. The management compensation policy is reviewed annually. The full Board determines the remuneration of the Managing Director and determines the overall salary framework. The remuneration of the Managing Director's direct reports must be approved by the Chairman of the Board. The Board remuneration and the remuneration of the nomination committee is the responsibility of the nomination committee.

Nomination committee

The nomination committee is elected by the annual general meeting, and has the following members: Harald Voigt (chairman), Larry Ciaccia and Christian Rust Tveten. The nomination committee shall prepare and present proposals to the Annual General Meeting in respect of the following matters:

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

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

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

Names and positions	Number of shares	Number of incentive subscription rights
Board		
Morten Opstad, Chairman	6 867 165	0
Frode Haugli, Board Member	176 366	0
Hanne Høvdning, Board Member	268 006	0
Andy McLeod, Board Member	231 000	0

Toril Nag, Board Member	0	0
Management		
Hemant Mardia, CEO	265 625	6 500 000
Fred Benkley, CTO of IDEX America Inc.	0	850 000
Thar Casey, President of IDEX America Inc.	0	850 000
Larry Hattery, VP of Software Engineering	0	175 000
Henrik Knudtzon, CFO	0	1 500 000
Preeti Mardia, SVP Operations	0	500 000
Art Stewart, SVP Product Management	0	750 000
Erling Svela, VP Finance	203 167	0
Kristian Wiermyhr, VP Strategy and Sales	3 762 235	3 000 000

20,116 of Mr. Haugli's shares and 43,781 of Ms. Høvdning's shares, which were issued as board remuneration for the period from the date of the annual general meeting in 2013 to the date of the annual general meeting in 2014, are locked up until the earliest of the date of the annual general meeting in 2015 and 30 June 2015.

5.8 Related Party Transactions

Morten Opstad, Chairman of the Board, is a partner in Advokatfirma Ræder DA, which serves as legal counsel to IDEX. The fees to Advokatfirma Ræder DA have been disclosed in the annual and interim financial reports referenced below. In 2012, 2013 and 2014, IDEX expensed fees from Advokatfirma Ræder DA in the amount of NOK 2.4 million, NOK 3.1 million and NOK 3.4 million respectively (amounts excluding VAT).

Lupum AS, which is a shareholder in IDEX and is controlled by Kristian Wiermyhr, provided services conducted by Kristian Wiermyhr to the Company until 30 June 2013. As of 1 July 2013 Mr. Wiermyhr has been employed in the Company as Vice President of Strategy and Sales. For the first half of 2013, the fees to Lupum AS amounted to NOK 480 thousand. The board resolved on 30 August 2012 to grant 3,000,000 incentive subscription rights to Kristian Wiermyhr under IDEX's 2012 subscription rights plan as resolved at the Annual General Meeting on 15 May 2012. Fees paid to Lupum AS in 2012, and incentive subscription rights granted to Kristian Wiermyhr in 2012, are specified in the annual financial report for 2012 referenced below.

Hemant Mardia, IDEX's CEO, was retained as a consultant to IDEX in a part time (20 per cent) position from 28 February 2013. Mr. Mardia was formally appointed CEO of IDEX on 20 May 2013, and the employment agreement commenced on a full-time basis as of 1 August, 2013. The Board resolved on 28 February 2013 to grant 1,000,000 SRs to Hemant Mardia, who subsequently became CEO as of May 2013, under the Company's 2012 incentive subscription rights plan. The exercise price of the SRs was NOK 1.23 per share.

On 28 February 2013 IDEX entered into an agreement with Robert N. Keith under which he will assist the Company in strategic analysis and in dealing with larger, international, prospective partners. As remuneration for his services, Mr. Keith was granted 2,000,000 incentive subscription rights on 28 February 2013, under the Company's 2012 incentive subscription rights plan. The exercise price of the SRs was NOK 1.23 per share. Mr. Keith received no other remuneration for his services in 2013. In fourth quarter 2014 IDEX entered into an addendum to the service agreement with Mr. Keith, pursuant to which Mr. Keith will be paid NOK 2.0 million per year for his services in 2014-2016.

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

Charles Street Services Limited (CSSL) assisted IDEX in the book building and placement of shares in a private placement on 8 November 2012. CSSL received a commission on funds raised in the private placement where CSSL facilitated and procured such investment. The commission amounted to NOK 335 thousand.

The Board resolved on 22 April 2013 to carry out a private placement by book building. Primary insiders and related parties were allocated shares as follows: K-Konsult AS (controlled by Chairman Morten Opstad): 187,500 shares, Board member Jon Ola Frankplads: 80,000 shares, Edorf Invest AS (controlled by Board member Frode Haugli): 156,250 shares, Board member Hanne Høvdning: 31,250 shares, then Board member Joan Frost Urstad: 3,125 shares, CEO Hemant Mardia: 265,625 shares, Lupum AS (controlled by then adviser, now employee, Kristian Wiermyhr): 187,500 shares.

The number of shares and incentive subscription rights held by members of the Board and management are set out in Section 5.7 above.

There is a Service Agreement in place between IDEX and IDEX America Inc. Under this agreement, IDEX retains IDEX America Inc. to provide marketing and operational services as well as technical development services to IDEX. IDEX America Inc. will market and promote, but not sell, the IDEX brand, business, products and services in North America. In return for receiving the services, IDEX pays IDEX America Inc. an amount equal to IDEX America Inc.'s total operating costs connected to such services plus a mark-up.

There is also a Service Agreement in place between IDEX and IDEX Biometrics UK Ltd. Under this agreement, IDEX retains IDEX Biometrics UK Ltd. to provide management and operations services. IDEX Biometrics UK Ltd will not sell the IDEX brand, business, products and services in any geography. In return for receiving such services, IDEX pays IDEX Biometrics UK Ltd. an amount equal to IDEX Biomtrics Ltd.'s total operating costs connected to such services with a mark-up.

Related party transactions are specified in accordance with IFRS in the notes to the financial statements, as follows: financial statements 2012, Note 14; financial statements 2013, Note 7; and financial statements 2014, Note 7.

There are no other related party transactions than those described above. Related party transactions have been concluded on arm's length basis.

6 OPERATING AND FINANCIAL INFORMATION

The Group's operations and financial results and status have been presented in the annual reports for each year and in the quarterly interim reports. The financial statements for 2012, 2013 and 2014 are incorporated in this Prospectus by reference, see Section 8.2. The financial statements also show the parent company's financial results separately. No interim financial reports have been issued since the audited statements for 2014 were issued.

6.1 Financial reports and auditor's reports

The parent company, IDEX ASA, was established in 1996. The IDEX Group was formed in January 2007 when IDEX established its US subsidiary group, which, however, was inactive in 2010-2012 and was dissolved on 30 November 2012. In September 2013 a new US subsidiary group was formed comprising IDEX Holding Company Inc. with its subsidiary IDEX America Inc. The financial situation of the Group has been presented in the annual reports since incorporation and, as of the interim report for the fourth quarter of 2003, also in the interim reports. In August 2014, IDEX established the subsidiary IDEX Biometrics UK Ltd. in the UK. IDEX implemented IPRS as of the annual financial statements for 2005.

The audited IFRS consolidated financial statements for the Group and for the parent company for 2012, 2013 and 2014 including the auditor's opinions, are incorporated in this Prospectus by reference, see Section 8.2. The information in this Prospectus is based on the consolidated financial statements according to IFRS.

The auditor's opinion for 2012, 2013 and 2014 were unqualified.

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

Between 31 December 2014 and the date of this Prospectus, there has not been any significant events which has any noticeable impact on the result in the period 1 January-31 December 2014 or the value of the Company's assets and liabilities at 31 December 2014.

6.2 Historical financial information of the Group

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

The full audited report from the board of directors and annual financial statements for each of the years 2012, 2013 and 2014 are incorporated in this Prospectus by reference, see Section 8.2.

Profit and loss statements

Condensed consolidated profit and loss statements NOK 1,000	1 January-31 December 2014 (audited)	1 January-31 December 2013 (audited)	1 January-31 December 2012 (audited)
Sales and services revenue	1 423	7	1 046
Other operating revenue	91	2 519	3 460
Cost of goods sold	(852)	-	-
Payroll expenses	(56 194)	(38 029)	(17 778)
Research and development expenses	(51 298)	(17 340)	(10 747)
Other operating expenses	(19 234)	(11 146)	(9 233)
Depreciation	(2 307)	(929)	(313)
Operating profit (loss), EBIT	(128 371)	(64 918)	(33 565)
Net financial items	5 827	(87)	200
Profit (loss) before income tax	(122 544)	(65 005)	(33 365)
Income tax expense	(563)	-	-
Profit (loss) for the period	(123 107)	(65 005)	(33 365)
Time-weighted basic number of shares	406 478 449	326 183 037	281 405 296
Profit (Loss) per share basic and diluted (kr.øre)	NOK (0.30)	NOK (0.20)	NOK (0.12)
Average number of employees in the period	35	13	13

Revenue

The Group has to date earned insignificant revenue from customers on its technology and IP or products and services. In 2012 IDEX earned revenue from a feasibility study commissioned and paid by a significant firm in the biometric industry. There was only negligible revenue from IP, products or services in 2013. In 2014, IDEX commenced deliveries of samples and trial batches of sensors to customers, and earned additional revenue from related engineering services like configuration and adapted electronic interfacing. IDEX provides such extended, specific studies or technical work as a paid-for service on customers' request. Such incidental revenue related to engineering time spent are not a targeted strategic business for IDEX. IDEX's strategic intent and planned business is to earn revenue on its IP and/or products.

Other operating revenue includes project-specific government research and development grants and similar grants that represent revenue and are not classified as cost reductions. In 2011-2013 IDEX received a Norwegian government grant under the VerdIKT programme. In 2012-2014 IDEX earned a grant under EU's EuroSTARS programme. The VerdIKT project was completed in 2013 and the EuroSTARS support was depleted in 2014.

Revenue by geography NOK 1,000	1 January-31 December 2014 (audited)	1 January-31 December 2013 (audited)	1 January-31 December 2012 (audited)
Norway (incl. other ope. revenue)	91	2 519	3 460
USA	-	-	1 001
Asia	1 148	7	-
Europe	275	-	45
Total	1 514	2 526	4 506

Operating expenses

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

The significant cost increase year on year from 2012 through 2014 have basically been caused by additional staff members, the increased activity level in terms of purchases of materials and services for development activities as well as in marketing and sales, and finance and administration.

Payroll expenses include expenses for all employees whether in technical, research and development, sales and marketing, or administrative functions. The payroll expenses largely reflect the number of employees in each period, but the effect of share-based compensation is volatile and reduces the correlation. The Group operates share-based incentive schemes in the form of revolving incentive subscription rights plans resolved by the annual general meetings in the respective years. The notional cost of the share-based compensation plus the change in net present value of the employer's tax on the intrinsic value of the subscription rights at the balance sheet date, is included in payroll expenses. The notional cost varies because of grants and cancellations and over the vesting periods of each grant, and the calculated employer's tax debt varies with the share price. The mandatory service pension scheme (Norwegian: obligatorisk tjenestepensjon) is the same for all employees in IDEX and is a fully insured defined contribution scheme, which is expensed as incurred. The CEO receives a contribution to his personal scheme in the UK, corresponding to the cost if he had been included in the Norwegian scheme. Employees of IDEX America Inc. are offered coverage in an insured health plan where the employee selects coverage level and inclusion of any family members, and pays the full pre-tax premium. IDEX America Inc. contributes up to a

set amount per employee, depending on family status and chosen plan options. IDEX America Inc. does not offer any pension plans.

The average payroll expenses per employee were much higher in 2013 than in 2012 and 2014, mainly because the share price increased sharply, causing major cost accrual of calculated employer's tax. IDEX also incurs payroll tax cost upon exercise of subscription rights. The combined payroll tax effect from share-based remuneration amounted to NOK 0,3 million reversal in 2012, NOK 11.7 million cost in 2013, while there was a net reversal amounting to NOK 2.4 million in 2014.

Expenses related to research and development ("R&D") include purchased materials and components as well as external project costs for design, manufacturing, testing and other work conducted by various companies and institutions. External costs of obtaining and maintaining patents as well as incurred license fees are also included. Research costs have been expensed in accordance with IFRS. Development costs have also been expensed, until and including financial year 2013. Upon commencement of commercial shipments of Cardinal sensors in the fourth quarter of 2014, IDEX capitalised in 2014 those development expenses incurred in 2014 which were related to Cardinal. NOK 0.8 million was capitalised. All other development costs were expensed also in 2014. In the period covered by this Prospectus, the major part of the R&D expenses have related to development of various sensor technologies, products, manufacturing process, software/algorithms and other IP. External costs of obtaining and maintaining patents as well as incurred license fees are also included in the R&D costs.

