IDEX ASA Q4-2012

the link between the analog and digital you

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THE SAFE HAVEN OF FINGERPRINT

Ralph W. Bernstein, CEO

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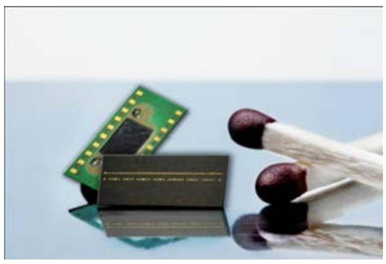
POSITIONED FOR 'THE YEAR OF FINGERPRINT BIOMETRICS'

- ID: MoU with Chinese partner in Q4
- Embedded: Deal with OEM partner in Q4
  - Supply-chain reinvigorated
  - Sensor design updated
- Mobile: **Ongoing high-level discussions**



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CONNECTIVITY ANYTIME AND ANYPLACE FOR ANYTHING

A massive amount of new services and businesses will become enabled by biometrics

- using personal, connected, portable biometric devices carrying biometric information and a person's credentials
- empowering Bring Your Own Device (BYOD), mobile payment, NFC, cloud services, access control and much more

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POTENTIAL MARKETS FROM 2013

citi

- Smartphones **1.2 billion** devices by **2015**
- **725 million** tabs/PC by **2015**

EUROSMART

- **7.7 Billion** Smart Cards by **2013**
- **1.1 Billion** contactless Cards by **2013**

GSMA

- Internet of Things **24 billion** units by **2020**

THE BILLION DOLLAR PLAY:

$7.59 billion

Value of existing biometrics market*

$16.47 billion

Potential biometrics market in **2017***

*source: Gill

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Biometrics

Login to the future

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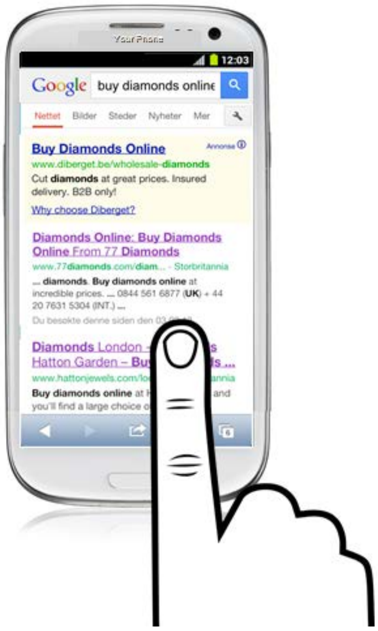

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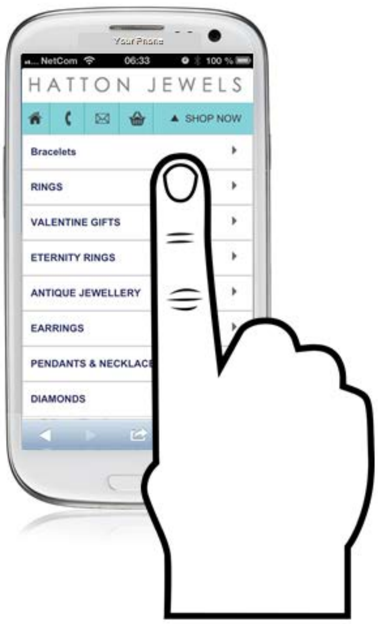

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Select payment method

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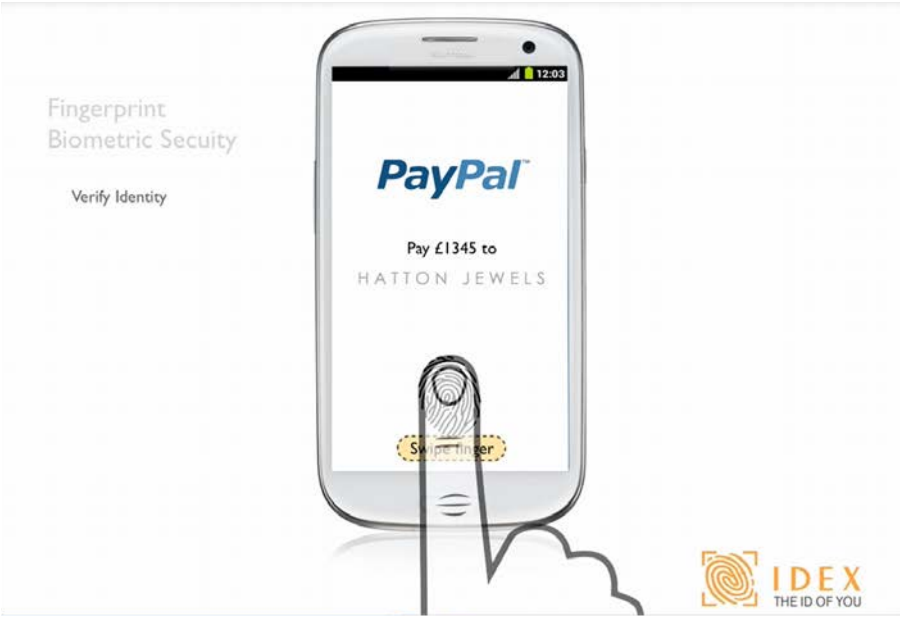

