



NEXT Biometrics Group ASA

Quarterly report – Q4 2016

Highlights

- MNOK 92.1 in Sales 2016 vs MNOK 4.6 in 2015
- MNOK 31.8 in Sales vs MNOK 28.4 in Q3-16
- First 1.5 million sensors shipped (high yield effects from December)
- Improvements of several key supplier agreements
- Generation 2 ASIC project on track – Reducing Q3 module COGS by more than \$2.5
- 2 new Smart card design wins (400 k units)
- Ritu Favre, former SVP and GM Synaptics appointed as new CEO (February)
- MNOK 156 (MUSD 18.7) in private placement gross proceeds (February)

Status

Product: The high yield from implementation of the new generation low power sensor contributed to COGS reductions from September onwards. Significantly higher yields were realized from December.

First tests of the second generation ASIC have been performed. Further tests of updated version is in progress. The volume module deliveries are targeted to start from Q3-17, with expected cost down in excess of USD 2.50 per module compared to existing level.

The Company continues in close collaboration with its strategic partner INNOLUX, to make advancements in developing the flexible sensor process and to ready mass production capacity. In parallel working with Smart card partners, the Company target the first volume deliveries of the world's first fully ISO-compliant flexible sensor Smart Cards in H2-2017.

Sales and market:

At Trustech 2016 in Cannes, France, NEXT demonstrated the world's first flexible fingerprint sensor that meets all ISO standard requirements. Meeting all the specifications is considered to be mandatory in high volume governmental and financial markets. First customers have already signed three volume orders for delivery from H2 2017. The total volumes of the first orders are well above 1 million sensors.

As the market demand for fingerprint sensors in notebooks and tablets is growing, NEXT expects penetration will increase in the near future. Most of NEXT revenue in 2016 came from this segment. It is expected that revenue from notebooks and tablets will further increase in 2017.

The Company focuses its resources on quality dependent market segments that require high and uncompromised levels of security and convenience coupled with the ability to serve close to 100% of a given population. In addition to the smart card markets, the company strategically targets other segments in need of large sized, high performance sensor at competitive pricing. Significant volumes are targeted within these segments enabled by the NEXT technology.

Key financial figures

Amounts in MNOK

(except per share data)

	Q4-2016	Q3-2016	Q2-2016	Q1-2016	2016	2015
Total revenue	31.8	28.4	26.6	5.2	92.1	4.6
Operating profit (loss)	-47.4	-43.4	-51.3	-49.0	-191.1	-121.8
Net profit (loss) for the period	-47.2	-44.5	-51.5	-49.5	-192.6	-121.5
Opening cash balance	157.0	182.5	76.8	130.2	130.2	129.3
Net change in cash flows	-50.7	-25.5	105.7	-53.4	-23.9	1.0
Closing cash balance	106.3	157.0	182.5	76.8	106.3	130.2
Total equity	177.2	221.5	235.2	125.2	177.2	172.7
Earnings per share - basic & diluted	-3.12	-2.97	-3.81	-3.66	-13.30	-10.44
Weighted average number of shares (in thousands)	15 159	14 963	13 512	13 499	14 484	11 639

Interim condensed financial statements as of 31 December 2016 (Unaudited)

Profit & loss statement

Revenues

Operating revenue in the fourth quarter of 2016 was MNOK 31.8, compared to MNOK 28.4 in the previous quarter and MNOK 1.7 in the fourth quarter of 2015.

In 2016 revenue amounted to MNOK 92.1 compared to MNOK 4.6 in 2015.

In 2016 several of the initial cost elements related to production and delivery were still one-offs or temporary and did not provide a clear and relevant indication of cost of goods sold. The company expects the operation mode to normalise from the first quarter of 2017. Due to this, cost of goods sold will be reported in the financial statement from the first quarter of 2017.