The R&D expenses are shown net of the Skattefunn grants from the Norwegian government and in 2014 net of the capitalisation. The gross R&D expenses amounted to NOK 11.8 million, NOK 18.6 million and NOK 53.3 million in 2012, 2013 and 2014 respectively. The increase from 2012 through 2014 related mainly to production trials and pilot production runs as well as new ASIC designs for various SmartFinger sensors and the development of the new Eagle sensor.

Other operating expenses relate to facilities, sales and marketing activities and various administrative, financial and legal services. The cost has more than doubled from NOK 9.2 million in 2012 to NOK 19.2 million in 2014. Sales and marketing activities have increased year on year in the period and with the expanded staff, the Group has expanded its facilities at Fornebu as well as in Boston.

Depreciation has represented a comparatively small cost item in the profit and loss statements until the fourth quarter of 2013. Only moderate investments in laboratory equipment, IT and offices were made in the preceding years. On 23 September 2013, IDEX acquired assets and intellectual property rights from PicoField Technologies, Inc. in an amount of NOK 23.6 million. Depreciation commenced as of the acquisition date. In 2013 and 2014, the Group invested a combined amount of NOK 5.8 million in additional equipment and IT, particularly in IDEX America Inc., which investments also contributed to increased depreciation.

Financial items, tax

The financial items were small or negligible in 2012 and 2013. IDEX has been funded solely on equity since 2010. The subsidiaries have been funded by the parent company. The net financial items in 2012 and 2013 mainly relates to net interest on cash held in bank, and gains/losses on foreign exchange transactions. The net financial income in 2014, NOK 5.8 million, was mainly interest income on cash in bank following a private placement in January 2014.

Because IDEX operates at a loss and has taxable loss carried forward, the Company has not incurred any tax cost or payable income taxes in 2012, 2013 or 2014. IDEX America Inc. made a profit on its services to the parent company in 2014, and incurred tax on its profit.

Trend information since 31 December 2014 and until the date of this Prospectus

The operating results until 2014 have mainly been driven by operating costs. Going forward, the results will be the net of gross margin and costs.

Revenues will depend on IDEX's ability to attract partners who will implement IDEX's technology and components in their products – and the success of those partners' products in the ultimate end-user market. In addition to the market conditions at large, there are both technical, operational and commercial factors which are not unilaterally controlled by IDEX.

The Group had negligible product and technology-related customer revenues between 31 December 2014 and the date of this Prospectus.

Going forward, cost of goods sold will reflect the market situation and cost structures in the pertinent contract manufacturing industry, as well as IDEX's and its partners' negotiating position in terms of volume and success in implementation.

The Group's cost of goods sold reflects the current production cost level from manufacturing of small, introductory series, as opposed to mass volume manufacturing. The gross margin to date is therefore not representative for the expected and planned gross margin for the business in full operational mode.

Operating costs will largely be determined by the configuration and size of the Group's operating structure. The Group has not expanded its staff (employees and ongoing individual contractors, measured as full-time equivalents) between 31 December 2014 and the date of this Prospectus. Going forward, the Group plans to expand its staff, primarily in the USA and the Far East.

The Group works to establish a broad ecosystem of partners, where no one partner is of definitive importance for progressing IDEX's product roadmap. There is as yet no exclusive partnership arrangements but for limited time periods up to two years for certain partners, and IDEX seeks minimum two sourcing solutions and multi-channel marketing strategy. Fingerprint sensor components is an emerging industry where the structures may change as the products and the channels mature and new regulations may fundamentally change the market. At the date of this Prospectus there are no known, likely or anticipated changes which are suited to affect the business materially.

Other than outlined in the foregoing, there are no governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or is expected to materially affect, the Group's operations or financial results.

Balance sheets

Condensed consolidated balance sheets NOK 1,000	31 December 2014 (audited)	31 December 2013 (audited)	31 December 2012 (audited)
ASSETS			
<u>Long-term assets</u>			
Property, plant and equipment	5 588	1 178	626
Intangible assets and goodwill	51 065	23 197	-
Other long-term receivables	1 143	446	332
Total long-term assets	57 796	24 821	958
<u>Current assets</u>			
Inventory	7 944	-	-
Trade and other receivables	5 612	4 748	4 244
Cash and bank deposits	227 961	46 475	19 833
Total current assets	241 517	51 223	24 077
TOTAL ASSETS	299 313	76 044	25 035
EQUITY AND LIABILITIES			
<u>Equity</u>			
Share capital	61 948	51 706	46 422
Share premium	463 766	168 631	86 292
Other paid-in capital	32 787	20 183	11 235
Other equity	(315 150)	(190 636)	(125 631)
Total equity	243 351	49 884	18 318
<u>Long-term liabilities</u>			
Other long-term liabilities	10 079	-	-
<u>Current liabilities</u>			
Trade and other payables	43 652	16 449	6 685
Employer's tax on share incentives	2 231	9 711	32
Total liabilities	55 962	26 160	6 717
TOTAL EQUITY AND LIABILITIES	299 313	76 044	25 035

Until the third quarter of 2013, the assets were essentially comprised of cash, receivables and prepayments and a smaller amount of tangible fixed assets. There were and are no contingent assets in the balance sheet. In the third quarter of 2013, IDEX acquired intangible assets from PicoField Technologies, Inc. in an amount of NOK 23.6 million, which acquisition changed the composition of the assets significantly. This acquisition was included in the balance sheet as at 30 September 2013. On 30 December 2014, IDEX purchased patents and other IP from Roger Bauchspies in an amount of NOK 28.3 million, which further changed the balance sheet. In 2014, IDEX inventoried NOK 7.9 million in software purchased for resale.

The equity and liabilities were until December 2014 comprised of shareholders' equity and trade and other short-term payables and accruals. There were and are no contingent liabilities in the balance sheet. On 30 December 2014, a long-term payable amounting to NOK 10.1 million was added to the balance sheet, representing the net present value of the long-term minimum payments to Roger Bauchspies.

Detailed comments

Assets

The tangible assets are primarily office upgrades and laboratory, IT and office equipment, which depreciate over 3-5 years. The long-term receivables are leasehold deposits in escrow accounts.

Goodwill on the acquisition of assets from PicoField amounted to NOK 8.3 million. The identifiable assets, NOK 15.3 million upon acquisition, are depreciated over estimated economic useful life, until the end of 2030, and 3 years for the customer files and relationships. Under IFRS goodwill is not depreciated but impairment tested at each year end. Goodwill is depreciated for tax purposes.

The purchase price for the IP purchased from Roger Bauchspies, NOK 28.3 million, was allocated to the patents. The patents will depreciate over estimated economic useful life, viz. the lifetime of the patents, until 31 July 2024.

IDEX's patents and other intellectual property rights created by IDEX are not held in the balance sheet because the activities have not satisfied the criteria for being added to the balance sheet as intangible assets. The same applies to the development costs until and including financial year 2013. Upon commencement of commercial shipments of Cardinal sensors in the fourth quarter of 2014, IDEX capitalized in 2014 those development expenses incurred in 2014 which were related to Cardinal. The capitalisation amounted to NOK 0.8 million.

A possible deferred tax asset from Norwegian tax loss carried forward has not been recognized because there is no satisfactory evidence for recognizing the asset under IFRS. The tax loss carried forward amounted to NOK 135.5 million at the end of 2014.

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

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

Equity and liabilities

The ongoing losses in the years reported in this Prospectus have been charged to equity. Equity has been replenished by share issues in each of the years reported in this Prospectus. The notional equity injection from share-based remuneration (incentive subscription rights to employees) has been added to equity. The changes in equity are further commented upon in the section Changes in equity below. The net Group equity as well as IDEX's equity amounted to less than half the share capital at year end of 2012 and 97 per cent of the share capital at the end of 2013. NOK 87.6 million equity was raised in 2013 and NOK 305.4 million in 2014, chiefly in private placements. Further NOK 296.6 million was raised in the Private Placement.

The long-term payable amounting to NOK 10.1 million is the net present value of the long-term minimum payments to Roger Bauchspies. The minimum payments amount to a total of USD 2.5 million in staged minimum royalty payments of USD 0.5 million each year over a maximum period of five years. The long-term part of the payable, USD 2.0 million at the end of 2014, has been discounted at an assumed cost of capital rate of 12 per cent p.a.

Trade and other payables also include personnel-related and other expense accruals. The amount has grown in line with the growth of the Group's activities, plus an additional NOK 18.2 million at year end 2014 due to the short-term payable in the acquisition on 30 December 2014. The amount of employer's tax on share incentives is the net present value of the earned subscription rights as options, which will be payable upon exercise – and partly or fully funded by the exercise amount being paid in. The value varies with the share price and may entail a net reversal of cost, as was the case in 2014.

Trend information since 31 December 2014 and until the date of this Prospectus

No significant investments have been added to the balance sheet between 31 December 2014 and the date of this Prospectus.

The Group had customer receivables amounting to NOK 1.1 million on 31 December 2014, and has insignificant customer receivables at the date of this Prospectus.

Inventory amounted to NOK 7.9 million at 31 December 2014. The Group did not sell or add any significant amount of inventory between 31 December 2014 and the date of this Prospectus.

Equity has increased since 31 December 2014 because employees in January and February 2015 exercised incentive subscription rights, injecting NOK 5.2 million.

The payables have been reduced because the short-term payable to Roger Bauchspies, NOK 14.9 million, has been dispatched.

Cash flow statements

Condensed consolidated cash flow statements NOK 1,000	1 January-31 December 2014 (audited)	1 January-31 December 2013 (audited)	1 January-31 December 2012 (audited)
CASH FLOWS FROM OPERATIONS			
Cash generated (consumed) by operations incl working capital	(105 146)	(36 576)	(30 321)
Interest paid	(4)	(6)	-
Net cash from (used on) operating activities	(105 150)	(36 582)	(30 321)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, and IP	(33 790)	(24 676)	-
Change in long-term receivables	(697)	(114)	(7)
Interest received	5 667	391	208
Net cash from (used on) investment activities	(28 820)	(24 399)	201
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from share issue(s)	305 377	87 623	28 491
Changes in long-term payables	10 079	-	-
Net cash from financing activities	315 456	87 623	28 491
Net change in cash and bank deposits	181 486	26 642	(1 629)
Cash and bank deposits at the beginning of the period	46 475	19 833	21 462
CASH AND BANK DEPOSITS AT END OF THE PERIOD	227 961	46 475	19 833

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

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

Investments in 2012 and 2014 were small compared to the operational costs in the periods. Investments in tangible fixed assets included upgrade of leasehold facilities and office furniture, laboratory equipment, IT and office equipment.

Most of the investments in 2013 and 2014 were in intangible assets acquired from PicoField and Roger Bauchspies respectively, in an amount of NOK 23.6 million and NOK 28.3 million.

The investments in long-term receivables are long-term deposits for rent. Interest received relates to bank deposits and varies with the liquidity and prevailing interest rates.

Major shareholders have been consistently supportive over the years, and IDEX has obtained new equity and liquidity from the shareholders. Several share issues have been conducted in the period covered by this Prospectus, by several private placements to new and existing shareholders, as well as employees. IDEX completed private placements in 2012, 2013 and 2014. The private placement in January 2014 to funds managed by Invesco Asset Management Limited, of 60.0 million shares amounting to NOK 300.0 million before expenses represented about 40 per cent of the shares issued and contributed about 70 per cent of the capital injected in the three years.

Changes in equity

Condensed consolidated statements of chgs in equity NOK 1000	Share capital	Share premium	Other paid-in capital	Retained earnings (uncovered loss)	Total equity
Balance at 1 January 2014	51 706	168 631	20 183	(190 636)	49 884
Share issues	10 242	295 135			305 377
Share-based remuneration			12 604		12 604
Total comprehensive income(loss)				(124 514)	(124 514)
Balance at 31 December 2014 (audited)	61 948	463 766	32 787	(315 150)	243 351
Balance at 1 January 2013	46 422	86 292	11 235	(125 631)	18 318
Share issues	5 284	82 339			87 623
Share-based remuneration			8 948		8 948
Total comprehensive income(loss)				(65 005)	(65 005)
Balance at 31 December 2013 (audited)	51 706	168 631	20 183	(190 636)	49 884
Balance at 1 January 2012	40 794	63 429	7 409	(92 266)	19 366
Share issues	5 628	22 863			28 491
Share-based remuneration			3 826		3 826
Total comprehensive income(loss)				(33 365)	(33 365)
Balance at 31 December 2012 (audited)	46 422	86 292	11 235	(125 631)	18 318

The ongoing losses in the years reported in this Prospectus have been charged to equity. Equity has been replenished by share issues in each of the years covered by this Prospectus. The equity of the Company was less than half of the share capital at year ends 2012 and 97 per cent of the share capital at the end of 2013. NOK 87.6 million equity was raised in 2013 and NOK 305.4 million in

2014, chiefly in private placements. Further NOK 296.6 million was raised in the Private Placement.

