

IDEX ASA interim report for the third quarter of 2015

Third quarter highlights – Continuing strong progress:

- The Eagle off-chip sensor is now in volume production for World Wide Touch Technology, which validates both IDEX's technology and our supply chain capabilities
- Activity across IDEX's sensor portfolio continues with major mobile OEMs with progress beyond validation to deep integration and compatibility testing at lead prospective customers. In parallel sales efforts with a wider customer base are being ramped-up with partners - demonstrating the high credibility of IDEX's offerings and the advantage of a channel partner structure
- Customer roadshow conducted with IDEX's world-leading Fortune 500 glass technology partner resulted in a very positive reaction to new in-glass sensor technology from top-tier mobile OEM customers
- Solid progress on development of card programme with top-tier global payments partner
- Entered into collaborative partnership with California-based on-line security leader Nok Nok Labs, a key supplier to Samsung and Paypal, which will strengthen and deepen end-to-end solution capabilities

Outlook – Design wins expected:

- Expects that recently increased sampling and integration activity will lead to design wins in the near future, leading to orders for commercial volumes
- Anticipates sampling of in-glass sensors in early 2016 and volume ramp-up commencing in the second half of 2016 given the excellent progress made in product development with IDEX's Fortune 500 partner
- Similar progress in our global payments partnership expected to result in biometric card trials in the next few months, leading to initial commercial shipments in late 2016
- Tangible progress on products demonstrates that IDEX is in a very strong position to secure a significant share of multi-billion dollar market opportunity for fingerprint sensors in both the mobile device and payment card markets

First production order for new off-chip touch sensor

In September IDEX received the first order for production quantities of its new Eagle off-chip sensor product from World Wide Touch Technology Holding Ltd (WWTT). This order was initially for our first generation silicon sensors, but WWTT subsequently decided to upgrade to IDEX's newer product based on the strong value proposition of the Eagle sensor.

This volume order for Eagle strongly validates the advantages of IDEX's patented off-chip polymer sensor technology, which has major cost advantages over silicon sensors as well as having a much more flexible form factor. This off-chip advantage allows IDEX to offer a much more competitive fingerprint recognition solution to both the mobile device and the card payment segments with competitive performance.

The Eagle sensor is now in production through our commercial-capacity supply chain, which is already delivering high-yield quality product at the cost points demanded by these markets.

Sampling with leading mobile OEMs moving to next phase

The strong momentum of trial activity with leading mobile OEMs over the last quarter has continued moving to full design application testing of commercial grade modules. This is a result of customers' benchmarking IDEX's Eagle sensor versus competing solutions - IDEX's competitive price and compelling sensor performance represent a superior cost/benefit ratio.

IDEX's strong IP and patents, combined with the cost advantages of polymer-based sensors, and the wide form factor flexibility, is resulting in the Eagle sensor being recognized by mobile OEMs as a compelling solution for their next generation of devices. The off-chip product portfolio offered to mobile OEMs is complemented by IDEX's partnership with CrucialTec, a leading fingerprint module provider to the mobile industry, which also includes silicon-based sensor technology.

The increasing level of market interest is strong validation of the powerful set of partnerships that IDEX has put in place over the last year to support not only the technology and product platforms, but also the manufacturing, market and distribution

channels critical for the operational support of our customers.

Commercial agreement with Fortune 500 Company for in-glass sensors

In July, IDEX announced that it entered into a strategic partnership for in-glass sensor technology with a global tier-one manufacturing company with significant presence in the mobile device components market. The agreement supports the scalable manufacturing and distribution of IDEX's unique sensor technology fully integrated within glass components while also facilitating the mass commercialisation into the mobile devices market.

"Sensing within glass is the ultimate solution for mobile OEMs, especially for cosmetic display integration. The durability combined with the look and feel are far better than conventional sensors, and with IDEX patented technology the biometric performance is also superior," Dr. Hemant Mardia, CEO of IDEX, said when the agreement was announced.