Operating expenses

Payroll expenses amounted to MNOK 17.7 in the fourth quarter of 2016, compared to MNOK 8.7 in the previous quarter and MNOK 20.9 in the corresponding quarter of 2015. Normalised payroll expenses in the third quarter of 2016 were low due to a reclassification of stock options of MNOK 3.7 from salary to operating expenses. In addition, social security tax of MNOK 5.7 was reversed. Adjusted for these two effects the payroll expenses amounted to MNOK 18.0 in the third quarter of 2016.

Payroll expenses in 2016 amounted to MNOK 58.6 compared to MNOK 54.0 in 2015. The increase was mainly due to increased R&D employees in the US. This was partly offset by a reduction in accrued social security cost related to share-based remuneration.

Other operating expenses amounted to MNOK 60.6 in the fourth quarter of 2016, compared to MNOK 62.1 in the previous quarter and MNOK 25.6 in the corresponding quarter of 2015. The increase from the corresponding quarter last year of MNOK 31.9 was mainly related to increased sales. The R&D costs included in other operating expenses increased to MNOK 10.7 in the fourth quarter of 2016, compared to MNOK 15.6 in the previous quarter and MNOK 5.6 in the corresponding quarter of 2015.

Other operating expenses amounted to MNOK 220.8 in 2016 compared to MNOK 70.5 in 2015. The increase of MNOK 150.3 was mainly related to increased cost of goods sold related to increased revenue and increased R&D costs.

Total R&D expenses, included in both payroll and other operating expenses, amounted to MNOK 97.6 in 2016, compared to MNOK 52.6 in 2015 (see note 4).

Depreciation, amortisation and investments

Depreciation and amortisation amounted to MNOK 0.9 in the fourth quarter of 2016 compared to MNOK 1.1 in previous quarter and MNOK 0.7 in the corresponding quarter of 2015. In 2016 depreciation and amortisation amounted to MNOK 3.8 compared to MNOK 1.9 in 2015.

Investments amounted to MNOK 0.4 in the fourth quarter of 2016 compared to MNOK 0.7 in the fourth quarter of 2015. Investments in 2016 amounted to MNOK 0.8 compared to MNOK 18.5 in 2015. The main investment in 2015 was the MNOK 15.5 investment in coating technology completed in the second quarter of 2015.

Net financial items

Net financial items amounted to a net income of MNOK 0.2 in the fourth quarter of 2016 compared to a net cost of MNOK 1.0 in the previous quarter and a net cost of MNOK 2.0 in corresponding quarter of 2015. In 2016 net financial items amounted to a net cost of MNOK 1.4 compared to a net income of MNOK 0.3 in 2015. The decrease was mainly related to foreign exchange gains and losses.

Net profit (loss) for the period

Net loss in the fourth quarter of 2016 was MNOK 47.2, compared to a loss of MNOK 44.5 in the previous quarter and a loss of MNOK 45.6 in the corresponding quarter of 2015. The increased loss was mainly due to higher stock option cost related to share-based remuneration. This was partly offset by a reduction in the production cost due to continued improved yield after introduction of the new sensor.

Net loss in 2016 amounted to MNOK 192.6 compared to a loss of MNOK 121.5 for the year 2015. The increased loss was mainly due to increased R&D cost and increased cost of goods sold.

NEXT operated at a loss and did not incur deferred or payable income taxes for the year 2016 or in 2015, except for insignificant amounts in the fourth quarter of 2016 and 2015 related to payable taxes in foreign subsidiaries.

Cash flow and balance sheet

Cash and cash equivalents

Cash and cash equivalents amounted to MNOK 106.3 by the end of 2016, compared to MNOK 130.2 by the end of 2015.

The operations, including investments, consumed cash in an amount of MNOK 50.4 in the fourth quarter of 2016 compared to MNOK 54.7 in the previous quarter and MNOK 44.2 in the fourth quarter of 2015. Total amount for the year 2016, including investments, amounted to MNOK 213.1 compared to MNOK 128.1 for the year 2015.

