



## NEXT Biometrics Group ASA

### Quarterly report – Q1 2017

#### Highlights

- Revenue of NOK 24.1 million vs NOK 5.2 million Q1-16 and in Q1-17 vs NOK 31.8 million in Q4-16
- Accumulated shipments pass 2.0 million sensors (April)
- Won two new notebook contracts (May)
- Significant key supplier agreement improvements (effect from March)
- Orders placed for second generation ASIC
- Staffed up key positions for ramping execution of development projects
- Low power reference design supplied for flexible sensors customer pilots
- NOK 156 million (USD 18.7 million) in gross proceeds from February private placement

#### Status

**Product:** The tests of the second-generation ASIC has been performed. The first volume order has been placed, targeting implementation and shipments to customers. This new ASIC will reduce module BOM and improve new customer project margins.

The flexible sensor mass production ramp-up process is still on track for volume capacity from Q3.

**Sales and market:** NEXT sees growing opportunities in smart cards and continues its main focus to pursue a number of related sales and partner activities. Focused segments include high volume governmental and financial markets where high performance and meeting all ISO-requirements is considered mandatory. Two projects have been signed, in which the US Government is the end customer. First deliveries have begun.

Most of NEXT revenue in 2016 came from the notebook segment. It is expected that revenue/volumes from notebooks and tablets will continue to increase in 2017 and 2018 as reflected by the two new design wins in May.

Access control offers an opportunity to leverage existing portfolio into new markets. We are working with distribution channel partners to find compelling high margin niche markets, exemplified by the two recent contracts. What was referred to as NEXT enabled before will now be reported as access control and government ID.

The government ID market is characterised as a quality dependent segment with high barriers to entry, and requires large sensors with high security that serves close to 100% of a population.

The Company focuses its resources on the aforementioned quality dependent market segments that require uncompromised levels of security and convenience.

**Amounts in NOK million**

<b>(except per share data)</b>	<b>Q1-2017</b>	<b>Q4-2016</b>	<b>Q3-2016</b>	<b>Q2-2016</b>	<b>Q1-2016</b>	<b>2016</b>	<b>2015</b>
Total revenue	<b>24.1</b>	31.8	28.4	26.6	5.2	<b>92.1</b>	4.6
Operating profit (loss)	<b>-43.7</b>	-47.4	-43.5	-51.3	-49.0	<b>-191.1</b>	-121.8
Net profit (loss) for the period	<b>-44.3</b>	-47.2	--44.5	-51.5	-49.5	<b>-192.6</b>	-121.5
EBITDA ex options	<b>-40.7</b>	-45.1	-44.9	-47.8	-46.5	<b>-184.3</b>	-113.2
Opening cash balance	<b>106.3</b>	157.0	182.5	76.8	130.2	<b>130.2</b>	129.3
Net change in cash flows	<b>115.8</b>	-50.7	25.5	105.7	-53.4	<b>-23.9</b>	1.0
Closing cash balance	<b>222.2</b>	106.3	157.03	182.5	76.8	<b>106.3</b>	130.2
Total equity	<b>289.6</b>	177.2	221.5	235.2	125.2	<b>177.2</b>	172.7
Earnings per share - basic & diluted	<b>-2.78</b>	-3.12	-2.97	-3.81	-3.66	<b>-13.30</b>	-10.44
Weighted average number of shares (in thousands)	<b>15 925</b>	15 159	14 963	13 512	13 499	<b>14 484</b>	11 639

**Interim condensed financial statements as of 31 March 2017 (Unaudited)**

**Profit & loss statement**

**Revenues**

Operating revenue in the first quarter of 2017 was NOK 24.1 million, compared to NOK 31.8 million in the previous quarter and NOK 5.2 million in the first quarter of 2016.

The reduction in sales from Q4-16 to Q1-17 is primarily related to customer-related ordering patterns in the Notebook industry.