The notional injection of equity from share-based remuneration (subscription rights to employees) has been added to equity, which addition, however, is off-set in the profit (loss) line because equal amount is charged as a cost.

On 31 December 2014, there were 413,488,862 shares outstanding. At the same date, there were also 26,460,362 incentive subscription rights at weighted average exercise price NOK 2.88, and 30,000,000 warrants at exercise price NOK 7.50 outstanding.

When subscription rights are exercised, the exercise is accounted for as a share issue at the exercise price. The payable employer's tax incurred upon exercise is in principle off-set by reversal of an accrual made on the option value of the subscription rights. No subscription rights were exercised in 2012. In 2013 and 2014, employees exercised incentive subscription rights, adding NOK 4.5 million and NOK 6.6 million respectively.

In the first quarter of 2015, 3,131,362 subscription rights were exercised, adding NOK 5.2 million to equity. No subscription rights have been exercised between 31 March 2015 and the date of this Prospectus.

6.3 Investments

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

The subsidiaries have been funded by the parent company. There are no significant actual or contingent assets or liabilities in the subsidiaries. IDEX does not plan establishing significant new subsidiaries in terms of capital employed. New subsidiaries, if and when established, will be sales representative offices and/or operations coordination centers (customer interaction, order sourcing and delivery), which entail minimal investments.

Total investments and expensed R&D, in 2012-2014 have been as follows:

Investments by category NOK 1,000	1 January -31 December 2014	1 January -31 December 2013	1 January -31 December 2012
Property, plant and equipment	4 713	1 062	-
Intangible assets and goodwill	29 077	23 600	-
Other long-term receivables	697	114	7
Total investments	34 487	24 776	7
<hr/>			
Expensed R&D (gross)	53 275	18 589	11 847

The investments in tangible fixed assets – property, plant and equipment – have been small compared to the operational costs and amounted to nil in 2012, NOK 1.1 million in 2013 and NOK 4.7 million in 2014. These investments consist of upgrade of leasehold facilities and office furniture, and laboratory, IT and office equipment. IDEX does not hold manufacturing equipment or facilities because volume production is outsourced to manufacturing partner companies.

Investment in intangible assets are described in Section 6.4 below.

Due to its credit rating, IDEX has made certain deposits and prepayments. It is also customary to pay expenses such as rent and utilities in advance. All such items are held in the balance sheet in accordance with the nature of each item. The long-term deposits amounted to NOK 1.1 million at the end of 2014, up from NOK 0.4 million and NOK 0.3 million the preceding year ends. Short-term prepayments amounted to NOK 2.0 million at the end of 2014, up from NOK 1.3 million and NOK 0.5 million the preceding year ends. There is negligible credit risk on these items.

Research and development (“R&D”) activities may be viewed as investments, and may be capitalised when satisfying certain criteria, albeit the costs have been expensed under IFRS in 2012 and 2013, and only a small amount was capitalised in 2014.

No significant investments have been made in between 31 December 2014 and the date of this Prospectus.

6.4 Principal historical investments

Research and development 2012-2014

Research and development (“R&D”) activities may be viewed as investments, but are capitalized only when satisfying certain criteria. The R&D costs have been expensed under IFRS in 2012 and 2013, and only a small amount was capitalised in 2014. Research costs are always expensed. Development costs may be capitalised when the criteria for capitalisation have been satisfied.

The reported R&D expenses include purchased materials and components as well as external project costs for design, manufacturing, testing and other work conducted by various companies and institutions. External costs of obtaining and maintaining patents as well as incurred license fees are also included. The payroll cost of R&D staff is included in payroll.

In the period covered by this Prospectus, the major part of the R&D expenses have related to development of the SmartFinger Film sensor technology and product. Furthermore, productisation activities, production trials and pilot production runs and also the development of a new version of IDEX’s ASIC have been undertaken in the period. Costs of obtaining and maintaining patents as well as incurred license fees are also included in the R&D costs. The R&D expenses are shown net of the Skattefunn grants from the Norwegian government.

In 2010-2011 and into 2012, activities were mainly related to a bendable version of the SmartFinger sensor for the payment/banking and ID cards markets. With the reinvigoration of the interest for fingerprint sensors for mobile devices in the third quarter of 2012, IDEX redirected and focused its activities towards serving that market, and spending was significantly stepped up.

The gross R&D expenses amounted to NOK 11.8 million, NOK 18.6 million and NOK 53.3 million in 2012, 2013 and 2014 respectively.

In addition to the direct external R&D costs, the payroll costs for R&D activities amounted to about NOK 9.5 million in 2012, NOK 26.6 million in 2013 and NOK 41.9 million in 2014.

The table below specifies the R&D expenses per expense type.

R & D expense by cost type NOK 1,000	1 January -31 December 2014	1 January -31 December 2013	1 January -31 December 2012
Sensor design, devt. and prod.	8 290	7 593	4 947
ASIC development	20 546	4 709	793
Software engineering	13 101	1 421	1 569
Patenting and annuities, other IP	3 109	1 412	1 213
Licence fee expense	295	250	250
Other R&D	7 934	3 204	3 075
Gross external R&D expenses	53 275	18 589	11 847
Estimated payroll cost for R&D	41 469	26 620	9 491

Research costs have been expensed in accordance with IFRS. Development costs have also been expensed until and including financial year 2013. Upon commencement of commercial shipments of Cardinal sensors in the fourth quarter of 2014, IDEX capitalized in 2014 those development expenses incurred in 2014 which were related to Cardinal. NOK 0.8 million was capitalized. All other development costs were expensed also in 2014.

Acquisition of assets from PicoField, 2013

IDEX acquired assets and intellectual property rights from PicoField on 23 September 2013. The Group, by its subsidiary IDEX America Inc. also employed three employees from PicoField as of 23 September 2013. In connection with the employment, IDEX granted incentive subscription rights to the three new employees. For the avoidance of doubt, IDEX did not acquire the shares of PicoField, which remains a privately held company in California, USA.

PicoField possessed a patent and pending patent applications as well as other intellectual property relating to touch sensors. By acquiring the intellectual property from PicoField and employing three respected industry executives from PicoField, IDEX strongly enhanced its ongoing touch sensor programme. The addition of PicoField's intellectual property rights, which are complimentary to IDEX's current intellectual property rights, also expands the field of IDEX's patent protection, which is of critical importance to OEM customers.

This investment was included in the Group's balance sheet as at 30 September 2013.

The purchase amount, USD 4.0 million, corresponding to NOK 23.6 million at a rate of NOK 5.90 per USD, has been allocated to identifiable assets and goodwill as follows:

Amounts in NOK 1,000	Fair value recognised on acquisition
Identifiable assets	
Patent and pending applications	14 160
Customer and supplier files and relationships	1 180
Total identifiable assets	15 340
Goodwill arising from the acquisition	8 260
Total purchase price	23 600
Payments	
Cash amount paid	20 650
Cash amounts payable when milestones have been completed	2 950
Total cash payment	23 600

Additional amounts up to a combined total of USD 0.5 million will be expensed and paid subject to certain project deliveries being made.

The identifiable assets are depreciated over estimated economic useful life, viz. the lifetime of the patent(s), until the end of 2030, and 3 years for the customer files and relationships. At each year end, IDEX assesses whether there are indications that the identified assets may be impaired. Any such indication may lead to an impairment charge. The goodwill is primarily attributed to the expected benefit from the IP and know-how arriving with the identifiable assets and the employees. Under IFRS goodwill is not depreciated but impairment tested at each year end. Goodwill is depreciated for tax purposes.

The acquisition itself, however, added moderate operating costs to the Group; viz. payroll costs of three employees and depreciation amounting to NOK 1.2 million per year, both items taking effect as of the fourth quarter 2013. The further, overall cost increase of the Group's operating expense from 2013 to 2014 was not caused by the PicoField acquisition. The acquisition was, however, an *enabler* to recruiting additional staff members in IDEX America Inc. and executing a significant larger portfolio of development projects in 2014 than in the preceding year.

Purchase of IP from Roger Bauchspies, 2014

On 30 December 2014, IDEX purchased specific intellectual property rights (IPR) from Roger Bauchspies. The IPR included four US granted patents, all applications yet to be filed based on the IPR, and the algorithm source code. For the avoidance of doubt, IDEX purchased specific IPR only, and did not acquire a company or a business.

The consideration for the IPR was structured as a royalty scheme with a guaranteed minimum. Royalty payments will be based on IDEX product shipments where the IPR is included in the IDEX product. Royalty payments earned from shipments shall be netted against any paid guaranteed minimum royalty. The initial minimum royalty amounting to USD 2.0 million was paid imminently after the purchase agreement date. A further total of USD 2.5 million is guaranteed through staged minimum royalty payments over a maximum period of five years.

IDEX determined the purchase price to amount to NOK 28.3 million, calculated as the net present value of all minimum royalty payments. The purchase price was allocated to the granted patents. The patents will depreciate over estimated economic useful life, viz. the lifetime of the patents, until 31 July 2024. The depreciation commenced in January 2015, and will amount to NOK 3.0 million per year.

In connection with the transaction, whereby Roger Bauchspies will serve as a consultant to IDEX for one year, IDEX issued 500,000 new shares in the Company to Roger Bauchspies. The shares are restricted shares, on agreed terms, and are issued at a subscription price at par value per share of NOK 0.15. The discount on the shares will be charged to operating expense (R&D costs) in 2015, which is the service period, in a total amount of NOK 1.2 million.

The purchase of the assets from Roger Bauchspies on 30 December 2014 represented a significant gross change of IDEX's balance sheet compared to the previous audited financial statements as at 31 December 2013. Because the purchase took place on 30 December 2014 it was included in the audited financial statements for 2014: The assets and the corresponding liabilities are held in the balance sheet as at 31 December 2014. In 2014, only moderate transaction costs were incurred, and accounted for in the year.

Depreciation of the assets purchased from Roger Bauchspies commenced as of 1 January 2015. The operating costs in 2015 because of the purchase from Roger Bauchspies will be share-based service cost amounting to NOK 1.2 million and depreciation amounting to NOK 3.0 million.

The IPR, chiefly in the form of fingerprint matching software using a proprietary algorithm, is targeted for use in small touch-type fingerprint sensors, with the purpose to improve the biometric performance while maintaining user convenience. The financial benefit to IDEX will depend on, firstly, the resulting yield of the technical implementation of the IPR in the sensors, and, secondly, on the successfulness of the fingerprint sensors where the IPR is included.

At each year end, IDEX assesses whether there are indications that the IPR assets may be impaired. Any such indication may lead to an impairment charge.

6.5 Principal investments in progress

There are no significant fixed assets ordered at the date of this Prospectus. The Group does not have any plans or obligations to make significant future investments in tangible or intangible assets, or financial assets.

The research and development activities are ongoing and continuing. IDEX's current IP is undergoing productisation and industrialisation for mass volume manufacturing. In addition, IDEX is pursuing its technology and product roadmap by activities conducted by IDEX, IDEX America Inc., production partners and various technical and academic laboratories and institutions. The costs of R&D investments in progress are currently expensed under IFRS.

The current programmes are committed only insofar as the staff has been employed and hired and external assignments are normally for shorter periods than 12 months and included in the Group's budget.

IDEX funds the ongoing research and development activities from its own sources, supplemented by, but not dependent on, government grants if and when obtained. The Group has adequate funding for its planned activities, as stated in Section 9.1.

6.6 Future investments

The Group does not plan or anticipate any material, specific future acquisitions of tangible or intangible assets, or financial assets.

The R&D activities will be continued at about the same level as in 2014. Such activities will be expensed unless the results satisfy the criteria for capitalisation. In 2014, less than 1 per cent of the gross R&D expense including related payroll cost, was capitalised. IDEX assumes that the fraction to be capitalised will increase. There is little or no basis for estimating whether the results of future development projects will satisfy the criteria for capitalisation. The Group has therefore taken for its basis that all R&D expenses in 2015 and 2016 will be expensed.

With the growth of the organisation and technical development, there will be needs for additional tangible assets such as laboratory, IT and office equipment, as well as replacement of equipment that reach end of economic life. These investments are expected to be in the magnitude of up to NOK 10 million per year for the Group. Ramping up to mass volume manufacturing may entail investments in tooling and certain bespoke machinery. IDEX's general policy is that its manufacturing partners will make such investments but it cannot be ruled out that certain investments will be made by IDEX.