Net cash flow from financing activities was positive with MNOK 189.4 in 2016, compared to MNOK 129.1 in 2015.

By the end of 2016 the Company's share capital is NOK 15,158,980, divided into 15,158,980 shares with a par value of NOK 1 per share.

Equity

Equity amounted to MNOK 177.2 by the end of the 2016 compared to MNOK 172.7 by the end of 2015. This was mainly due to net proceeds of MNOK 160.0 in the second quarter and net proceeds of MNOK 29.1 in the third quarter and the loss of MNOK 192.6 in 2016.

Outlook (3-9 months)

- Q1 Sales in level with the previous quarters
- Strong focus on flexible sensor project development
- Continued progress with major players in the Smart Card industry
- Increased focus on next generation ASICs
- Implementation of second generation ASIC, reducing COGS by more than \$2.5
- Capitalize on Asic2 rigid modules in Notebooks and NEXT-Enabled markets.

Oslo, February 27, 2017
Board of directors
NEXT Biometrics Group ASA

NEXT Biometrics Group ASA

Condensed interim statements of comprehensive income (unaudited)

31 December 2016

Amounts in NOK 1,000	Notes	Q4-2016	Q4-2015	2016	2015
PROFIT AND LOSS					
Revenue					
Operating revenue	3	31 818	1 705	92 070	4 571
Other revenue	3	0	0	0	0
Total revenue		31 818	1 705	92 070	4 571
Operating expenses					
Payroll expenses	4	17 667	20 923	58 579	54 000
Other operating expenses	4	60 641	25 576	220 794	70 520
Total operating expenses		78 308	46 499	279 373	124 520
Profit (loss) before tax, depreciation and amortization		-46 490	-44 795	-187 303	-119 949
Depreciation and amortisation	5.6	898	686	3 798	1 866
Operating profit (loss)		-47 388	-45 481	-191 101	-121 815
Net financial items		206	-2 061	-1 447	304
Net profit (loss) before tax		-47 181	-47 541	-192 548	-121 511
Taxes		-66	-22	-66	-22
Net profit (loss) for the period		-47 247	-47 564	-192 614	-121 533
Earnings per share - basic and diluted	9	-3.12	-3.78	-13.30	-10.44
Other comprehensive income					
Items that will be reclassified to profit and loss					
Exchange rates differences		-224	58	92	-41
Total other comprehensive income		-224	58	92	-41
Total comprehensive income for the period		-47 471	-47 506	-192 522	-121 574
Total comprehensive income for the period attributable from:					
Owners of the parent company		-47 471	-47 506	-192 522	-121 574
Total		-47 471	-47 506	-192 522	-121 574

NEXT Biometrics Group ASA
Condensed interim statements of financial position (unaudited)
31 December 2016

Amounts in NOK 1,000

31 Dec 2016 31 Dec 2015

ASSETS

Non-current assets

Patens and other intangible assets	5	6 584	7 068
Machinery and office equipment	6	16 239	18 725
Total non-current assets		22 823	25 793

Current assets

Inventory		23 402	22 140
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Receivables

Accounts receivable		13 384	1 678
Other receivables		9 251	12 916
Prepayments - Other investments		26 283	0
Total receivables		48 918	14 594

Cash and cash equivalents		106 342	130 231
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Total current assets		178 661	166 964
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Total assets		201 485	192 757
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EQUITY AND LIABILITIES

Equity

Share capital	8	15 159	13 474
Share premium		566 148	378 453
Other paid in capital		27 969	20 158
Retained earnings		-432 111	-239 365
Total equity		177 165	172 720

Liabilities

Current liabilities

Accounts payable		14 349	7 929
Public duties payable		711	179
Other current liabilities		9 260	11 930
Total current liabilities		24 319	20 037