The first samples from this Joint development agreement were showcased recently during a joint roadshow that included a number of major mobile OEMs in the Far East. These meetings demonstrated the advantages of IDEX's



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patented technology for in-glass sensing, which provides unparalleled fingerprint imaging performance when compared to under-glass alternatives. The reaction to the performance, durability and aesthetics of the samples was very positive and has led to a number of detailed follow-up discussions, which IDEX expects to lead to product trials in early 2016.

Global payments partnership

Last quarter, IDEX announced a strategic partnership with a world-leading global payments provider to accelerate the adoption of IDEX's Eagle sensor products in this rapidly growing market segment. The Eagle off-chip product is particularly well-suited to payment card applications, not only because of its industry-leading imaging quality and recognition accuracy, but also because the flexible thin film polymer sensor is an ideal match for use in thin plastic payment cards.

IDEX has made good progress with integration development for sensors in ISO ID1 standard-sized cards for trials in the first half of 2016.

Partnership with Nok Nok Labs

In July, IDEX announced another key partnership with Nok Nok Labs, a California-based innovator in modern security authentication technology, and supplier to Samsung and Paypal. Nok Nok is a founding member of the FIDO

Alliance, an industry consortium launched in 2013 to revolutionize online security with open standards for simpler, stronger authentication.

IDEX and Nok Nok Labs are collaborating to integrate IDEX's high-performance Eagle touch-based fingerprint sensors with the Nok Nok Labs S3 Authentication Suite, which will be offered to mobile and payment card OEMs as a pre-certified end-to-end security solution.

Outlook

IDEX's strategy continues to be focused on exploiting its unique flexible, off-chip based sensor technology across three mass markets: mobile devices, ID & smart cards and the Internet of Things. In the near term, the goal is to drive sales of the new generation Eagle polymer touch sensor and semiconductor solution. Heightened levels of evaluation and integration testing activity in recent months is encouraging and is increasing the likelihood of securing mobile device design wins in the near future.

IDEX considers in-glass fingerprint sensing the ultimate solution for the mobile market, as it enables both superior biometric performance and excellent industrial design flexibility on the front of the device. The excellent progress achieved on IDEX's joint in-glass sensor programme with a major Fortune 500 partner is accelerating development timescales and providing

proven world-class high volume manufacturing, capable of serving an industry-wide distribution network. IDEX fully expects that this momentum and the recent roadshow activity will lead to trials of IDEX's in-glass sensors in early 2016 and a volume ramp-up commencing in the second half of 2016.

Mass adoption of fingerprint sensors has begun to proliferate the mobile market as a result IDEX is now seeing increased interest in its technology for the secure identification and payment card markets. IDEX is developing solutions for this segment within the strategic partnership announced in June with a major global payments company. This development programme is progressing very well and the company expects to deliver trials in the first half of next year and initial volumes in late 2016.

Adoption of fingerprint sensors is clearly expanding rapidly across mobile and other application areas, and it is now readily acknowledged that there will be significant growth and demand for the technology to support increasing demands for secure identity management in the virtual world. IDEX believes that its portfolio of high performance, cost-effective products, supported by a deeply competent organisation, first-tier partners, and a solid financial position, will allow the company to capture a significant share of the fast growing, multi-billion dollar market opportunity for fingerprint sensors.

Fornebu, 10 November 2015

The board of directors of IDEX ASA

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

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Interim consolidated financial statements as at 30 September 2015 (Unaudited)

Profit and loss statements

IDEX earned NOK 172 thousand revenue from product deliveries in the first three quarters of 2015 (Q3: NOK 89 thousand). The revenue in the corresponding period of 2014 amounted to NOK 285 thousand (Q3/2014: NOK 182 thousand), which originated partly from sensor deliveries and partly from government support of research and development (R&D) activities. The gross margin in the first three quarters was NOK 108 thousand (Q3: NOK 88 thousand), compared to NOK 285 thousand in the first three quarters of 2014 (Q3/2014: NOK 182 thousand).