Working capital in the form of inventory and receivables will largely be funded by supplier credit, while receivables are likely to represent a significant application of funds when deliveries commence and business volume grows. While gross margin from the sales of fingerprint sensors in 2015 is expected to be positive, the net cash flow from gross margin less associated working capital is assumed to represent a net negative cash flow of up to NOK 20 million in 2015.

The future research and development activities to progress the technology and product roadmap will be conducted by the IDEX Group, its production partners and various technical and academic laboratories and institutions. The costs of future R&D investments will be expensed or capitalized at the time as appropriate under IFRS.

The future programmes are committed only insofar as the staff has been employed and hired and external assignments are normally for shorter periods than 12 months and included in the Group's budget.

IDEX intends to fund the future research and development activities from its own sources, supplemented by, but not dependent on, government grants if and when obtained. Without counting in the funds from the Private Placement, IDEX has adequate funding for its planned activities beyond 12 months from the date of this Prospectus. IDEX takes for its basis that it will be able to fund the activities in the periods after the planning period, i.e. after the first half of 2016 and onwards, by profits, debt or equity as appropriate at that time.

6.7 Subsidiaries

IDEX holds the following subsidiaries, which have been included in the consolidated financial information.

Amounts in NOK 1,000 Subsidiaries as at 31 December 2014	Ownership	Share of votes	Net profit 2014	Equity 31 Dec. 2014
IDEX Biometrics UK Ltd.	100 %	100 %	0	0
IDEX Holding Company Inc., Delaware, USA	100 %	100 %	1	74
IDEX America Inc., Delaware, USA	100 %	100 %	1 027	1 286

IDEX Biometrics UK Ltd. has been established to employ key specialists and deliver managerial, technical and operational services to IDEX ASA. IDEX Biometrics UK Ltd. was incorporated on 29 August 2014 and commenced operations in the second half of 2014.

IDEX Holding Company Inc. is a holding company for the business in the USA. IDEX America Inc. is held by IDEX Holding Company Inc. and has been established to conduct marketing and sales of IDEX's products in the USA and to perform development activities on assignment from IDEX ASA. IDEX Holding Company Inc. and IDEX America Inc. were established on 3 September 2013 and operations commenced in September 2013.

Formerly, in 2007-2012, IDEX ASA operated a corresponding structure of subsidiaries in the USA. The former subsidiaries had the same names and the ownership structure was also the same. The former subsidiaries were inactive as of 2010.

6.8 Financial policies, treasury activities in the Group

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

IDEX is funded by equity and supplier credit.

Subsidiaries should be funded by IDEX and should have a minimum equity ratio of 20 per cent, calculated exclusive of intercompany working capital items. The US subsidiary group has been funded on equity and interest-free advances covering the working capital needs and investments. Going forward, it is planned that investments shall be leased or funded by intra-company borrowing in the local currency of the subsidiary.

The operating cost base is largely in NOK, USD and EUR. The revenue and cost of goods sold of the business is essentially USD or EUR. The local content of the cost of goods sold is largely in Asian currencies. This conceptually represents a currency risk, but the uncertainty about revenue streams means that the risk cannot be hedged reliably. Until the Company has achieved a business with recurring, predictable revenue streams, currency hedging will only be considered for specific projects, and implemented if appropriate in the form of project-specific hedging instruments, i.e. there is currently no currency hedging in the group. No such instruments are planned at the date of this Prospectus, and no such instruments have been in effect during 2012-2014 or until the date of this Prospectus. Exposure to foreign currency assets/liabilities is reduced by minimising the amount of such items.

IDEX's cash is largely held in NOK-based deposit accounts in reputable Norwegian banks. Lock-up agreements may be entered into in order to increase yield. Any lockup must be approved by the CFO. Subsidiaries' cash is held in reputable local banks or the Group's corporate account with DNB Bank ASA.

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

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

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

Being funded on equity and supplier credit only, IDEX has no restrictions on application of its capital resources.

6.9 Cash flow and liquidity

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

Some, but insignificant, revenue has been earned from initial, sample deliveries to customers, sale of test kits and provision of services. Government support under the Norwegian Skattefunn and VerdIKT schemes and the European EuroSTARS programme have also contributed to cash inflow. Such support is granted or authorised for one or a couple years at a time. When IDEX commences deliveries, the main cash inflows are expected to come from gross margin on sales of components.

IDEX may also earn license fees and royalties on its IP from partners who manufacture components on their own account.

IDEX may obtain supplemental cash inflows from exercise of warrants held by Invesco funds and/or Woodford funds, and – in smaller amounts - exercises of employee incentive subscription rights.

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

No cash resources are restricted but for long-term deposits, which are classified as as long-term assets, and employees' withheld taxes.

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

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

The Group was cash flow solvent as at 31 December 2014, and the short-term liquidity situation was adequate. The cash position was NOK 228.0 million. The net of payables, accruals and receivables amounted to a net liability of NOK 40.3 million leaving a balance sheet solvency, i.e. uncommitted cash of NOK 187.7 million.

After 31 December 2014, operations have continued at the same rate as in 2014, and there was no material deterioration of the cash position between 31 December 2014 and the date of this Prospectus. Significant additional funding was obtained by the Private Placement.

6.10 Financial debt

The Group does not have any financial debt in the form of borrowings from banks, financial institutions or other lenders and has not issued any bonds at the date of this Prospectus, and has not had such debt during 2012, 2013 or 2014.

6.11 Summary of accounting policies

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

The audited annual financial statements for 2012, 2013 and 2014 have been prepared in accordance with IFRS.

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

Basis of preparation

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

Segment information

The Group operates in one business segment, fingerprint imaging and recognition technology, and the parent and subsidiaries are managed as one unified entity. Commercial, trading revenue have been insignificant to date. Geographical segmentation has not been part of the management process. The Group has therefore not presented segment reports.

Consolidation

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

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

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

Foreign currency translation

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

Group companies

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

Property, plant and equipment

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

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

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

Intangible assets

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

Acquired patents, licenses and other acquired intangible assets are shown at historical cost less depreciation by the straight-line method over the economic lifetime of the asset.

Research costs are expensed as they are incurred. An intangible asset arising from development expenditure on an individual project is capitalized only when the Group can reliably measure the

expenditure and can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, how the asset will generate future economic benefits, and the Group's ability of obtaining resources to complete the project. Development costs are amortized over the period of expected future economic benefit of the developed product.

Impairment of non-financial assets

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

Share capital

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

Share-based remuneration

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

Revenue recognition

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

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

Costs

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

6.12 Dividend policy

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

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

6.13 Legal and arbitration proceedings

The Group is not involved in any governmental, legal or arbitration proceedings, nor is the Group aware of any such pending or threatened proceedings, nor has the Group over the previous 12

months been involved in any governmental, legal or arbitration proceedings, which may have or have had any significant effects on the Group's or the Company's financial position or profitability.

6.14 Changes in financial and trading position since 31 December 2014

Between 31 December 2014 and the date of this Prospectus, there has not been any significant change in the financial or trading position of the Group.

7 SHARE CAPITAL AND SHAREHOLDER MATTERS

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

7.1 Share capital

As of the date of this Prospectus, IDEX's registered share capital is NOK 62,493,033.60, divided into 416,620,224 ordinary shares, each share is fully paid and has a par value of NOK 0.15.

Following the Private Placement, IDEX's share capital is NOK 70,368,033.60, divided into 469,120,224 ordinary shares, each share having a par value of NOK 0.15. There is one class of shares in the Company. The shares are issued pursuant to the PLCA.

On 1 January 2013, the Company's share capital was NOK 46,421,914.50 divided into 309,479,430 ordinary shares. On 31 December 2013 and 1 January 2014, the Company's share capital was NOK 51,706,159.80 divided into 344,707,732 ordinary shares. On 31 December 2014 and 1 January 2015, the Company's share capital was NOK 62,023,329.30 divided into 413,488,862 ordinary shares.

The Company's shares have been listed and traded on Oslo Axess since 12 March 2010. On 29 April 2015 Oslo Børs approved the Company's application for transfer of listing from Oslo Axess to Oslo Børs; the first day of listing on Oslo Børs being on or about 11 May 2015. On 29 April 2015, the Board of Oslo Børs announced that it has approved the Company for listing on Oslo Børs.

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

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

7.2 Currency

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

7.3 Transferability

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

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

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

7.4 Development of the Share Capital

The following table shows the development of the Company's share capital since 1 January 2012:

Date	Event and Share Capital
10 May 2012	Share capital increase with NOK 1,493,101.95 from NOK 40,794,096.15 to NOK 42,287,198.10 by issuance of 9,954,013 shares in a private placement of shares, at a subscription price of NOK 1.00 per share.
15 May 2012	Share capital increase with NOK 55,306.80 from NOK 42,287,198.10 to NOK 42,342,504.90 by issuance of 368,712 shares as board remuneration, at a subscription price per share of NOK 0.15.
9 November 2012	Share capital increase with NOK 4,079,409.60 from NOK 42,342,504.90 to NOK 46,421,914.50 by issuance of 27,196,064 shares in a private placement of shares, at a subscription price per share of NOK 0.75.
23 January 2013	Share capital increase with NOK 41,250 from NOK 46,421,914.50 to NOK 46,463,164.50 by issuance of 275,000 shares upon exercise of incentive subscription rights, at an exercise price per share of NOK 0.94.
19 April 2013	Share capital increase with NOK 63,750 from NOK 46,463,164.50 to NOK 46,526,914.50 by issuance of 425,000 shares upon exercise of incentive subscription rights, at an exercise price per share of NOK 0.98.
16 May 2013	Share capital increase with NOK 2,815,687.50 from NOK 46,526,914.50 to NOK 49,342,602 by issuance of 18,771,250 shares in a private placement of shares, at a subscription price per share of NOK 1.60.
21 May 2013	Share capital increase with NOK 52,973.55 from NOK 49,342,602 to NOK 49,395,575.55 by issuance of 353,157 shares as board remuneration, at a subscription price per share of NOK 0.15.
6 June 2013	Share capital increase with NOK 9,375 from NOK 49,395,575.55 to NOK 49,404,950.55 by issuance of 62,500 shares upon exercise of incentive subscription rights at an exercise price per share of NOK 1.96.
12 June 2013	Share capital increase with NOK 28,125 from NOK 49,404,950.55 to NOK 49,433,075.55 by issuance of 187,500 shares upon exercise of incentive subscription rights, at an exercise price per share of NOK 0.94.

Date	Event and Share Capital
1 September 2013	Share capital increase with NOK 1,104,759 from NOK 49,433,075.55 to NOK 50,537,834.55 by issuance of 7,365,060 shares in a private placement of shares, as a subscription price per share of NOK 4.15.
19 September 2013	Share capital increase with NOK 47,325 from NOK 50,537,834.55 to NOK 50,585,159.55 by issuance of 315,500 shares upon exercise of incentive subscription rights, at an exercise price per share of NOK 1.20 (for 250,000 shares) and NOK 1.60 (for 65,500 shares).
23 September 2013	Share capital increase of NOK 702,000 from NOK 50,585,159.55 to NOK 51,287,159.55 by issuance of 4,680,000 shares in a private placement of shares, at a subscription price per share of NOK 5.04.
16 October 2013	Share capital increase with NOK 328,125 from NOK 51,287,159.55 to NOK 51,615,284.55 by issuance of 2,187,500 shares upon exercise of incentive subscription rights at an exercise price of NOK 1.20 per share (187,500 shares), NOK 1.00 (1,000,000 shares) and NOK 1.30 (1,000,000 shares) .
22 October 2013	Share capital increase with NOK 5,969.70 from NOK 51,615,284.55 to NOK 51,621,254.25 upon exercise of 39,798 subscription rights, at an exercise price of NOK 1.20 per share.
1 November 2013	Share capital increase with NOK 84,905.55 from NOK 51,621,254.25 to NOK 51,706,159.80 upon exercise of 566,037 subscription rights, at an exercise price of NOK 0.90 per share.
29 January 2014	Share capital increase with NOK 9,000,000 from NOK 51,706,159.80 to NOK 60,706,159.80 by issuance of 60,000,000 shares in a private placement, at a subscription price of NOK 5.00 per share.
24 February 2014	Share capital increase with NOK 791,397.45 from NOK 60,706,159.80 to NOK 61,497,557.25 upon exercise of 5,275,983 incentive subscription rights, at an exercise price per share of NOK 0.90 (2,037,743 shares), NOK 0.94 (187,500 shares), NOK 1.00 (56,250 shares), NOK 1.20 (2,791,240 shares), NOK 1.30 (56,250 shares), NOK 1.60 (56,000 shares) and NOK 1.96 (91,000 shares).
20 March 2014	Share capital increase with NOK 360,000 from NOK 61,497,557.25 to NOK 61,857,557.25 by issuance of 2,400,000 shares in a private placement of shares, at a subscription price of NOK 5 per share.
8 May 2014	Share capital increase with NOK 9,584.55 from NOK 61,857,557.25 to NOK 61,867,141.80 by issuance of 63,897 shares as board remuneration, at a subscription price per share of NOK 0.15.
2 October 2014	Share capital increase with NOK 81,187.50 from NOK 61,867,141.80 to NOK 61,948,329.30 by issuance of 541,250 shares upon exercise of incentive subscription rights, at an exercise price per share of NOK 1.96 (170,250 shares), NOK 1.60 (171,000 shares), NOK 1.30 (100,000 shares) and NOK 1.00 (100,000 shares).
30 December 2014	Share capital increase with NOK 75,000 from NOK 61,948,329.30 to NOK 62,023,329.30 by issuance of 500,000 shares in a private placement of shares, at a subscription price of NOK 0.15 per share.
27 January 2015	Share capital increase with NOK 35,625 from NOK 62,023,329.30 to NOK 62,058,954.30 by issuance of 237,500 shares upon exercise of incentive subscription rights, at an exercise price per share of NOK 0.94 (187,500 shares), NOK 1.00 (25,000 shares) and NOK 1.30 (25,000 shares).