**Cost of goods sold**

Up until 2017, several of the initial cost elements related to production and delivery were of a one-off or temporary nature, and did not provide a relevant indication of cost of goods sold. Cost of goods sold has been included from Q1-17 as a separate line item in the company's financial statement. Improvements in COGS will remain a key focus as we transition from an R&D company to a mass-volume supplier. Several steps have been taken in addition to the ASIC development to reach the potential of NEXT's technology and material.

**Operating expenses**

Payroll expenses amounted to NOK 19.2 million in the first quarter of 2017, compared to NOK 17.7 million in the previous quarter and NOK 15.8 million in the corresponding quarter of 2016. The increase from the previous quarter of NOK 1.5 million was mainly due to increased share-based remuneration of NOK 0.8 million and other payroll expenses of MNOK 1.0.

Other operating expenses totalled NOK 21.3 million in the first quarter of 2017, compared to NOK 60.6 million in the previous quarter and NOK 37.3 million in the first quarter of 2016. The decrease from previous quarter of NOK 39.3 million was mainly related to cost of goods sold reported as operating expenses up to 2016. The R&D costs included in other operating expenses increased to NOK 12.4 million in the first quarter of 2017, compared to NOK 10.7 million in the previous quarter and NOK 17.1 million in the corresponding quarter of 2016.

### **Depreciation, amortisation and investments**

Depreciation and amortisation amounted to NOK 0.8 million in the first quarter of 2017, compared to NOK 0.9 million in previous quarters and NOK 1.0 million in the corresponding quarter of 2016.

Investments were nil in the first quarter of 2017, compared to NOK 13.2 million in the previous quarter and NOK 0.1 million in the first quarter of 2016. The main investment in 2016 was the work in progress project of NOK 12.7 million related to the new ASIC. The first volume order was placed at the end of the first quarter of 2017.

### **Net financial items**

Net financial items amounted to a net cost of NOK 0.6 million in the first quarter of 2017, compared to a net income of NOK 0.2 million in the previous quarter and a net cost of NOK 0.4 million in corresponding quarter of 2016. The decrease from the previous quarter was mainly related to foreign exchange gains and losses.

### **Net profit (loss) for the period**

Net loss in the first quarter of 2017 was NOK 44.3 million, compared to a loss of NOK 47.2 million in the previous quarter and a loss of NOK 49.5 million in the same period of 2016. The decreased loss from the previous quarter was mainly related to an improved gross margin.

NEXT operated at a loss and did not incur deferred or payable income taxes for the first quarter of 2017 or in the year 2016, except for insignificant amounts in the fourth quarter of 2016 related to payable taxes in foreign subsidiaries.

## **Cash flow and balance sheet**

### **Cash and cash equivalents**

Cash and cash equivalents amounted to NOK 222.2 million at 31 March 2017, compared to NOK 106.3 million at 31 December 2016.

Operations, including investments, consumed NOK 37.4 million of cash in the first quarter of 2017, compared to NOK 50.4 million in the previous quarter and NOK 53.7 million in the corresponding quarter of 2016.

Net cash flow from financing activities was positive with NOK 153.2 million in the first quarter of 2017 following the private placement of new shares, compared to nil in the previous quarter and NOK 0.4 million in same period of 2016.

At the end of the first quarter of 2017 the Company's share capital was NOK 16,382,480, divided into 16,382,480 shares with a par value of NOK 1 per share.

### **Equity**

Equity amounted to NOK 289.6 million at the end of the first quarter of 2017, compared to NOK 177.2 million at the end of 2016. The increase of NOK 112.4 million in the quarter was mainly related to net proceeds of NOK 153.2 from the private placement of new shares in February, less the quarterly loss of MNOK 44.3.