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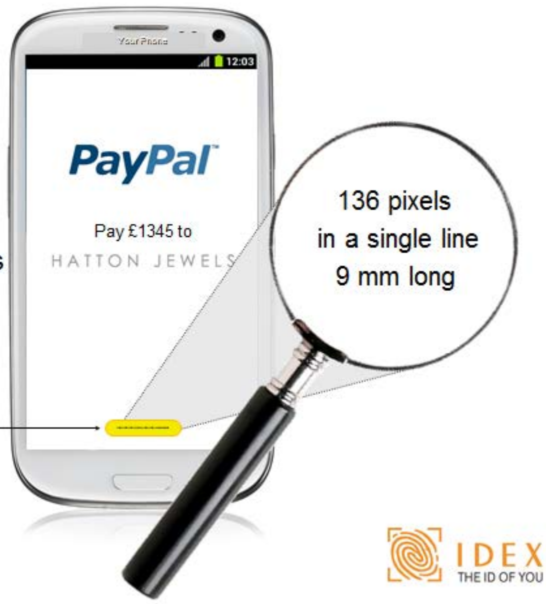
Fingerprint
Biometric Secuity

Built into phone glass

Idex Fingerprint
sensor



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Idex biometric verification technology

banking

travel

login to the future

access authentication

work device homesvehicles

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WHY NOW?

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“Why has fingerprint technology adoption taken time?”

- Only been a pin replacement without added value
- No major integrator has stepped up until Apple

“Why will biometrics be among the hottest industries?

- Explosion in mobile payment – *“mobile payment will reach $ 1.3 trillion in 2017” Juniper Research*
- Personalization –*You want your own settings -not your kids apps*
- Secure payments and secure banking
- Pin replacement at affordable cost
- You will find fingerprint in a wide variety of use after mobile breakthrough
- “Internet of things-every item has intelligence”
- “Contactless biometric cards reduces the risk of skimming”

SHORTCUTS NAVIGATION CONVENIENCE

SECURITY AFFORDABLE MOBILE PAYMENT

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IDEX VS. COMPETITION

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- **IDEX** represent the most complete patent portfolio in capacitive fingerprint sensing technology outside **Apple**
- **IDEX** owns a “first-to-file” patent portfolio covering key principles and implementations of **low-cost fingerprint sensors**
- **IDEX** patents have been assessed and verified in a litigation between **IDEX** and **UPEK** (AuthenTec)/**ST Microelectronics**
- **IDEX SmartFinger**® offers unsurpassed image quality and biometric performance
- **IDEX SmartFinger**® accepts a wide range of swipe speeds, directions and “abnormal” finger movement
- **IDEX**’s patented solution offers fingerprinting through any material, including glass