Total liabilities		24 319	20 037
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Total equity and liabilities		201 485	192 757
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NEXT Biometrics Group ASA
Condensed interim statements of cash flow (unaudited)
31 December 2016

Amounts in NOK 1,000	Notes	Q4-2016	Q4-2015	2016	2015
Cash flows from operating activities					
Profit (loss) before taxes		-47 181	-47 541	-192 548	-121 511
Taxes payable		-66	-22	-66	-22
Share based remuneration (equity part)		3 146	1 022	7 811	3 564
Depreciations and amortisation	5.6	898	686	3 798	1 866
Change in prepayments		-2 084	0	-26 283	0
Change in working capital items		-4 694	2 313	-5 022	6 474
Net cash flows from operating activities		-49 981	-43 542	-212 310	-109 629
Cash flows from investing activities					
Purchase of tangible assets		-432	-687	-828	-18 484
Net cash flows from investing activities		-432	-687	-828	-18 484
Cash flows from financing activities					
Change in non-current debt		0	0	0	0
Share issue net of expenses		-22	129 121	189 380	129 121
Net cash flows from financing activities		-22	129 121	189 380	129 121
Translation differences		-224	58	-132	-41
Net change in cash flows		-50 660	84 949	-23 889	966
Opening cash balance		157 001	45 282	130 231	129 265
Closing cash balance		106 342	130 231	106 342	130 231

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
Balance 1 October 2016		15 159	566 170	24 823	-384 640	221 513
Shares issue	8	-	-22			-22
Share based compensation				3 146		3 146
Translation differences					-224	-224
Net profit (loss)					-47 247	-47 247
Balance 31 December 2016		15 159	566 148	27 969	-432 111	177 165
Balance 1 October 2015		11 318	268 155	19 136	-208 525	90 083
Shares issue	8	2 156	110 298			112 454
Share based compensation				1 022		1 022
Translation differences					58	58
Net profit (loss)					-47 564	-47 564
Balance 31 December 2015		13 474	378 453	20 158	-256 031	156 054
Balance 1 January 2016		13 474	378 453	20 158	-239 365	172 720
Shares issue	8	1 685	187 695			189 380
Share based compensation				7 811		7 811
Translation differences					-132	-132
Net profit (loss)					-192 614	-192 614
Balance 31 December 2016		15 159	566 148	27 969	-432 111	177 165
Balance 1 January 2015		11 318	268 155	16 594	-134 457	161 609
Shares issue	8	2 156	126 965			129 121
Share based compensation				3 564		3 564
Translation differences					-41	-41
Net profit (loss)			-16 667		-104 867	-121 533
Balance 31 December 2015		13 474	378 453	20 158	-239 365	172 720

Notes to the condensed interim financial statements

31 December 2016 (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 were listed at Oslo Stock Exchange, OB Match, as of 17 December 2015. 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 2016, 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 fourth quarter of 2016 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 2015.

The IFRS accounting policies applied in this condensed interim financial report are consistent with those applied and described in the annual financial statements for 2015.

The going concern assumption has been applied when preparing this financial report. In the second and third quarter of 2016 NEXT raised additional funds to enable NEXT to enter the commercial phase. In the first quarter of 2017 NEXT raised additional MNOK 151 in net proceeds in a private placement. During 2016, NEXT earned revenue from commercial volumes, but still at 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 27 February 2017.

3. Revenue and segment reporting

Operating revenue - Per business segment (amounts in NOK)

	2016	2015
Fingerprint sensor technology	92 069 852	4 571 441
Total	92 069 852	4 571 441

NEXT has grouped the use of the technology into four main market segments;

- (i) Smart Cards
- (ii) NEXT-Enabled and Traditional markets
- (iii) Notebooks and Tablets
- (iv) Smartphones

The available technology is generic into the four market segments. Since NEXT has limited revenues it is operating and reporting only in one business segment; Fingerprint sensor technology.