**Outlook (3-9 months)**

- First phase of flexible sensor capacity in place
- Continued customer project progress with major players in the smart card industry
- Mass production of new ASIC and flexible sensor products
- New customers in access control and Government ID
- Hire sales, FAE and key management positions to enable scaling
- Increased focus on next generation ASIC development for smart card roadmap

**Oslo, May 23, 2017**

**Board of directors**

**NEXT Biometrics Group ASA**

## NEXT Biometrics Group ASA

### Condensed interim statements of comprehensive income (unaudited)

31 March 2017

Amounts in NOK 1,000	Notes	Q1-2017	Q1-2016	2016
<b>PROFIT AND LOSS</b>				
<b>Revenue</b>				
Operating revenue	3	24 110	5 171	92 070
Other revenue	3	0	0	0
<b>Total revenue</b>		<b>24 110</b>	<b>5 171</b>	<b>92 070</b>
<b>Cost of goods sold</b>		<b>26 477</b>		
<b>Gross margin</b>		<b>-2 367</b>		
<b>Operating expenses</b>				
Payroll expenses	4	19 206	15 843	58 579
Other operating expenses	4	21 281	37 311	220 794
<b>Total operating expenses</b>		<b>40 487</b>	<b>53 154</b>	<b>279 373</b>
<b>Profit (loss) before tax, depreciation and amortization</b>		<b>-42 854</b>	<b>-47 983</b>	<b>-187 303</b>
Amortization of intangible assets	5	141	121	484
Depreciation of tangible assets	6	677	909	3 314
<b>Operating profit (loss)</b>		<b>-43 672</b>	<b>-49 013</b>	<b>-191 101</b>
Net financial items		-596	-448	-1 447
<b>Net profit (loss) before tax</b>		<b>-44 268</b>	<b>-49 461</b>	<b>-192 548</b>
Taxes		0	0	-66
<b>Net profit (loss) for the period</b>		<b>-44 268</b>	<b>-49 461</b>	<b>-192 614</b>
<b>Earnings per share - basic and diluted</b>	<b>8</b>	<b>-2.78</b>	<b>-3.66</b>	<b>-13.30</b>
<b>Other comprehensive income</b>				
<b>Items that will be reclassified to profit and loss</b>				
Exchange rates differences		17	-57	56
<b>Total other comprehensive income</b>		<b>17</b>	<b>-57</b>	<b>56</b>
<b>Total comprehensive income for the period</b>		<b>-44 252</b>	<b>-49 518</b>	<b>-192 558</b>
<b>Total comprehensive income for the period attributable from:</b>				
Owners of the parent company		-44 252	-49 518	-192 558
<b>Total</b>		<b>-44 252</b>	<b>-49 518</b>	<b>-192 558</b>

## NEXT Biometrics Group ASA

### Condensed interim statements of financial position (unaudited)

31 March 2017

Amounts in NOK 1,000		31 Mar 2017	31 Mar 2016	31 Dec 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Patens and other intangible assets	5	19 164	6 947	19 305
Machinery and office equipment	6	15 540	17 373	16 239
<b>Total non-current assets</b>		<b>34 703</b>	<b>24 320</b>	<b>35 544</b>
<b>Current assets</b>				
<b>Inventory</b>		<b>19 602</b>	<b>27 128</b>	<b>23 402</b>
<b>Receivables</b>				
Accounts receivable		11 330	3 051	13 384
Other receivables		13 925	5 488	9 251
Prepayments other investments		15 662	8 536	13 562
<b>Total receivables</b>		<b>40 917</b>	<b>17 075</b>	<b>36 197</b>
<b>Cash and cash equivalents</b>		<b>222 158</b>	<b>76 850</b>	<b>106 342</b>
<b>Total current assets</b>		<b>282 677</b>	<b>121 053</b>	<b>165 940</b>
<b>Total assets</b>		<b>317 380</b>	<b>145 373</b>	<b>201 485</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	7	16 382	13 512	15 159
Share premium		706 963	378 803	555 030
Other paid in capital		31 331	21 759	27 781
Retained earnings		-465 056	-288 883	-420 804
<b>Total equity</b>		<b>289 620</b>	<b>125 190</b>	<b>177 165</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable		19 058	6 916	14 349
Public duties payable		665	370	711
Other current liabilities		8 037	12 897	9 260
<b>Total current liabilities</b>		<b>27 760</b>	<b>20 183</b>	<b>24 319</b>
<b>Total liabilities</b>		<b>27 760</b>	<b>20 183</b>	<b>24 319</b>
<b>Total equity and liabilities</b>		<b>317 380</b>	<b>145 373</b>	<b>201 485</b>