Date	Event and Share Capital
24 February 2015	Share capital increase with NOK 434,079.30 from NOK 62,058,954.30 to NOK 62,493,033.60 by issuance of 2,893,862 shares upon exercise of incentive subscription rights, at an average exercise price per share of NOK 1.72.
29 April 2015	Share capital increase with NOK 7,875,000 from NOK 62,493,033.60 to NOK 70,368,033.60 by issuance of 52,500,000 shares in a private placement of shares, at a subscription price per share of NOK 5.65.

7.5 Board Authorization to issue shares

On 7 May 2014, the Annual General Meeting approved a Board authorization to issue shares, with a maximum nominal value of NOK 6,185,755.72 (representing 10 per cent of the share capital of the Company at the time of the authorization). The authorization is valid until the 2015 Annual General Meeting. All previous authorizations were withdrawn by the shareholders with effect from the date the authorization was registered in the Company Registry.

At the date of this Prospectus, a total of NOK 75,000 has been used out this authorization.

There are no other board authorizations in effect as of the date of this Prospectus.

The Company's shareholders' pre-emptive rights may be set aside in connection with any share capital increases under the authorization.

The authorization may be used by the Board in relation to a private placement of the Company's shares and share issues to suitable investors (new or existing shareholders, hereunder employees in the Group) and/or rights issues in order to raise additional capital for the Company. The Board was authorized to determine the subscription terms in regard to share issues. The subscription price may be paid by way of non-cash consideration pursuant to Section 10-2 of the PLCA. The new shares which may be subscribed for according to the authorization shall have rights to dividends declared subsequent to the subscriber having paid the subscription price and the associated share capital increase having been registered in the Company Registry. In other respects, the shares shall have shareholder rights from the time of issuance, unless the Board otherwise determines.

There are no other board authorizations in effect as of the date of this Prospectus.

7.6 Independent subscription rights and other financial instruments

Independent subscription rights

At the 2014 Annual General Meeting, the shareholders adopted an incentive subscription rights plan whereby the board can grant incentive subscription rights to employees and individual contractors on long-term contracts in the Company or its subsidiaries ("the 2014 Plan"). The Company has had in place annual corresponding incentive subscription right plans for the years 2010 (the "2010 Plan"), 2011 (the "2011 Plan"), 2012 (the "2012 Plan") and 2013 (the "2013 Plan"), where no further grants can be made under a former plan once a new plan has been adopted. The maximum number of subscription rights that may be issued under the 2014 Plan is 41,238,371 subscription rights but grants are also limited by the provision that the total number of outstanding subscription rights under all of the Company's subscription rights programmes shall not exceed 10 per cent of the Company's share capital at any time.

Upon vesting, each subscription right entitles the holder to demand the issuance of one share in IDEX. The exercise price for each new share equal the greater of (i) the average closing price on the Company's share as reported on the Oslo Børs over a period of ten trading days immediately preceding the date of grant of the subscription right, and (ii) the closing price of the Company's share, as reported by Oslo Børs, on the trading day immediately preceding the date of grant of the subscription rights.

25 per cent of the subscription rights vest (becomes exercisable) every 12 months following the date of grant. The Board may determine an accelerated or other vesting schedule in cases of particular circumstances. In case the subscription rights holder resigns or is terminated, without cause, he or she will be entitled to exercise the subscription rights that were vested at the expiration of the employment or service notice period. In case the subscription rights holder is terminated for cause all non-exercised subscription rights will be cancelled. The terms and conditions for vesting and exercise of subscription rights under former subscription right plans are substantially similar to the terms and conditions of the 2014 Plan. The independent subscription rights under the 2014 Plan will expire on 7 May 2019.

At the date of this Prospectus, 151,500 independent subscription rights are outstanding under the 2010 Plan, 0 (nil) subscription rights are outstanding under the 2011 Plan, 13,275,500 subscription rights are outstanding under the 2012 Plan, 6,692,500 subscription rights are outstanding under the 2013 Plan, and 4,614,500 subscription rights have been granted and are outstanding under the 2014 Plan. The total number of subscription rights outstanding under the 2010, 2011, 2012, 2013 and 2014 Plans is 24,734,000,000 with a weighted average exercise price of NOK 3.12.

At the 29 January 2014 Extraordinary Meeting of the Company, it was resolved to issue a total of 60,000,000 shares to Invesco funds in the Private Placement, at a subscription price per share of NOK 5.00. In addition, the said Extraordinary General Meeting resolved the issuance of a total of 30,000,000 warrants (in the form of independent subscription rights), to the same investors with an exercise price per share of NOK 7.50, to facilitate a follow-on investment. Each warrant entitles the holder to demand the issuance of one share in IDEX on the following terms and conditions: The warrant is exercisable at any time after the one-year anniversary of the date of the resolution of said Extraordinary General Meeting and thereafter until 29 January 2016. The Board would have the right (exercisable at its sole discretion), but not the obligation, to allow an early exercise of the warrant in cases of particular circumstances. In case of a change of control in IDEX during the initial one-year holding period, the warrants shall immediately become exercisable. No separate consideration was paid for the warrants. The warrants are transferable. The warrants shall expire on and no longer be exercisable after 29 January 2016.

At the 29 April 2015 Extraordinary Meeting of the Company, it was resolved to issue a total of 52,500,000 shares to funds under management of Woodford Investment Management LLP in the Private Placement, at a subscription price per share of NOK 5.65. In addition, the said Extraordinary General Meeting resolved the issuance of a total of 26,250,000 Warrants (in the form of independent subscription rights), to the same investors with an exercise price per share of NOK 8.50, to facilitate a follow-on investment. Each Warrant entitles the holder to demand the issuance of one share in IDEX on the following terms and conditions: The Warrant is exercisable at any time after the one-year anniversary of the date of the resolution of said Extraordinary General Meeting and thereafter until 29 April 2017. The Board would have the right (exercisable at its sole discretion), but not the obligation, to allow an early exercise of the Warrant in cases of particular circumstances. In case of a change of control in IDEX during the initial one-year holding period, the Warrants shall immediately become exercisable. No separate consideration is paid for the Warrants.

The Warrants are transferable. The Warrants shall expire on and no longer be exercisable after 29 April 2017.

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

If all existing subscription right holders and warrant holders (including, for the avoidance of doubt, funds under management of Woodford Investment Management LLP) should exercise their rights IDEX's share capital would increase by NOK 12,147,600.00.

7.7 Authority to Repurchase Shares

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

7.8 Shareholder Structure

As of the date of this Prospectus (including the shares to be issued in the Private Placement)²⁰, IDEX has a total of 1,930 registered shareholders, 1,807 of them Norwegian and 123 foreign, holding 6.38 per cent and 93.62 per cent respectively of the issued and outstanding shares in the Company. Members of the Board, management and staff, including ongoing contractors, hold a total of 2.73 per cent of the shares. The Company's largest shareholder is Sundvall Holding AS, holding about 14.8 per cent of the issued and outstanding shares. IDEX or its subsidiaries do not hold shares in IDEX.

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

Largest shareholders

The top 20 shareholders with the largest shareholdings as of the date of this Prospectus²¹ are listed below:

²⁰ The information is based on current VPS data and the Private Placement.

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

Ranking	Name	Shareholding	Percentage
1	SUNDEVALL HOLDING AS	69,210,643	14.8%
2	Woodford Investment Management funds	52,500,000	11.2%
3	CHARLES STREET INTER	37,107,236	7.9%
4	EUROCLEAR BANK S.A./	35,776,343	7.6%
5	INVESCO PERP HIGH IN	35,485,594	7.6%
6	THE BANK OF NEW YORK	24,514,406	5.2%
7	COLARGOL INVEST AS	17,000,318	3.6%
8	SMART RICHES LIMITED	13,613,617	2.9%
9	MP PENSJON PK	7,865,034	1.7%
10	COMMERZBANK AG	7,495,369	1.6%
11	SIX SIS AG	5,417,548	1.2%
12	ALDEN AS	4,885,821	1.0%
13	CARNEGIE INVESTMENT	4,675,880	1.0%
14	DNB NOR MARKETS, AKS	4,660,589	1.0%
15	MARC O POLO NORGE AS	4,613,148	1.0%
16	DUKAT AS	4,100,000	0.9%
17	BANQUE LOMBARD ODIER	4,042,000	0.9%
18	STÅLHE INVEST AS	4,001,944	0.9%
19	LUPUM AS	3,762,235	0.8%
20	RØNNE SVEN CHRISTIAN	3,612,016	0.8%
Total top 20 shareholders		344,339,741	73.4%
Other shareholders		124,780,483	26.6%

Schemes for employee share purchases

There is no programme for employee share purchases except the incentive subscription rights programme outlined in Section 7.7 above.

7.9 Articles of Association

The Articles of Association of the Company are included as Appendix 1 to this Prospectus.

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

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

The Articles of Association of the Company does not contain any provisions stricter than is required by the PLCA in relation to changing the rights of holders of the shares. The statutory requirements in this regard is set forth in Section 10.7 below (under the heading "Voting Rights").

7.10 Shareholder Matters

Transfer of Shares

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

Disclosure requirements

Under Norwegian law, an acquisition that causes the acquirer's proportion of shares and/or rights to shares to reach or exceed 5 %, 10 %, 15 %, 20 %, 25 %, 1/3, 50 %, 2/3 and 90 % of the share capital or an equivalent proportion of the voting rights in a company whose shares are quoted on the Oslo Børs, the acquirer shall immediately notify such acquisition to Oslo Børs. This applies

correspondingly to anyone who through disposal or other circumstances changes his or her proportion of shares so that the proportion is reduced to or below the set thresholds.

As of the date of this Prospectus and based on the table set out in Section 7.9 above as well as disclosures that have been made at the Oslo Børs Newsweb, the following registered shareholders (including, while not yet been registered, funds under management of Woodford Investment Management LLP) have holdings in excess of the statutory thresholds for disclosure requirements. Note: The list includes a nominee shareholder, which holding may belong to one or several beneficial owners. In case of nominee shareholders, the disclosure requirement applies to the beneficial owner of the shares.

SUNDVALL HOLDING AS	69 210 643	14,8%
Woodford Investment Management LLP	52 500 000	11,2%
CHARLES STREET INTER	37 107 236	7,9%
INVESCO PERP HIGH IN	35 485 594	7,6%
EUROCLEAR BANK S.A./	35 338 639	7,5%

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

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

8 GENERAL INFORMATION

8.1 Documents in display

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

- a) Prospectus (comprising Summary, Share Registration Document and Share Securities Note),
- b) The Memorandum of Incorporation and Articles of Association of the Company; and
- c) Audited financial statements for 2012, 2013 and 2014 for IDEX and the Group

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

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

8.2 Incorporation by reference

The information incorporated by reference in the Prospectus shall be read in connection with the cross-reference list as set out in the table below. Except as provided in this section, no other information is incorporated by reference in this Prospectus.