The operating expenses in the first three quarters amounted to NOK 146.7 million (Q3: NOK 51.6 million), up from NOK 83.9 million in the same period of 2014 (Q3/2014: NOK 30.9 million). IDEX grew its staff and expanded its operation through 2014 and during the first three quarters of 2015. IDEX is ramping up its operational capacity across all key functions including product development, supply chain, operations and sales, to secure commercialisation of its products. The operating costs in the first quarter increased by NOK 62.8 million. The underlying activity increase amounted to NOK 35.2 million, while share-based compensation increased by NOK 8.9 million and exchange rate increase, chiefly of the US dollar, by nearly 30 per cent caused an increase by NOK 18.7 million when expenses are measured in NOK.

The total payroll expenses increased significantly, to NOK 66.1 million in the first three quarters of 2015 (Q3: NOK 23.1 million) compared to NOK 39.3 million in the first nine months of 2014 (Q3/2014: NOK 12.0 million). The underlying cost of salaries including payroll taxes and other personnel expenses relate to the increased number of employees, and amounted to NOK 49.2 million in the first nine months of 2015 (Q3: NOK 19.7 million), up from NOK 30.9 million in the first three quarters of 2014 (Q3/2014: NOK 10.9 million).

The balance to the total payroll expenses is the net effect of the share-based remuneration, the effect of which varies substantially between quarters. Firstly, the notional cost of incentive subscription rights, including accrued employer's tax, varies with the share price, and may cause a net reversal of cost between quarters. The cost or reversal does not have any cash effect. Secondly, the cash cost of social security due on exercised subscription rights occurs only on exercise. This cost is funded by the proceeds from the exercise. The cost of share-based remuneration in the first three quarters of 2015 was NOK 17.3 million, compared to NOK 8.5 million in the same period of 2014.

R&D expenses amounted to NOK 66.0 million in the first nine months (Q3: NOK 24.2 million), up from NOK 33.5 million in the first nine months of 2014 (Q3/2014: NOK 13.2 million). The increase in activity level relates to product development and industrialisation of fingerprint sensors, core technology and new sensor materials (glass).

Other operating expenses amounted to NOK 14.6 million in the first nine months of 2015 (Q3: NOK 4.3 million), compared to NOK 11.1 million in the first nine months of 2014 (Q3/2014: NOK 3.8 million). The main reason for the increase is significant increase in patenting and other IP activities, and expanded sales and marketing activities.

The total staff of employees and on-going individual contractors was 69 at 30 September 2015, up from 54 one year ago and 66 at the end of the first half of 2015. IDEX had 53 employees at 30 September 2015, and 14 technical/scientific individual contractors work full time or regularly as part of the development team. Two sales representatives and field engineers work on contract.

Depreciation amounted to NOK 5.0 million in the first three quarters of 2015 (Q3: NOK 1.7 million), more than three

times the depreciation in the same period of 2014, which amounted to NOK 1.6 million (Q3/2014: NOK 0.6 million). The increase was mainly caused by the purchase of patents and other IP on 30 December 2014, which depreciate over 9.5 years. NOK 2.6 million was invested in scientific equipment and engineering tools in the first three quarters, compared to NOK 3.6 million in the first three quarters of 2014.

EBIT in the quarter amounted to a loss of NOK 151.6 million (Q3: NOK 53.2 million), compared to a loss of NOK 85.2 million in the first three quarters of 2014 (Q3/2014: NOK 29.4 million). The increased loss year-on-year was caused by major step-up in R&D activities, staff additions, the effect of share-based remuneration and the appreciation of the US dollar (USD) against the Norwegian Krone (NOK).

Financial items amounted to a net cost of NOK 1.3 million in the first three quarters (Q3: net cost of NOK 0.8 million), compared to an income of NOK 4.4 million in the first three quarters of 2014 (Q3/2014: NOK 1.9 million). Net interest income was NOK 2.5 million (Q3: NOK 0.8 million), while net foreign exchange loss, mainly related to USD payables and debt, amounted to NOK 2.5 million (Q3: NOK 1.1 million).