## NEXT Biometrics Group ASA

### Condensed interim statements of cash flow (unaudited)

31 March 2017

Amounts in NOK 1,000	Notes	Q1-2017	Q1-2016	2016
<b>Cash flows from operating activities</b>				
Profit (loss) before taxes		-44 268	-49 461	-192 548
Taxes payable		0	0	-66
Share based remuneration (equity part)		3 550	1 600	7 623
Amortization of intangible assets	5	141	121	484
Depreciation of tangible assets	6	677	909	3 314
Change in prepayments		-2 100	-3 468	-8 494
Change in working capital items		4 621	-3 345	-10 090
<b>Net cash flows from operating activities</b>		<b>-37 379</b>	<b>-53 643</b>	<b>-199 777</b>
<b>Cash flows from investing activities</b>				
Purchase of tangible assets		23	-69	-13 549
<b>Net cash flows from investing activities</b>		<b>23</b>	<b>-69</b>	<b>-13 549</b>
<b>Cash flows from financing activities</b>				
Change in non-current debt		0	0	0
Share issue net of expenses		153 157	388	189 380
<b>Net cash flows from financing activities</b>		<b>153 157</b>	<b>388</b>	<b>189 380</b>
Translation differences		17	-57	56
<b>Net change in cash flows</b>		<b>115 817</b>	<b>-53 381</b>	<b>-23 889</b>
Opening cash balance		106 342	130 231	130 231
Closing cash balance		222 158	76 850	106 342

### Condensed interim statements of changes in equity (unaudited)

Amounts in NOK 1,000	Notes	Share capital	Share premium	Other paid-in capital	Retained earnings	Total Equity
<b>Balance 1 January 2017</b>		<b>15 159</b>	<b>555 030</b>	<b>27 781</b>	<b>-420 804</b>	<b>177 165</b>
Shares issue	7	1 224	151 933			153 157
Share based compensation				3 550		3 550
Translation differences					17	17
Net profit (loss)					-44 268	-44 268
<b>Balance 31 March 2017</b>		<b>16 382</b>	<b>706 963</b>	<b>31 331</b>	<b>-465 056</b>	<b>289 620</b>
<b>Balance 1 January 2016</b>		<b>13 474</b>	<b>378 453</b>	<b>20 158</b>	<b>-239 365</b>	<b>172 720</b>
Shares issue	7	38	350			388
Share based compensation				1 600		1 600
Translation differences					-57	-57
Net profit (loss)					-49 461	-49 461
<b>Balance 31 March 2016</b>		<b>13 512</b>	<b>378 803</b>	<b>21 759</b>	<b>-288 883</b>	<b>125 190</b>
<b>Balance 1 January 2016</b>		<b>13 474</b>	<b>378 453</b>	<b>20 158</b>	<b>-239 365</b>	<b>172 720</b>
Shares issue	7	1 685	187 695			189 380
Share based compensation				7 623		7 623
Translation differences					56	56
Net profit (loss)			-11 118		-181 496	-192 614
<b>Balance 31 December 2016</b>		<b>15 159</b>	<b>555 030</b>	<b>27 781</b>	<b>-420 804</b>	<b>177 165</b>

# Notes to the condensed interim financial statements

## 31 March 2017 (Unaudited)

### 1. General information

NEXT Biometrics Group ASA ("NEXT") is a public limited liability company incorporated and domiciled in Norway. NEXT Biometrics Group ASA is the parent company of the group whose headquarter is located in Oslo, Norway, with subsidiaries in Shanghai, Seattle, Taipei and Prague. NEXT's shares are listed at Oslo Stock Exchange. From 25 June 2016, NEXT's shares were included in the Oslo Stock Exchange main list, OSEBX.