The following documents have been incorporated hereto by reference:

Section in the Prospectus	Disclosure Requirements of the Prospectus	Reference document and link
Section 6	Audited historical financial information (Annex I, section 20.1)	IDEX – Financial Statements 2012 http://www.idex.no/wp-content/uploads/2013/04/IDEX-Annual-Financial-Statement-2012.pdf
Section 6	Audited historical financial information (Annex I, section 20.1)	IDEX – Financial Statements 2013 http://www.idex.no/wp-content/uploads/2014/04/Idex_Annual_Report_2013_web_pub.pdf
Section 6	Audited historical financial information (Annex I, section 20.1)	IDEX – Financial Statements 2014 http://www.idex.no/wp-content/uploads/2012/07/IDEX-annual-report-2014-web.pdf

8.3 Jurisdiction

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



PART III: SHARE SECURITIES NOTE

9 KEY INFORMATION

9.1 Working capital statement

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

On 31 December 2014 (audited), the Group had a cash position of NOK 228.0 million. Net short-term payables and accruals less receivables amounted to a net liability of NOK 40.3 million, leaving a balance sheet solvency, i.e. uncommitted cash of NOK 187.7 million.

Under current planning assumptions, the Group's expenses will exceed the revenues through 2015. The Group does not have draft facilities or other working capital reserves but its cash, and the Group does not possess assets suitable for pledging as security for borrowing.

Without counting in the funds from the Private Placement, the Group has sufficient funding for its planned activities beyond 12 months from the date of this Prospectus. IDEX takes for its basis that it will be able to fund the Group's activities in the periods following the planning period, i.e. 2016 and onwards, by profits, debt or equity as appropriate at that time.

As a result of the Private Placement, IDEX will receive additional gross proceeds of NOK 296.6 million. Proceeds from the warrants issued, if exercised following the one-year holding period, may amount to an additional gross injection of NOK 223.1 million.

Given the cash position presented above, the additional funds provided through the Private Placement, the potential additional funds from the possible exercise of warrants and the planned future requirements, the Company does not foresee any need for additional funding in the foreseeable future. Hence, it is the Company's opinion that the Group's working capital is sufficient for the Group's present requirements.

9.2 Capitalization and indebtedness of the Group

The audited annual report for 2014 was published on 17 April 2015. Since 31 December 2014 and until the date of this Prospectus, the Group's business and operations have progressed in line with plans.

The IDEX Group is funded by equity and supplier credit. The Group does not have any debt to banks, financial institutions or other lenders and has not issued any bonds.

The Group has no indirect or contingent indebtedness.

Capitalisation and indebtedness on 31 December 2014 and 31 March 2015

NOK 1,000	31 March 2015 (unaudited)	31 Decembr 2014 (audited)
Total Current debt and liabilities	37 097	45 883
Guaranteed	-	-
Secured	-	-
Unguaranteed/ Unsecured	37 097	45 883
Total Non-Current debt and liabilities (excluding current portion of long-term debt)	11 406	10 079
Guaranteed	-	-
Secured	-	-
Unguaranteed/ Unsecured	11 406	10 079
Shareholders' equity	202 886	243 351
a. Share Capital	62 493	61 948
b. Legal Reserve	468 517	463 766
c. Other Reserves	(328 124)	(282 363)
Total debt and shareholders' equity	251 389	299 313

Other reserves includes retained earnings, as accounted for.

The unsecured current debt, which comprises financial liabilities as reported in the balance sheet, consists of accounts payable, accrued expenses and similar working capital items. The Group does not have any debt to banks, financial institutions or other lenders and has not issued any bonds.

IDEX does not have any financial credit lines. There are no ongoing intercompany financial loan agreements in the Group at the date of this Prospectus.

The numbers as at 31 March 2015 above does not include the NOK 296.6 million in new equity (before expenses) raised in the Private Placement.

The current debt was reduced by NOK 8.8 million during the first quarter of 2015, mainly because the initial payment on the purchase from Roger Bauchspies on 30 December 2014, was remitted in January 2015, and also reduction of supplier payables. The effect was partly offset by accruals related to share-based payment.

The non-current debt is the long-term payable to Roger Bauchspies. The payable is held at discounted net present value in USD converted to NOK at the balance sheet date.

Shareholder's equity was reduced by NOK 40.5 million during first quarter 2015, to NOK 202.9 million, mainly because the Group operated at a loss, thereby increasing the uncovered losses (more negative Other Reserves). Employees' exercise of incentive subscription rights and notional equity from earned share-based compensation contributed NOK 8.8 million to equity.

Consolidated net financial indebtedness on 31 December 2014 and 31 March 2015

NOK 1,000	31 March 2015 (unaudited)	31 Decembr 2014 (audited)
A. Cash (in bank)	181 001	227 961
B. Cash equivalents	-	-
C. Trading securities	-	-
D. Liquidity (A+B+C)	181 001	227 961
E. Current financial receivable	2 725	3 568
F. Current bank debt	-	-
G. Current portion of non-current debt	3 611	3 321
H. Other current financial debt	22 193	37 294
I. Current financial debt (F+G+H)	25 804	40 615
J. Net current financial indebtedness (I-E-D)	(157 922)	(190 914)
K. Non-current bank loans	-	-
L. Bonds issued	-	-
M. Other non-current debt	11 046	10 079
N Non-current financial indebtedness (K+L+M)	11 046	10 079
O. Net financial indebtedness (J+N)	(146 876)	(180 835)

Note: Negative sign on lines J or O means that the company has a net favourable cash position at the date.

The Group has a net positive cash position, and the negative financial indebtedness in the table above represents a net favorable cash position, as opposed to indebtedness. Financial debt comprises financial liabilities as defined in IAS 32. The Group's debt (liabilities) consist of accounts payable, accrued expenses and similar working capital items. The Group does not have any debt to banks, financial institutions or other lenders and has not issued any bonds. The Group has no indirect or contingent financial indebtedness, and neither had or presently has any plan to take up debt by borrowing funds or issue bonds.

The numbers as at 31 March 2015 above do not include the NOK 296.6 million in new equity (before expenses) raised in the Private Placement.

The cash position was reduced by NOK 47.0 million during the first quarter 2015, to 181.0 million NOK, mainly because the Group operated at a cash loss and reduced its short-term payables, while the share issues contributed favourably to the cash flow. Operational cash outflow amounted to NOK 53.6 million while financing activities contributed NOK 6.6 million inflow.

The current debt was reduced by NOK 14.8 million during the first quarter of 2015, to NOK 25.8 million, mainly because the initial payment on the purchase from Roger Bauchspies on 30 December 2014, was paid in January 2015. The current portion of the non-current debt is the current part of the long-term payable to Roger Bauchspies, held in USD converted to NOK at the balance sheet date.

The non-current debt is the long-term payable to Roger Bauchspies. The payable is held at discounted net present value in USD converted to NOK at the balance sheet date.

9.3 Reasons for the Private Placement and Use of the Proceeds

The Private Placement ensures a broader shareholder base, with more international institutional investors. Having Woodford funds acquire a significant interest in the Group is a reflection of increasing international presence. This is an investor of high quality and the amount of the investment is at a level which likely cannot be raised through existing shareholders.

The Extraordinary General Meeting resolved on 29 April 2015 to carry out the Private Placement of 52,500,000 new shares in IDEX, and funds managed by Woodford Investment Management LLP have entered into a subscription agreement with the Company for the placement. The subscription price was NOK 5.65 per share, totaling NOK 296.625 million. The net proceeds, after deduction of a placement fee of up to 6 per cent of the subscription amount and legal fees in the amount of approximately NOK 500,000, will be approximately NOK 278.328 million. Following the share issue, funds under management of Woodford Investment Management LLP will hold 11.19 % of the shares in the Company. Upon subscription in the Private Placement, the funds managed by Woodford Investment Management LLP will also receive 26,250,000 warrants, each at an exercise price of NOK 8.50, to facilitate a substantial follow-on investment by funds under management of Woodford Investment Management LLP. The warrants are open to be exercised 12 months after the date of their issue and will expire 24 months after issue.

The proceeds from the Private Placement will be used to strengthen the Company's equity and financial position, and secure considerable working capital for the business and technological development and commercialization of the Company's technology within fingerprint recognition technology.

The Group had adequate funding for its planned activities beyond 12 months from the date of this Prospectus, before the Private Placement. The funds from the Private Placement represent a strengthening of IDEX's balance sheet and available cash resources for the second half of 2016 and onwards, when the business is expected to grow significantly and the Company will need to expand its organisation, infrastructure and working capital.

The funds from the Private Placement amounts to a significant financial reserve, strengthening the Group's balance sheet. A strong balance sheet with uncommitted liquid resources serves several purposes for a company that does not currently earn a recurring revenue stream and does not yet possess borrowing capacity. The financial strength will underpin customers' and production partners' confidence in IDEX as a company that can be relied upon for long-term business. The available financial resources enable IDEX to develop its business as appropriate in future periods, in response to market opportunities and customer requirements that may not be fully, reliably anticipated at this stage.

By way of illustration, the proceeds from the Private Placement amount to NOK 296.6 million, while the combined outflow to operational and investing activities in the Group in 2014 amounted to NOK 134.0 million. As and when IDEX earns a gross margin on its products and/or IP, the gross margin will reduce the operational cash outflow. On the other hand, the operation will absorb working capital in terms of receivables and inventories. At the date of this Prospectus, IDEX is not in a position to disclose financial business plans or cash allocations for the Group for 2016 and the following years.

9.4 Reasons for price and other terms in the Private Placement

The subscription price per share, NOK 5.65, as well as other terms, hereunder those related to the Warrants, were determined through negotiations between IDEX and Woodford Investment Management LLP on behalf of funds under its management, which will subscribe for the New Shares and the Warrants.

The agreed pricing of the New Shares is based on the weighted average of the 5 trading days prior to 19 March 2015, when the investment terms were substantially agreed. The agreed subscription price was considered on or about market terms and deemed by the Board to be the best attainable price in order to secure the Private Placement. Given the nature of the investor and the level of the investment, the Private Placement will in the Board's opinion increase shareholder values. For the foregoing reasons, no proposal for a repair issue is being contemplated by the Board.

Due to specific factors like the stage of the fingerprint industry at large and the fact that IDEX does not yet earn recurring revenue, the IDEX share price is volatile. It is also impacted by general market conditions.

At the 29 April 2015 Extraordinary General Meeting the shareholders in the Company waived their pre-emptive right to subscribe for shares in relation to the Private Placement.

9.5 Interest of natural and legal persons involved in the Private Placement

Cenkos Securities plc, 6.7.8. Tokenhouse Yard, London, EC2R 7AS, England, who acted as broker in the Private Placement, receives a performance fee equal to 4 % of the investment amount in the Private Placement, payable in cash or shares in IDEX, as determined by the broker. In case of issuance of consideration shares, the number of shares will be calculated based on price per share equal to the subscription price in the Private Placement, and the share capital increase will be resolved under the existing board authorization to issue shares. Further, Charles Street International Ltd., 4 rue des Marbriers, P.O. Box 5530, 1211 Geneva 11, Switzerland, who assisted IDEX in the communication and negotiations with Woodford Investment Management LLP, will receive a 2 % performance fee, on otherwise identical terms and conditions as those applicable to Cenkos Securities plc. Other than the foregoing, the Private Placement was conducted without the use of managers, coordinators or underwriters. No paying agents or depository agents were retained or engaged, other than the Company's VPS registrar, DNB Bank ASA, Securities Services, Dronning Eufemias gate 30, NO-0191 OSLO, Norway, for purposes of issuance of the New Shares in the VPS. No major shareholder, member of IDEX's management, supervisory or administrative bodies subscribed in the offer.

Advokatfirma Ræder DA, Henrik Ibsens gate 100, P.O: Box 2944 Solli, NO-0230 Oslo, Norway serves as the legal counsel of IDEX in connection with the Private Placement and receives legal fees in this regard.

Other than the above mentioned, the Company is not aware of any interest of any natural or legal persons involved in the Private Placement.

9.6 Public Takeover Bids

The Board is not aware of any public takeover bids with respect to the shares in IDEX having occurred during the 2014 or 2015 financial years. The Board is not aware of any mandatory takeover bids in relation to the shares in IDEX.

10 INFORMATION CONCERNING THE SECURITIES BEING ADMITTED TO TRADING

10.1 Current Share Capital

Share capital

IDEX's share capital prior to the Private Placement was NOK 62,493,033.60, divided into 416,620,224 ordinary shares, each share with a par value of NOK 0.15. Following the Private Placement, the share capital amounts to NOK 70,368,033.60 divided into 469,120,224 shares, each share having a par value of NOK 0.15. The shares are issued under Norwegian law and pursuant to the PLCA.

The Company's shares have been listed on Oslo Axess since 12 March 2010. On 29 April 2015, Oslo Børs approved the Company's application for a listing transfer from Oslo Axess to Oslo Børs; the first day of listing on Oslo Børs being on or about 11 May 2015.

VPS registration

The Company's shares are in registered form, and are registered in the VPS under the securities identification code ISIN NO 000 3070609. The Company's registrar is DNB Bank ASA, Securities Services, NO-0021 Oslo, Norway.