Because IDEX's wholly-owned American and British subsidiaries make profits, there was a tax charge in an amount of NOK 0.5 million in the first three quarters (Q3: NOK 0.2 million). The net result for IDEX in the first three quarters was a loss amounting to NOK 153.5 million (Q3: NOK 53.7 million), compared to a loss amounting to NOK 80.8 million in the first three quarters of 2014 (Q3/2014: NOK 27.5 million).

Profit or loss per basic weighted average number of shares amounted to a loss of NOK 0.34 in the first three quarters of 2015. Per share results are not directly comparable between quarters or years because the number of shares has increased by share issues.

Balance sheets

IDEX has a very strong balance sheet because of the private placements in the first quarter of 2014 and the second quarter of 2015. At 30 September 2015, IDEX held a cash balance amounting to NOK 382.0 million, and the group has no financial debt.

The main assets held on the balance sheet are the intangible assets acquired from PicoField in 2013 and Roger Bauchspies in 2014, inventoried licences acquired from BIO-key International, Inc. in 2014, and cash in bank. Cash is the major item, representing 84 per cent of the total assets.

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

IDEX's own patents and other intellectual property rights are generally not held in the balance sheet because they do not satisfy the criteria for capitalisation. Development costs have in the past been expensed for the same reason. In 2014, IDEX capitalised own development expenses relating to the Cardinal sensor product, in an amount of NOK 0.8 million, and in the first half of 2015, IDEX capitalised NOK 0.5 million own development expenses.

Fixed assets amounted to NOK 7.2 million at 30 September 2015. These assets are scientific equipment and engineering tools, leasehold upgrades, office equipment and furniture.

On 30 September 2015, the total assets amounted to NOK 454.4 million, of which NOK 382.0 million were cash. The total assets amounted to NOK 299.3 million at the beginning of 2015, and NOK 303.4 million at 30 September 2014. The balance sheet has been strengthened by share issues. The cash position is further commented upon below.

The major liabilities are various operational payables to suppliers and employees, and amounted to NOK 40.7 million at 30 September 2015, down from 45.9 million at 31 December 2014. One year ago, the liabilities amounted to NOK 20.1 million. At that time, payables to suppliers and accruals were significantly lower. There are usually variations between quarters due to fluctuating payables to suppliers and accrued liabilities.

In addition to the private placement in April, new equity amounting to NOK 18.0 million was added in July by a private placement of shares to settle supplier payables. Equity amounted to NOK 400.8 million at 30 September 2015, up from NOK 243.4 million at the beginning of the year.

IDEX does not have financial debt. The company has adequate equity and liquidity for going concern for significantly longer than 12 months from the date of this report.

Cash flow, cash position

The operational cash outflow in the first three quarters was NOK 149.1 million. The main cash item is the operating loss in the period, partly offset by the equity part of the share-based compensation and depreciation. Working capital is negative in the third quarter and year to date because supplier debt has been paid. There are usually variations between quarters due to fluctuating payables to suppliers and accrued liabilities.

NOK 2.6 million was invested in scientific equipment and engineering tools in the first three quarters, down from NOK 3.6 million in the first three quarters of 2014. Investments vary according to project requirements for new equipment and tooling. Own development expenses amounting to NOK 0.6 million has been capitalised in the first three quarters.

In the first three quarters, new equity amounting to NOK 295.6 million was

raised in a private placement, and NOK 5.5 million was paid in by exercise of incentive subscription rights.

At 30 September 2015 the cash position amounted to NOK 382.0 million, while net of receivables less payables and accruals amounted to NOK 31.9 million payable, leaving a balance sheet solvency of NOK 350.1 million. IDEX does not have financial debt.