The operations of the group are carried out by the group's operating subsidiaries. As per the end of the first quarter of 2017, the group has five wholly owned operating subsidiaries: NEXT Biometrics AS (Norway) and its subsidiaries NEXT Biometrics Inc. (Seattle, USA), NEXT Biometrics China Ltd (Shanghai, China), NEXT Biometrics Taiwan Ltd (Taipei, Taiwan) and NEXT Biometrics s.r.o (Prague, Czech Republic).

The purpose of the company as stated in the articles of association is to conduct research, development and commercialization of security products, as well as other related activities that will naturally fall under this.

### 2. Basis of preparation, accounting policies

This condensed interim financial report for the first quarter of 2017 has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed interim financial report should be read in conjunction with the annual financial statements for 2016.

The IFRS accounting policies applied in this condensed interim financial report are consistent with those applied and described in the annual financial statements for 2016.

The going concern assumption has been applied when preparing this financial report. In February 2017, NEXT raised NOK 151.1 million in net proceeds in a private placement. In March 2017, NEXT raised NOK 2.1 million in gross proceeds through exercise of 56,500 incentive stock options. By the end of the first quarter of 2017 NEXT earned revenue from commercial volumes, but still at rather modest levels.

NEXT has adequate equity and liquidity for being a going concern for longer than 12 months from the date of this report.

This interim financial report has not been subject to audit.

The board of directors approved the report on 23 May 2017.

### 3. Revenue and segment reporting

Operating revenue - Per business segment (amounts in NOK)	2017	2016	
	YTD-Q1	YTD-Q1	2016
Fingerprint sensor technology	24 109 875	5 170 893	92 069 852
<b>Total</b>	<b>24 109 875</b>	<b>5 170 893</b>	<b>92 069 852</b>



NEXT targets four markets for the technology;

- (i) Smart cards
- (ii) Government ID \*
- (iii) Access control \*
- (iv) Notebooks

\* Focusing on applications enabled by NEXT's combination of large sensor area at low cost.

The available technology is generic into the four market segments. As NEXT still has limited revenue, the company is operating and reporting on only one business segment; *Fingerprint sensor technology*.

#### 4. Operating expenses

Payroll expenses (amounts in NOK)	2017	2016	
	YTD-Q1	YTD-Q1	2016
R&D related payroll expenses	9 505 597	8 754 224	35 563 093
Other payroll expenses	7 590 148	5 692 565	24 245 531
Share based remuneration (salary part)	3 509 667	1 490 046	3 419 562
Share based remuneration (employer's tax)	-1 399 347	-93 650	-4 648 923
<b>Total</b>	<b>19 206 065</b>	<b>15 843 185</b>	<b>58 579 263</b>

  

Other operating expenses 1 (amounts in NOK)	2017	2016	
	YTD-Q1	YTD-Q1	2016
R&D related operating expenses 2	12 372 844	17 077 575	62 060 710
Other expenses	8 894 637	20 123 031	154 473 145
Share based remuneration (operating part)	13 437	110 243	4 259 726
<b>Total</b>	<b>21 280 918</b>	<b>37 310 849</b>	<b>220 793 581</b>

  

<b>Total - Operating expenses</b>	<b>40 486 983</b>	<b>53 154 034</b>	<b>279 372 844</b>
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<sup>1</sup> In 2016, cost of goods sold was included in other operating expenses.