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Profit and loss statements

Consolidated interim Statements of comprehensive income Amounts in NOK 1,000	**1 October-31 December 2012**	1 October-31 December 2011	**1 January-31 December 2012**	1 January-31 December 2011
Operating income				
Sales and services revenue	**20**	19	**1 046**	99
Other operating revenue	**1 047**	742	**3 460**	1 224
Total revenue	**1 067**	**761**	**4 506**	**1 323**
Operating expenses				
Payroll expense	**3 072**	4 907	**17 778**	17 696
Research and development expenses	**1 062**	2 869	**10 747**	13 481
Other operating expenses	**1 589**	2 080	**9 233**	7 632
Total operating expenses	**5 723**	**9 856**	**37 758**	**38 809**
Profit (loss) before interest, tax, depreciation and amortization (EBITDA)	**(4 656)**	**(9 095)**	**(33 252)**	**(37 486)**
Depreciation	**77**	72	**313**	245
Profit before interest and tax (EBIT)	**(4 733)**	**(9 167)**	**(33 565)**	**(37 731)**
Financial income and expenses				
Interest income	**58**	122	**208**	348
Other financial income	**3**	28	**65**	66
Interest expense				
Other financial expense	**(2)**	(16)	**(73)**	(38)
Net financial items	**59**	**134**	**200**	**376**
Net result before tax	**(4 674)**	**(9 033)**	**(33 365)**	**(37 355)**
Taxes				
Net profit (loss) for the period	**(4 674)**	**(9 033)**	**(33 365)**	**(37 355)**
Profit (loss) per share -basic and diluted	***NOK (0.02)***	*NOK (0.03)*	***NOK (0.12)***	*NOK (0.15)*

Balance sheets - assets

Consolidated interim balance sheets Amounts in NOK 1,000	**31 December 2012**	31 December 2011
ASSETS		
Long-term assets		
Fixed assets		
Machinery and office equipment	**626**	939
Total fixed assets	**626**	939
Financial assets		
Long-term receivables	**332**	325
Total financial assets	**332**	325
Total long-term assets	**958**	1 264
Current assets		
Receivables		
Accounts receivable	**17**	19
Other receivables	**3 715**	3 161
Prepaid expenses	**512**	343
Total receivables	**4 244**	3 523
Cash and bank deposits		
Cash and bank deposits	**19 833**	21 462
Total cash and bank deposits	**19 833**	21 462
Total current assets	**24 077**	24 985
TOTAL ASSETS	**25 035**	26 249

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Balance sheets –equity and liabilities

Consolidated interim balance sheets Amounts in NOK 1,000	**31 December 2012**	31 December 2011
EQUITY AND LIABILITIES		
Equity		
Paid-in-capital		
Share capital	**46 422**	40 794
Share premium reserve	**86 292**	63 429
Other paid-in capital	**11 235**	7 409
Total paid-in-capital	**143 949**	111 632
Other equity	**(125 631)**	(92 266)
Total equity	**18 318**	19 366
Liabilities		
Short-term liabilities		
Accounts payable	**2 561**	2 230
Public duties payable	**906**	471
Other short-term liabilities	**3 250**	4 182
Total short term liabilities	**6 717**	6 883
Total liabilities	**6 717**	6 883
TOTAL EQUITY AND LIABILITIES	**25 035**	26 249

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Cash flow statements

Consolidated interim cash flow statements Amounts in NOK 1,000	1 October-31 December 2012	1 October-31December 2011	1 January-31 December 2012	1 January-31 December 2011
Profit (loss) before interest and taxes	(4 733)	(9 167)	(33 565)	(37 731)
Share-based remuneration (equity part)	136	1 142	3 825	4 409
Depreciation	77	72	313	245
Interest paid				
Change in working capital and other items	(119)	329	(885)	(608)
Net cash flow from operational activities	(4 639)	(7 624)	(30 312)	(33 685)
Purchases of property, plant and equipment		(219)		(552)
Change in long-term receivables	(7)	(7)	(7)	(7)
Interest received	49	122	199	348
Net cash provided by investing activities	42	(104)	192	(211)
Share issues net of expenses	18 747	10	28 491	42 709
Net cash provided by financing activities	18 747	10	28 491	42 709
Net change in cash and cash equivalents	14 150	(7 718)	(1 629)	8 813
Opening cash balance	5 683	29 180	21 462	12 649
Closing cash balance	19 833	21 462	19 833	21 462

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Changes in equity

Consolidated interim statements of changes in equity Amounts in NOK 1,000	Share capital	Share premium	Other paid-in capital	Retained earnings (uncovered loss)	Total equity
Balance 1 January 2012	40 794	63 429	7 409	(92 266)	19 366
Share issues	5 628	22 863			28 491
Share-based compensation			3 826		3 826
Total comprehensive income for the period				(33 365)	(33 365)
Balance 31 December 2012	46 422	86 292	11 235	(125 631)	18 318
Balance 1 January 2011	32 240	29 274	3 000	(54 911)	9 603
Share issues	8 554	34 155			42 709
Share-based compensation			4 409		4 409
Total comprehensive income for the period				(37 355)	(37 355)
Balance 31 December 2011	40 794	63 429	7 409	(92 266)	19 366

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