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Condensed consolidated interim financial statements with notes 30 September 2015 (Unaudited)

Interim consolidated statements of comprehensive income	1 July- 30 September 2015	1 July- 30 September 2014	1 January- 30 September 2015	1 January- 30 September 2014	1 January- 31 December 2014
Amounts in NOK 1,000					
Operating income					
Sales and services income	89	182	172	194	1,423
Other operating revenue				91	91
Total revenue	89	182	172	285	1,514
Cost of goods sold	1		64		852
Gross margin	88	182	108	285	662
Operating expenses					
Payroll expenses	23,051	11,961	66,133	39,335	56,194
Research and development expenses	24,244	13,203	66,043	33,525	51,298
Other operating expenses	4,276	3,800	14,550	11,081	19,233
Total operating expenses	51,571	28,964	146,726	83,941	126,725
Profit (loss) before interest, tax, depreciation and amortization (EBITDA)	(51,483)	(28,782)	(146,618)	(83,656)	(126,063)
Depreciation	1,699	623	4,994	1,584	2,307
Profit before interest and tax (EBIT)	(53,183)	(29,405)	(151,613)	(85,240)	(128,371)
Financial income and expenses					
Interest income	826	1,947	2,469	4,529	5,667
Other financial income	1,202	268	2,444	569	2,096
Interest expenses		(3)	(1)	(3)	(4)
Other financial expenses	(2,783)	(270)	(6,246)	(682)	(1,932)
Net financial items	(755)	1,942	(1,334)	4,413	5,827
Net result before tax	(53,938)	(27,463)	(152,947)	(80,827)	(122,544)
Income tax expense (credit)	211		514		563
Net profit (loss) for the period	(53,727)	(27,463)	(153,461)	(80,827)	(123,107)
<i>Profit (loss) per share - basic and diluted</i>	NOK (0.11)	<i>NOK (0.07)</i>	NOK (0.34)	<i>NOK (0.20)</i>	NOK (0.30)
Net profit (loss) for the period	(53,727)	(27,463)	(153,461)	(80,827)	(123,107)
Other comprehensive income	(940)	(196)	(489)	(194)	(1,407)
Total comprehensive income for the period, net of tax	(54,667)	(27,659)	(153,950)	(81,021)	(124,514)

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

Interim consolidated balance sheets	30 September	30 September	31 December
Amounts in NOK 1,000	2015	2014	2014
ASSETS			
Long-term assets			
Goodwill	8,260	8,260	8,260
Other intangible assets	40,128	14,030	42,805
Fixed assets	7,171	4,381	5,588
Long-term receivables	1,144	1,125	1,143
Total long-term assets	56,703	27,796	57,796
Current assets			
Inventory and receivables			
Inventory	8,283	5,734	7,944
Accounts receivable	77	273	1,070
Other receivables	4,844	6,698	2,498
Prepaid expenses	2,560	1,486	2,044
Total inventory and receivables	15,764	14,191	13,556
Cash and bank deposits			
Cash and bank deposits	381,950	261,421	227,961
Total cash and bank deposits	381,950	261,421	227,961
Total current assets	397,714	275,612	241,517
TOTAL ASSETS	454,417	303,408	299,313
EQUITY AND LIABILITIES			
Equity			
Paid-in-capital			
Share capital	70,884	61,867	61,948
Share premium	755,905	463,027	463,766
Other paid-in capital	43,106	30,070	32,787
Total paid-in-capital	869,895	554,964	558,501
Other equity	(469,100)	(271,657)	(315,150)
Total equity	400,795	283,307	243,351
Liabilities			
Long-term liabilities			
Other long-term liabilities	12,907		10,079
Total long-term liabilities	12,907	-	10,079
Short-term liabilities			
Paid-in, not registered capital		837	
Accounts payable	9,821	5,451	8,997
Public duties payable	3,900	1,296	2,207
Accrued payable income tax	1,308		652
Notional employer's tax on share incentives	8,664	3,395	2,231
Other short-term liabilities	17,022	9,122	31,796
Total short term liabilities	40,715	20,101	45,883
Total liabilities	53,622	20,101	55,962
TOTAL EQUITY AND LIABILITIES	454,417	303,408	299,313