<sup>2</sup> In the third quarter of 2016 stock options cost of NOK 3.7 million was reclassified from salary to operating expenses, based on new best estimates. In addition, social security tax of NOK 5.7 million was reversed. Adjusted for these two effects the payroll expenses for the year 2016 amounted to NOK 68.0 million.

#### 5. Intangible assets

Intangible assets consist of acquisition of right to use the patent and know-how (IP) described as the Active Thermal Sensing principle. The acquisition was recognized at net present value and included in the opening balance as of 1 January 2012. The additions in 2016, consists of the work in progress project regarding the new ASIC. The project was not finalized at the end of the first quarter of 2017.

<b>Intangible assets (amounts in NOK)</b>	<b>2017</b>	<b>2016</b>	
	<b>YTD-Q1</b>	<b>YTD-Q1</b>	<b>2016</b>
Cost - Opening balance	20 394 861	7 674 081	7 674 081
Additions	0	0	12 720 780
Disposals at cost	0	0	0
Currency adjustments	0	0	0
<b>Cost - Closing balance</b>	<b>20 394 861</b>	<b>7 674 081</b>	<b>20 394 861</b>
Accumulated depreciation - Opening balance	1 089 972	605 699	605 699
Depreciation	141 335	121 069	484 273
Accumulated depreciation of disposed items	0	0	0
Currency adjustments	0	0	0
<b>Accumulated depreciation - Closing balance</b>	<b>1 231 307</b>	<b>726 768</b>	<b>1 089 972</b>
<b>Book value - Closing balance</b>	<b>19 163 554</b>	<b>6 947 313</b>	<b>19 304 889</b>

The patent is amortized over the patent life from the time revenue was recognized.

## 6. Tangible assets

<b>Machinery and equipment (amounts in NOK)</b>	<b>2017</b>	<b>2016</b>	
	<b>YTD-Q1</b>	<b>YTD-Q1</b>	<b>2016</b>
Cost - Opening balance	22 948 697	22 138 707	22 138 708
Additions	-6 355	68 442	953 916
Disposals at cost	0	0	0
Currency adjustments	-28 247	-674 697	-143 927
<b>Cost - Closing balance</b>	<b>22 914 095</b>	<b>21 532 451</b>	<b>22 948 697</b>
Accumulated depreciation - Opening balance	6 709 434	3 413 753	3 413 753
Depreciation	677 137	908 974	3 314 008
Accumulated depreciation of disposed items	0	0	0
Currency adjustments	-12 063	-163 134	-18 327
<b>Accumulated depreciation - Closing balance</b>	<b>7 374 508</b>	<b>4 159 593</b>	<b>6 709 434</b>
<b>Book value - Closing balance</b>	<b>15 539 588</b>	<b>17 372 858</b>	<b>16 239 263</b>
Depreciation period (straight line) years	3-10	3-10	3-10

## 7. Shares and incentive options

<b>Number of shares outstanding</b>	<b>2017</b>	<b>2016</b>	
	<b>YTD-Q1</b>	<b>YTD-Q1</b>	<b>2016</b>
Opening balance	15 158 980	13 473 515	13 473 515
Share issue(s)	1 167 000	38 340	1 440 000
Exercised incentive options	56 500	0	245 465
<b>Closing balance</b>	<b>16 382 480</b>	<b>13 511 855</b>	<b>15 158 980</b>

In February 2017, NEXT completed a successful placement of 1,167,000 new shares at a subscription price of NOK 134 per share, corresponding to a total amount of NOK 156.4 million in new equity. Expenses and commission fees related to the placement amounted to NOK 5.3 million, and net proceeds were NOK 151.1 million.

In March 2017, 56,500 incentive stock options were exercised and the share capital was increased accordingly. Net proceeds amounted to NOK 2.1 million.

### Share options

In order to attract talented, experienced and high value networked human resources the company have entered, and plan to continue to enter, stock option agreements. There are three types of option programs in the company; unconditional long term share options, milestone based share options and conditional long term share options.