The Shares

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

The Company's shares have equal rights to the Company's profits, in the event of liquidation and to receive dividends unless all the shareholders approve otherwise. Further, there are no dividend restrictions or specific procedure for non-Norwegian resident shareholders in the PLCA or otherwise applicable for the Company. Each share gives the holder the right to cast one vote at general meetings of shareholders.

For the New Shares issued under the Private Placement, the subscribers will obtain rights to receive dividends from the time at which the New Shares are issued.

The Company's shares are freely transferable according to Norwegian law and the Company's Articles of Association.

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

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

10.2 The Private Placement

The full terms and conditions of the Private Placement are set out in Section 10.6.

On 29 April 2015, the Extraordinary General Meeting resolved a private placement of a total of 52,500,000 shares to funds under management of Woodford Investment Management LLP, which subscribed for 100 per cent of the shares issued in the Private Placement.

The subscribers are funds managed by Woodford Investment Management LLP, an independent global investment manager, dedicated to helping investors worldwide achieve their financial objectives.

The subscription price per share was NOK 5.65, amounting to an aggregate subscription price of NOK 296,625,000. No expenses or taxes were specifically charged to the subscribers. The New Shares have, according to allotment, been duly and irrevocably subscribed for by funds under management of Woodford Investment Management LLP by executing and delivering to IDEX a share subscription form and the total subscription amount will be paid in full to IDEX's bank account with DNB Bank ASA on or about Friday 8 May 2015, being within the postponed payment deadline. The subscription for the shares was made on 6 May 2015. The share capital increase associated with the Private Placement is expected to be registered in the Company Registry on or about 8 May 2015 with a subsequent announcement on or about 8 May 2015 regarding the registration of the share capital increase in the Company Registry.

The Private Placement did not include any retail tranche or tranche for Company employees and no allotment method was consequently used by over-subscription of such tranches. No subscription period was applied in connection with the Private Placement other than the subscription deadline for funds under management of Woodford Investment Management LLP to participate in the Private Placement. Multiple subscriptions were not admitted as the Private Placement was formalised by way of a subscription agreement with subsequent execution of subscription forms. Amounts allotted were communicated in the subscription agreement, and with final effect by way of notification of the resolution of the Extraordinary General Meeting held 29 April 2015. There were no restrictions on dealing with the New Shares before notification was made, but no subscription rights were issued and the New Shares were not listed in any regulated market.

Following the Private Placement of New Shares, the share capital amounts to NOK 70,368,033.60, divided into 469,120,224 shares, each having a par value of NOK 0.15. The shares are issued pursuant to the PLCA.

It was also resolved in the same Extraordinary General Meeting that a total of 26,250,000 Warrants, each of the Warrants with an exercise price of NOK 8.50, were issued to funds under management of Woodford Investment Management LLP. Warrants are exercisable at any time after the one-year anniversary of the date of the Extraordinary General Meeting on 29 April 2015 and thereafter until 29 April 2017. No separate consideration is paid for the Warrants. The Warrants will be issued according to the PLCA, and the Company expects that the Warrants will be registered in the Company Registry on or about 8 May 2015. The Warrants are transferable. However, the Warrants will not be traded on Oslo Børs.

At the 29 April 2015 Extraordinary General Meeting, the shareholders waived their pre-emptive right to subscribe for the New Shares in relation to the Private Placement.

10.3 New Shares

The New Shares are ordinary shares in the Company, i.e., the same class as the IDEX shares already in issue and listed on Oslo Axess/Oslo Børs. The New Shares are expected to be registered in the Company Registry on or about 8 May 2015. For the New Shares issued under the Private

Placement, the subscriber will obtain rights to receive dividends from the time at which the New Shares are issued. Otherwise the New Shares rank equally to the other shares of the Company as from the date the share capital increase is registered in the Company Registry. Delivery of the New Shares is expected to take place on or about 11 May 2015.

The New Shares will have the same VPS registrar and the same ISIN number as the Company's other shares, ISIN NO 0003070609.

10.4 Listing and Expected First Day of Trading

The listing on Oslo Børs of the New Shares issued in the Private Placement is subject to the approval of the Prospectus by the Financial Supervisory Authority (Norwegian: Finanstilsynet) under the rules of the Securities Trading Act. Such approval was granted on 7 May 2015.

The first day of trading on Oslo Børs of the New Shares issued in the Private Placement, will be on or about 11 May 2015.

10.5 Dilution

The per share dilution of ownerships as a result of the Private Placement is 11.1 per cent. The amount of dilution compared to the latest observed closing price before the Private Placement was announced to the market is NOK 0.05 per share corresponding to a total of NOK 21.0 million in total.

10.6 Publication of information relating to the Private Placement

The Private Placement was announced on 26 March 2015 through Oslo Stock Exchange's electronic information system. The announcement regarding the Extraordinary General Meeting was announced on 29 April 2015. The announcement regarding registration of the share issue in the Company Registry, is expected to be made on or about 8 May 2015.

Private Placement

Resolution by the Extraordinary General Meeting on 29 April 2015:

Original resolution in the Norwegian language

"Selskapets aksjekapital forhøyes med NOK 7 875 000, fra NOK 62 493 033.60 til NOK 70 368 033,60 gjennom utstedelse av 52 500 000 aksjer i en rettet emisjon til tegningskurs NOK 5,65 per aksje, hver aksje pålydende NOK 0,15. Det totale tegningsbeløp er NOK 296 625 000, hvorav NOK 7 875 000 tillegges aksjekapitalen og NOK 288 750 000 tillegges Selskapets fond iht. allmennaksjelovens bestemmelser.

Aksjene vil utstedes til fond under ledelse av Woodford Investment Management LLP, som har bekreftet at de, forutsatt at generalforsamlingsgodkjennelse og godkjennelse av prospekt foreligger, vil tegne seg for aksjene i henhold til allmennaksjelovens bestemmelser. Nåværende aksjeeiere gir avkall på sine fortrinnsretter til å tegne aksjer i medhold av allmennaksjeloven i forbindelse med denne kapitalforhøyelsen.

De nye aksjene skal tegnes og tegningsbeløpet skal innbetales innen 30. april 2015, likevel slik at styret i særskilte tilfeller kan forlenge innbetalingsfristen. Dersom Finanstilsynet per utløpet av 30. april 2015 ikke har godkjent prospektet, utsettes fristen for tegning av aksjene og betaling av tegningsbeløpet i inntil 2 virkedager etter tidspunktet for godkjennelse av prospektet.

De nye aksjene vil være fullt innbetalt og gi rett til utbytte fra det tidspunkt aksjene er utstedt.

Kostnadene ved emisjonen inkluderer et honorar for å bistå med plassering av emisjonen tilsvarende inntil 6 prosent av emisjonsbeløpet (som skal betales kontant eller i form av aksjer i IDEX ASA etter mottakers valg, og der man for det tilfellet at oppgjør skal skje i aksjer skal beregne antall aksjer ved å benytte samme pris per aksje som tegningskurs i emisjonen, og gjennomføre kapitalforhøyelsen under gjeldende emisjonsfullmakt til styret). I tillegg påløper juridiske honorarer og kostnader knyttet til utarbeidelse av prospekt på totalt om lag NOK 500 000."

English Office Translation

"The Company's share capital shall be increased by NOK 7,875,000 from NOK 62,493,033.60 to NOK 70,368,033.60 through the issuance of 52,500,000 shares in a private placement of shares, at a subscription price of NOK 5.65 per share, each share having a par value of NOK 0.15. The total subscription amount is NOK 296,625,000 of which NOK 7,875,000 is added to the Company's share capital while NOK 288,750,000 is added to the Company's reserves in accordance with the provisions of the PLCA.

The shares will be issued to funds under management of Woodford Investment Management LLP, who have confirmed that they will, subject to approval of this general meeting and prospectus approval, subscribe for the shares in accordance with the provisions of the PLCA. Existing shareholders waive their preferential right to subscribe for shares under the PLCA in connection with the instant share capital increase.

The subscription for the shares and payment of the subscription price must be made latest on 30 April 2015; provided, however, that the Board, in cases of particular circumstances, may allow an extended time period for payment. In the event that the prospectus relating to the share capital increase has not been approved by the Norwegian Financial Supervisory Authority (the "FSA") by the end of 30 April 2015, the subscription period and payment of the subscription price shall be postponed until two business days following such prospectus approval.

The new shares will be fully paid and carry rights to dividends from the time the shares are issued.

The costs of the share issue include a placement fee of up to 6 per cent of the subscription amount (payable in cash or IDEX ASA shares, as determined by the recipient, whereby in the latter alternative the number of shares will be calculated based on a price per share equal to the subscription price in the private placement and the share capital increase will be resolved under the existing board authorization to issue shares), as well as legal fees and costs related to the preparation of a listing prospectus in the amount of approximately NOK 500,000."

10.7 Provisions of the PLCA, the Securities Trading Act and the Norwegian Competition Act relevant for the New Shares

The following is a summary of certain of the provisions of the PLCA, the Securities Trading Act and the Norwegian Competition Act that are relevant for the New Shares:

Disclosure requirements under the Securities Trading Act

Under Norwegian law, an acquisition that causes the acquirer's proportion of shares and/or rights to shares to reach or exceed 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 and 90% of the share capital or an equivalent proportion of the voting rights in a company whose shares are quoted on the Oslo Børs (hereunder Oslo Axess), the acquirer shall immediately notify such acquisition to Oslo Børs.

This applies correspondingly to anyone who through disposal or other circumstances changes his or her proportion of shares so that the proportion is reduced to or below the set thresholds. Shares held or acquired or disposed of by close associates, as defined in Section 2-5 of the Securities Trading Act, are regarded as equivalent to the acquirer's or disposer's own shares.

Mandatory offer requirement under the Securities Trading Act

Norwegian law requires any person, entity or group acting in concert that acquires more than one-third of the voting rights of a Norwegian company listed on Oslo Børs (hereunder Oslo Axess) to make an unconditional general offer for the purchase of the remaining shares in the company, with repeated obligations upon reaching thresholds of 40% and 50%, see Securities Trading Act, Chapter 6. The offer is subject to approval by Oslo Børs before submission of the offer to the shareholders. The offer price per share must be at least as high as the highest price paid or agreed by the offeror in the six-month period prior to the date the statutory threshold was exceeded, but equal to the market price if the market price was higher when the statutory threshold was exceeded. In the event that the acquirer thereafter, but prior to the expiration of the bid period acquires, or agrees to acquire, additional shares at a higher price, the acquirer is obliged to restate its bid at that higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. A shareholder who fails to make the required offer must within four weeks dispose of sufficient shares so that the obligation ceases to apply. Otherwise, Oslo Børs may cause the shares exceeding the statutory limit to be disposed of by an enforced sale. A shareholder who fails to make such bid cannot, as long as the mandatory bid requirement remains in force, vote his shares or exercise any rights of share ownership unless a majority of the remaining shareholders approve. The shareholder can, however, exercise the right to dividend and pre-emption rights in the event of a share capital increase. Oslo Børs may impose a daily fine upon a shareholder who fails to make the required offer.

Compulsory acquisition under the PLCA

If a shareholder, directly or via subsidiaries, acquires shares representing more than 90 per cent of the total number of issued shares as well as more than 90 per cent of the total voting rights attached to such shares, then such majority shareholder pursuant to Article 4-25 in the PLCA would have the right (and each remaining minority shareholder of the Company would have the right to require such majority shareholder) to effect a compulsory acquisition for cash of any shares not already owned by such majority shareholder. Such compulsory acquisition would imply that the majority shareholder has become the owner of the thus acquired shares with immediate effect. Upon effecting the compulsory acquisition the majority shareholder would have to offer the minority shareholders a specific price per share, the determination of which price would be at the discretion of the majority shareholder. At the same time the majority shareholder must pay the total offer price into a separate account with a bank that is permitted to carry on business activities in Norway. Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline not to be of less than two months' duration, request that the price be set by the Norwegian courts. Absent such request or other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the two months deadline. The cost of such court procedure would, as a general rule, be for the account of the majority shareholder, and the courts would have full discretion in respect of the valuation of the shares as per the effectuation of the compulsory acquisition.

Voting rights under the PLCA

Each ordinary share in the Company carries one vote.

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

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

General meetings of shareholders (PLCA)

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

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

General meetings are convened by the Company's Board. In a public limited liability company a notice of a general meeting shall be sent at the latest two weeks before the date of the meeting, however, in a company whose shares are listed on a regulated market (such as IDEX), the notice period is three weeks. The notice shall include a proposal for an agenda for the meeting. A shareholder is entitled to submit proposals to be discussed at general meetings provided such proposals are submitted in writing to the Board in such good time that it can be entered on the agenda of the meeting. In the case of the Company, a shareholder who wishes to attend the general meeting, in person or by proxy, shall notify its attendance to the Company no later than two days prior to the general meeting; see Section 11 of the Articles of Association.