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



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Interim consolidated cash flow statements	1 July-30 September 2015	1 July-30 September 2014	1 January-30 September 2015	1 January-30 September 2014	1 January-31 December 2014
Amounts in NOK 1,000					
Cash Flows from operating activities					
Profit (loss) before interest and taxes	(53,183)	(29,405)	(151,613)	(85,240)	(128,371)
Share-based remuneration (equity part)	3,523	3,261	10,320	9,887	12,604
Depreciation	1,698	623	4,994	1,584	2,307
Interest paid		(3)	(1)	(3)	(4)
Change in working capital and other items	(20,201)	(8,460)	(12,797)	(16,933)	8,425
Net cash flow from operational activities	(68,163)	(33,984)	(149,097)	(90,705)	(105,039)
Cash flows from investing activities					
Purchases of assets	(1,041)	(2,041)	(2,643)	(3,593)	(33,113)
Capitalised development costs	(132)		(641)		(788)
Change in long-term receivables	(1)	(1)	(1)	(679)	(697)
Interest received	826	1,947	2,469	4,529	5,667
Net cash provided by investing activities	(348)	(95)	(816)	257	(28,931)
Cash flows from financing activities					
Share issues net of expenses	17,962	(4)	301,074	304,557	305,377
Paid-in, not registered share capital	(21)	837		837	
Change in long-term payable	1,404		2,828		10,079
Net cash provided by financing activities	19,345	833	303,902	305,394	315,456
Net change in cash and cash equivalents	(49,165)	(33,246)	153,989	214,946	181,486
Opening cash balance	431,115	294,667	227,961	46,475	46,475
Closing cash balance	381,950	261,421	381,950	261,421	227,961

Interim consolidated statements of changes in equity	Share capital	Share premium	Other paid-in capital	Retained earnings (uncovered loss)	Total equity
Amounts in NOK 1,000					
Balance 1 January 2015	61,948	463,766	32,787	(315,150)	243,351
Share issues	8,935	292,139			301,074
Share-based compensation			10,320		10,320
Total comprehensive income for the period				(153,950)	(153,950)
Balance 30 September 2014	70,883	755,905	43,107	(469,100)	400,795
Balance 1 January 2014	51,706	168,631	20,183	(190,636)	49,884
Share issues	10,161	294,396			304,557
Share-based compensation			9,887		9,887
Total comprehensive income for the period				(81,021)	(81,021)
Balance 30 September 2014	61,867	463,027	30,070	(271,657)	283,307
Balance 1 January 2014	51,706	168,631	20,183	(190,636)	49,884
Share issues	10,242	295,135			305,377
Share-based compensation			12,604		12,604
Total comprehensive income for the period				(124,514)	(124,514)
Balance 31 December 2014	61,948	463,766	32,787	(315,150)	243,351

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

Notes to the condensed consolidated interim financial statements 30 September 2015 (Unaudited)

1 IDEX ASA and the IDEX group

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

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

IDEX ASA holds a subsidiary group in the USA, established in 2013, which provides development services as well as sales and marketing

services to IDEX ASA. IDEX ASA also has a subsidiary in the UK, established in 2014, and a subsidiary in People's Republic of China, established in 2015. Both companies provide various services to IDEX ASA.

2 Basis of preparation, accounting policies, resolution. Risks

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

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

limited financial risks related to currency and interest rates.

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

range offers unique properties.

The going concern assumption has been applied when preparing this interim financial report. IDEX does not earn recurring revenue. The company does not have financial debt, and IDEX has adequate liquidity and equity under current planning assumptions for a period significantly longer than 12 months from the date of this report.

This interim financial report has not been subject to audit. The report was approved by the board of directors on 10 November 2015.