At the Annual General Meeting (AGM) 15 June 2016 the Board of Directors was granted authorization to increase the company's share capital by up to NOK 1,335,936 for the company's existing share option program. The remaining amount under the board authorization was NOK 1,072,311 at the end of the first quarter of 2017.

The new share option scheme allows the board of directors to issue up to 330,000 share options (equal to approximately 2.2% of the company's outstanding shares as of the general meeting) which each entitle the holder to subscribe for one new share in the company. The share options shall vest over a period of four years from allocation. 1/3 of the share options shall vest two years after allotment, and then 1/3 for each additional year. Exercise of the share options shall also be subject to fulfilment of certain achievement based conditions developed for each individual share option holder. In the first quarter of 2017, Ritu Favre (CEO) was granted 75,000 conditional share options. The remaining amount under the board authorization was 30,000 at the end of the first quarter of 2017.

Options	2017	2016	2016
	YTD-Q1	YTD-Q1	
Opening balance	1 333 811	1 374 276	1 374 276
Grant of incentive options	75 000	0	225 000
Exercised incentive options	-56 500	-38 340	-245 465
Forfeited incentive options	-12 500	0	-20 000
Expired incentive options	0	0	0
<b>Closing balance</b>	<b>1 339 811</b>	<b>1 335 936</b>	<b>1 333 811</b>

Options	Weighted Average Exercise Price		Weighted Average Exercise Price		Weighted Average Exercise Price	
	Shares	Price	Shares	Price	Shares	Price
	YTD-Q1 2017		YTD-Q1 2016		2016	
Outstanding at the beginning of period	1 333 811	59.63	1 374 276	31.16	1 374 276	31.16
Granted	75 000	128.70	-	-	225 000	187.00
Exercised	-56 500	36.73	-38 340	13.87	-245 465	16.98
Cancelled	-	-	-	-	-	-
Forfeited	-	-	-	-	-20 000	59.90
Expired	-	-	-	-	-	-
Adjusted quantity	-12 500	50.00	-	-	-	-
Modification / Dividends	-	-	-	-	-	-
<b>Outstanding at the end of period</b>	<b>1 339 811</b>	<b>64.55</b>	<b>1 335 936</b>	<b>31.66</b>	<b>1 333 811</b>	<b>59.63</b>
Vested options	852 311	28.65	985 760	23.68	921 311	29.44

Weighted Average Fair Value of Options Granted during the period	75 000	67.84	-	-	225 000	101.22
Intrinsic value outstanding options at the end of the period	1 014 811	60 797 534	1 306 936	98 720 011	1 108 811	108 905 380
Intrinsic value vested options at the end of the period	852 311	53 566 284	985 760	80 651 623	921 311	94 492 880

## 8. Profit (loss) per share

When the period result is a loss, the loss per diluted number of shares shall not be 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 incentive options exceeds the average price per share in the period, the incentive options are not counted as being dilutive.

	2017	2016	2016
	YTD-Q1	YTD-Q1	
Profit (loss) attributable to the shareholders (NOK)	-44 268 290	-49 460 988	-192 614 181
Number of ordinary shares issue at 31 March/31 Dec.	16 382 480	13 511 855	15 158 980
Weighted average basic number of shares	15 925 486	13 498 794	14 483 859
Weighted average diluted number of shares	17 267 497	14 847 791	15 795 887
<b>Profit (loss) per share (NOK)</b>	<b>-2.78</b>	<b>-3.66</b>	<b>-13.30</b>

## 9. Risk management

A description of risk factors can be found in Note 2 of NEXT Biometrics Group ASA's 2016 annual report.

## 10. Events occurring after the balance sheet date

Between 31 March 2017 and the resolution of these condensed consolidated interim financial statements, there has not been any other event which have had any noticeable impact on NEXT's result in the first quarter of 2017 or the value of the Company's assets and liabilities at 31 March 2017.