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

Extraordinary general meetings can be called by the Board, and if applicable the corporate assembly or the chairman of the corporate assembly. In addition, the Board shall call an extraordinary general meeting whenever so demanded in writing by the auditor or shareholders representing at least 5 % of the share capital, in order to deal with a specific subject. The extraordinary general meeting must be held within one month from the date of the demand. The notice period is three weeks in a company whose shares are listed on a regulated market (such as IDEX).

Additional issuances and preferential rights (PLCA)

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

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

Dividends (PLCA)

Dividends may be paid in cash or in some instances in kind. Pursuant to the PLCA, a public limited liability company may only distribute dividends to the extent it will have net assets covering the company's share capital and other restricted equity after the distribution has been made. The calculation shall be made on the basis of the balance sheet in the company's last approved financial statements, provided, however, that it is the registered share capital on the time of decision that applies. Further, extraordinary dividend payments may be resolved based upon an interim balance sheet not older than 6 months.

In the amount that may be distributed, a deduction shall be made for (i) the aggregate nominal value of treasury shares held by the company, (ii) credit and collateral pursuant to Sections 8-7 and 8-10 of the PLCA, with the exception of credit and collateral repaid or settled prior to the time of decision or credit which is settled by a netting in the dividend and (iii) other dispositions after the balance day which pursuant to law shall lie within the scope of the funds that the Company may use to distribute dividend. Even if all other requirements are fulfilled, the company may only distribute dividend to the extent that it after the distribution has a sound equity and liquidity.

Distribution of dividends is resolved by a majority vote at the general meeting of the shareholders of the Company, and on the basis of a proposal from the Board of Directors. The general meeting cannot distribute a larger amount than what is proposed or accepted by the Board of Directors. The general meeting can also provide the Board of Directors with an authorization to resolve an extraordinary dividend payment. Such authorization is however limited in time to the next ordinary General Meeting.

According to the PLCA, there is no time limit after which entitlement to dividends lapses. Under the Norwegian Limitations Act, the general period of limitation is three years from the date on which an obligation is due. The payment date may not be set later than six months from the resolution to distribute dividends. Further, there are no dividend restrictions or specific procedures for non – Norwegian resident shareholders in the PLCA.

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior government approval except for the physical transfer of payments in currency, which is restricted to licensed banks. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made only through a licensed bank.

Rights on Liquidation (PLCA)

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

Mandatory filing requirements under the Norwegian Competition Act

The Competition Act requires that concentrations (mergers, acquisitions, etc.) wherein the undertakings concerned have a combined annual turnover in Norway exceeding NOK 1 billion, shall be notified to the Norwegian Competition Authority (Konkurransetilsynet) (hereinafter "NCA") by way of a notification. If, however, only one of the undertakings concerned has an annual turnover in Norway exceeding NOK 100 million, notification is not required. The NCA may, however, order the submission of a notification even below these thresholds. The deadline to order such submission is the earlier of three (3) months from: (i) a final agreement is entered into or (ii) when control is acquired.

A notification shall contain detailed information on the concentration. The requirements are similar to that of the Commission's form CO.

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

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

10.8 Reports to shareholders and publishing of information

Reports to Shareholders

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

Notification and Publication Requirements

The Company provides its shareholders, Oslo Børs and the market as a whole with timely and accurate information. Notices are published through Oslo Børs' information system and on the Company's web site, www.idex.no.

11 TAXATION

11.1 General

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

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

11.2 Norwegian Shareholders

Taxation of dividends - Individual shareholders

Dividends distributed to Norwegian individual shareholders are taxable as general income at a rate of 27%. The shareholders are, however, entitled to deduct a calculated tax-free allowance when calculating their taxable dividend income. The tax-free allowance will be calculated on a share by share basis, and the allowance for each share will be equal to the cost price of the share, multiplied by a risk free interest rate. Any part of the calculated allowance one year exceeding the dividend distributed on the share will the following years be deducted from taxable dividend income and also included in the basis for calculating the allowance.

Taxation of dividends - Corporate shareholders (Limited liability companies)

Dividends distributed to a shareholder which is a limited liability company resident in Norway for tax purposes ("Norwegian corporate shareholders") and holding more than 90% of the shares and votes in the distributing company are fully exempt from taxation. To other corporate shareholders 3% of the dividends shall be subject to general income tax at the 27% rate.

Taxation on realization of shares – Individual shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian individual shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of general income in the year of disposal. The general income is taxable at a rate of 27%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

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

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

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

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

Taxation related to independent subscription rights – Individual shareholders

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

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

A capital gain or loss generated by a Norwegian individual shareholder through a sale of independent subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is generally included in or deducted from the basis for computation of general income in the year of disposal. The general income is taxable at the rate of 27%.

However, please note that the gains related to independent subscription rights granted to employees as a consequence of their employment will be included in the basis for calculating their salary payments. Such salary payments are subject to taxation at a marginal tax rate of 47.2%. In addition, the employer will be obligated to pay social security contributions at a rate normally of 14.1%.

Taxation related to independent subscription rights – Corporate shareholders

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

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

Net wealth tax

The value of shares is included in the basis for the computation of wealth tax imposed on Norwegian individual shareholders. The marginal wealth tax rate is 0,85 % of the value assessed. The value for assessment purposes for shares on Oslo Børs is 100% of the listed value as of 1 January in the year of assessment. Norwegian corporate shareholders are not subject to net wealth tax.

11.3 Non-Resident Shareholders

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

Taxation of dividends

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("Non-resident individual shareholders"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway

and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends.

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

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

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

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

Taxation on realization of shares or independent subscription rights

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

Net wealth tax

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

11.4 Duties on the Transfer of Shares

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

12 COSTS RELATED TO THE PRIVATE PLACEMENT

The estimated transaction costs directly attributable to the Private Placement, which are for the account of the Company, are about NOK 18.297 million excluding VAT.

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

13 ADDITIONAL INFORMATION

13.1 Advisors

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

13.2 Managers, underwriters

The Private Placement was conducted without the use of managers, coordinators or underwriters.

13.3 Auditors

The Company's auditor is Ernst & Young AS, Dronning Eufemias gate 6, NO-0191 Oslo, Norway, who has acted as the Company's auditors since 13 November 2000. Ernst & Young AS is a member of the Norwegian Institute of Public Accountants.

13.4 Expert statements

There are no reports, letters, evaluations or statements prepared by any expert at the Company's request, which are referred to in the Prospectus.

14 DEFINITIONS

AC	Alternating current
ASIC	Application Specific Integrated Circuit
Board	Board of Directors of the Company
Company or IDEX	IDEX ASA, the parent company of the IDEX Group
Company Registry	Norwegian Register of Business Enterprises
Group or IDEX Group	IDEX ASA consolidated with its subsidiaries
IFRS	International Financial Reporting Standards
IoT	Internet of Things
IP	Intellectual property
IPR	Intellectual property rights
ISO	International Organisation for Standardization
New Shares	The 52,500,000 new shares issued in the Private Placement
NOK	The currency of the Kingdom of Norway
OEM	Original Equipment Manufacturer
Oslo Børs	Oslo Børs ASA
PicoField	PicoField Technologies, Inc.
PLCA	The Norwegian Public Limited Companies Act of 13 June 1997 No.45 (as amended)
Private Placement	The private placement of 52,500,000 new shares (New Shares) in IDEX to funds under management of Woodford Investment Management LLP as resolved by the Extraordinary General Meeting on 29 April 2015.
Prospectus	The combined Prospectus comprising of Part I: Summary Note, Part II: Share Registration Document and Part III: Share Securities Note
RF	Radio frequency
Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 No. 752 (as amended)
VPS	The Norwegian Central Securities Depository or Verdipapirsentralen
Warrants	The 26,250,000 warrants in the Company issued to funds under management of Woodford Investment Management LLP by the Extraordinary General Meeting on 29 April 2015 in connection with the Private Placement

APPENDIX 1 ARTICLES OF ASSOCIATION

VEDTEKTER FOR IDEX ASA Org.nr. 976 846 923 MVA (sist endret 29. april 2015)

- § 1 Selskapets navn er IDEX ASA og det er et allmennaksjeselskap.
- § 2 Selskapet formål er å levere databaserte identifikasjonssystemer og annen relatert virksomhet.
- § 3 Forretningskontor er i Bærum kommune.
- § 4 Selskapets aksjer skal være registrert i Verdipapirsentralen.
- § 5 Selskapets aksjekapital er NOK 70 368 033,60 fordelt på 469 120 224 aksjer á 0,15 NOK lydende på navn.
- § 6 Selskapets styre består av fra 3 til 7 medlemmer.
- § 7 Den ordinære generalforsamling skal behandle og avgjøre:
- Fastsettelse av resultatregnskap og balanse
 - Anvendelse av overskudd eller dekning av underskudd
 - Valg av styre og fastsettelse av styrehonorar
 - Valg av leder og medlemmer til valgkomiteen, samt fastsettelse av godtgjørelse til valgkomiteen
 - Valg av revisor og fastsettelse av revisors honorar
 - Andre saker som er bestemt av loven
 - Andre saker som er nevnt i innkallingen
- § 8 a. IDEX skal ha en valgkomité. Valgkomiteen skal ha tre medlemmer, inkludert valgkomiteens leder. Valgkomiteens medlemmer skal bli valgt av den ordinære generalforsamlingen og for en periode på to år.
- b. Valgkomiteen skal:
- Foreslå kandidater til styret.
 - Foreslå godtgjørelse som skal betales til styrets medlemmer
 - Foreslå kandidater til valgkomiteen
 - Foreslå godtgjørelse som skal betales til valgkomiteens medlemmer
- c. Retningslinjer for valgkomiteen vedtas av generalforsamlingen
- § 9 Dokumenter som gjelder saker som skal behandles på generalforsamlingen behøver ikke utsendes til selskapets aksjonærer såfremt de i tide er gjort tilgjengelige på selskapets internettside.
- § 10 Selskapets generalforsamlinger skal som utgangspunkt avholdes på norsk. Generalforsamlingen kan likevel med simpelt flertall beslutte at engelsk språk skal benyttes.
- § 11 En aksjeeier som ønsker å delta på generalforsamlingen, personlig eller ved fullmektig, skal melde sin deltakelse til selskapet ikke senere enn 2 dager forut for generalforsamlingen. Har aksjeeieren ikke meldt fra om sin deltakelse i rett tid, kan selskapet nekte aksjeeieren adgang til generalforsamlingen.

English version, office translation for information purposes:

ARTICLES OF ASSOCIATION OF IDEX ASA
Corp.ID. no. NO 976 846 923 VAT
(last amended on 29 April 2015)

- § 1 The name of the company is IDEX ASA and it is a public limited company.
- § 2 The objective of the company is to deliver computer-based identification systems and other related activities.
- § 3 The business offices are in the Bærum municipality, Norway.
- § 4 The company's shares shall be registered in the Norwegian Registry of Securities.
- § 5 The share capital is NOK 70,368,033.60 divided into 469,120,224 shares each with a nominal value of NOK 0.15 per share and issued in name.
- § 6 The board of the company consists of from 3 to 7 members.
- § 7 The ordinary general meeting shall consider and resolve:
- Determination of the profit and loss account and balance sheet
 - Appropriation of (net) profit or covering of losses
 - Election of board and determination of board remuneration
 - Election of chairman and members of the nomination committee, and determination of remuneration to the members of the nomination committee
 - Election of auditor and determination of auditor's remuneration
 - Other matters which are governed by law
 - Other matters which are mentioned in the notice of the meeting
- § 8 a. IDEX shall have a nomination committee. The nomination committee shall have three members, including a chairman. Members of the nomination committee shall be elected by the Annual General Meeting for a term of two years.
- b. The nomination committee shall:
- Propose candidates for election to the Board of Directors
 - Propose the remuneration to be paid to the Board members
 - Propose candidates for election to the nomination committee
 - Propose the remuneration to be paid to the nomination committee members
- c. The guidelines for the nomination committee shall be resolved by the general meeting.
- § 9 Documents which timely have been made available on the Internet site of the company and which deal with matters that are to be considered at the general meeting need not be sent to the company's shareholders.
- § 10 As a general rule, the company's general meetings shall be conducted in Norwegian. The general meeting may however resolve by a simple majority vote that English shall be used.
- § 11 A shareholder who wishes to attend the general meeting, in person or by proxy, shall notify his/her attendance to the company no later than 2 days prior to the general meeting. If the shareholder does not notify the company of his/her attendance in a timely manner, the company may deny him/her access to the general meeting.