3 Long-term assets

Amounts in NOK 1,000	Other				Total long-term assets
	Goodwill	Intangible assets	Tangible fixed assets	Long-term receivables	
Balance 1 January 2015	8,260	42,805	5,588	1,143	57,796
Additions		641	2,643	1	3,285
Disposals at cost					
Depreciation and impairment losses		(3,318)	(1,678)		(4,996)
Effects of changes in foreign currency			618		618
Balance 30 September 2015	8,260	40,128	7,171	1,144	56,703
Balance 1 January 2014	8,260	14,937	1,178	446	24,821
Additions			3,700	679	4,379
Disposals at cost					
Depreciation and impairment losses		(907)	(677)		(1,584)
Effects of changes in foreign currency			180		180
Balance 30 September 2014	8,260	14,030	4,381	1,125	27,796
Balance 1 January 2014	8,260	14,937	1,178	446	24,821
Additions		29,077	4,824	697	34,598
Disposals at cost					
Depreciation and impairment losses		(1,209)	(1,098)		(2,307)
Effects of changes in foreign currency			684		684
Balance 31 December 2014	8,260	42,805	5,588	1,143	57,796

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

IDEX has in the first nine months of 2015 capitalised own development expenses relating to the Cardinal sensor product in an amount of NOK 0.6 million.

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

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

4 Shares, warrants and subscription rights

Number of financial instruments	Incentive subscription		
	rights	Warrants	Shares
Balance 1 January 2015	26,460,362	30,000,000	413,488,862
1 January-30 September: Granted incentive subscription rights	1,765,000		
1 January-30 September: Exercised incentive subscription rights	(3,282,862)		3,282,862
1 January-30 September: Expired and forfeited incentive subscription rights	(342,500)		
29 April 2015: Private placement of shares		26,250,000	52,500,000
13 May 2015: Issue of board remuneration shares			137,692
2 July 2015: Private placement of shares			3,150,000
Balance 30 September 2015	24,600,000	56,250,000	472,559,416
Balance 1 January 2014	28,186,345	0	344,707,732
1 January-30 September: Granted subscription rights	5,240,000		
1 January-30 September: Exercise of subscription rights	(5,275,983)		5,275,983
1 January-30 September: Expired and forfeited subscription rights	(743,750)		
29 January 2014: Private placement of shares		30,000,000	60,000,000
20 March 2014: Private placement of shares			2,400,000
8 May 2014: Issue of board remuneration shares			63,897
Balance 30 September 2014	27,406,612	30,000,000	412,447,612
1 October-31 December 2015: Granted subscription rights	460,000		
1 October-31 December 2015: Exercised subscription rights	(541,250)		541,250
1 October-31 December: Expired and forfeited subscription rights	(865,000)		
30 December 2014: Private placement of shares			500,000
Balance 31 December 2014	26,460,362	30,000,000	413,488,862

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

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

rights may be exercised up to 90 days after the holder's last day of employment. The weighted average exercise price of outstanding incentive SRs on 30 September 2015 was NOK 3.23 per share.

5 Payroll expenses

	1 July- 30 September 2015	1 July- 30 September 2014	1 January- 30 September 2015	1 January- 30 September 2014	1 January- 31 December 2014
Amounts in NOK 1,000					
Salary, payroll tax, benefits, other expenses	19,727	10,940	49,229	30,861	46,461
Capitalised cost of development work	(56)	-	(444)	-	(440)
Payroll tax on exercised subscription rights	97	-	1,550	4,904	5,049
Share-based remun., notional salary expense	3,189	3,261	9,365	9,887	12,604
Share-based remun., accrual (rev.) of empl.'s	94	(2,240)	6,433	(6,317)	(7,480)
Payroll expenses	23,051	11,961	66,133	39,335	56,194

The fair value at grant date of subscription rights granted to employees are expensed over the vesting period of each tranche. The

fair value of the subscription rights is determined using a Black & Scholes option pricing model.

Employer's social security tax related to share-based remuneration is calculated on the balance sheet date based on the earned

intrinsic value of the subscription rights, and the adjustment to the accrued amount is charged or credited to cost.

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

6 Income tax expense

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

7 Profit (loss) per share

	1 January – 30 September 2015	1 January – 30 September 2014	1 January – 31 December 2014
Profit (loss) attributable to the shareholders (NOK 1 000)	(153 461)	(80 827)	(121 987)
Weighted average basic number of shares	446 642 832	404 286 597	406 478 449
Weighted average diluted number of shares	458 488 521	418 737 381	419 718 850
Profit (loss) per share, basic and diluted	NOK (0.34)	NOK (0.20)	NOK (0.30)

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

The diluted number of shares has been calculated by the treasury stock method. If the exercise price of subscription rights or warrants exceeds the average share price in

the period, the subscription rights or warrants are not counted as being dilutive.

8 Contingent assets and liabilities

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

9 Related party transactions

On 24 February 2015, Ralph W. Bernstein, CTO at the time, exercised 1,000,000 subscription rights and acquired the corresponding number of shares at a weighted average price of NOK 1.16 per share; board member Hanne Høvdning exercised 26,532 subscription rights granted as board remuneration in 2010 and acquired the corresponding number of shares at a price of NOK 1.20 per share; and Erling Sveta, VP of Finance exercised 640,000 subscription rights and acquired the corresponding number of shares at a price of NOK 1.96 per share.

In the first nine months of 2015 IDEX has recorded NOK 2,977 thousand for services provided by IDEX's legal counsel, law firm Ræder, in which chairman Morten Opstad is a partner. Mr. Opstad's work beyond board duty has been invoiced by Ræder. The services in 2015 include legal assistance in connection with the private placement of 52.5

million shares on 29 April 2015 and transfer of listing from Oslo Axess to Oslo Børs on 11 May 2015.

Robert N. Keith assists IDEX in strategic analysis and in dealing with larger, international, prospective partners. Mr. Keith's fee amounts to NOK 500 thousand per quarter of service.

Charles Street International Ltd, which is a shareholder in IDEX, earned a fee amounting to NOK 5,933 thousand, paid in shares, for advising IDEX in connection with the private placement on 29 April 2015.

Following the annual general meeting of IDEX on 12 May 2015, chairman Morten Opstad and board members Hanne Høvdning and Andrew James MacLeod elected to receive part or full board remuneration in shares. Mr. Opstad acquired 22,031 shares at NOK 0.15 per share instead of NOK 100,000

of his cash board remuneration. Ms. Høvdning acquired 49,569 shares at NOK 0.15 per share instead of receiving a cash board remuneration of NOK 225,000. Mr. MacLeod acquired 66,092 shares at NOK 0.15 per share instead of receiving a cash board remuneration of NOK 300,000.

Larry Ciaccia, who was elected board member at the annual general meeting on 12 May 2015, served on IDEX's nomination committee 2014-2015, for which service the annual general meeting 2015 resolved a remuneration of NOK 15 thousand. Mr. Ciaccia has served on IDEX's Strategy Advisory Committee (SAC) since January 2014 and continues his tenure on the SAC. The SAC service fee is USD 15 thousand per year. Mr. Ciaccia also provides consulting services to IDEX for a fixed fee of USD 50 thousand per year.

10 Events occurring after the balance sheet date

Between 30 September 2015 and the resolution of these condensed consolidated interim financial statements, there have not been any events which have had any noticeable impact on IDEX's result in the first nine months of 2015 or the value of the company's assets and liabilities at 30 September 2015.

The board resolved on 13 October to issue 350,000 incentive subscription rights to a new employee in the company. The exercise price of the SRs is NOK 8.11 per share.

On 10 November 2015 the board resolved to issue 2,200,000 shares to employees who had exercised incentive subscription rights which were granted in 2012 and 2013 under the com-

pany's 2012 and 2013 incentive subscription rights plans. The weighted average exercise price was NOK 1.22 per share. Following the share issue, the company's share capital will be NOK 71,213,912.40 divided into 474,759,416 registered shares each with a nominal value of NOK 0.15. Following the grant and exercise there will be 22,750,000 incentive subscription rights outstanding.