4. Operating expenses

Payroll expenses

(amounts in NOK)

	2016	2015
R&D related payroll expenses	35 563 093	27 807 955
Other payroll expenses	24 245 531	17 694 395
Share based remuneration (salary part)	3 419 562	3 327 298
Share based remuneration (employer's tax)	-4 648 923	5 170 345
Total	58 579 263	53 999 993

Other operating expenses *

(amounts in NOK)

	2016	2015
R&D related operating expenses	62 060 710	24 779 397
Other expenses	154 473 145	45 504 128
Share based remuneration (operating part)	4 259 726	236 941
Total	220 793 581	70 520 466

Total - Operating expenses	279 372 844	124 520 459
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*Cost of goods sold is included in other operating expenses.

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

5. Intangible assets

The intangible assets are from right to use the patent described as the *Active Thermal Sensing Principle*. This purchase was recognized at net present value and included in the opening balance as of 1 January 2012. The book value is depended on the successful development of the fingerprint technology in the parent company and its subsidiaries.

Intangible assets (amounts in NOK)	2016	2015
Cost - Opening balance	7 674 081	7 458 255
Additions	0	215 826
Disposals at cost	0	0
Currency adjustments	0	0
Cost - Closing balance	7 674 081	7 674 081
Accumulated depreciation - Opening balance	605 699	243 204
Depreciation	484 273	362 495
Accumulated depreciation of disposed items	0	0
Currency adjustments	0	0
Accumulated depreciation - Closing balance	1 089 972	605 699
Book value - Closing balance	6 584 109	7 068 382

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

6. Tangible assets

Machinery and equipment (amounts in NOK)

	2016	2015
Cost - Opening balance	22 138 708	3 535 656
Additions	953 916	17 948 643
Disposals at cost	0	0
Currency adjustments	-143 927	654 409
Cost - Closing balance	22 948 697	22 138 708
Accumulated depreciation - Opening balance	3 413 753	1 575 766
Depreciation	3 314 008	1 503 503
Accumulated depreciation of disposed items	0	0
Currency adjustments	-18 327	334 484
Accumulated depreciation - Closing balance	6 709 434	3 413 753
Book value - Closing balance	16 239 263	18 724 954
Depreciation period (straight line) years	3-10	3-10

7. Provisions

Royalty payments

NEXT Biometrics Group ASA and former board member Ngoc Minh Dinh entered into a royalty agreement in 2008. In October 2015, NEXT and Ngoc Minh Dinh agreed to terminate the royalty payments.

Royalty payments (amounts in NOK)	2016	2015
Opening balance	0	7 546 803
Time value	0	145 230
Additional	0	0
Payment	0	-7 692 033
Closing balance	0	0

After the termination of the royalty agreement NEXT does not have any contingent assets or contingent liabilities. NEXT has not issued any guarantees.

8. Shares and incentive options

Number of shares outstanding	2016	2015
Opening balance	13 473 515	11 317 665
Share issue(s)	1 440 000	2 093 750
Exercised incentive options	245 465	62 100
Closing balance	15 158 980	13 473 515

In the first quarter of 2016 38,340 options were exercised and the share capital was increased accordingly. Net proceeds amounted to MNOK 0.4.

In May 2016 NEXT completed a successful placement of shares. The placement involved 1,240,000 new shares at a subscription price of NOK 133 corresponding to a total subscription amount of MNOK 164.9. Expenses and commission fee connected with this placement amounted to MNOK 4.9 and net proceeds were MNOK 160.0.

In July 2016 NEXT completed a subsequent repair issue. The placement involved 200,000 new shares at a subscription price of NOK 133 corresponding to a total subscription amount of MNOK 26.6. Expenses and commission fee connected with this placement amounted to MNOK 1.2 and net proceeds were MNOK 25.4.

In addition, 207,125 incentive stock options were exercised in the beginning of September and gave net proceeds of MNOK 3.6.

After the exercise of options and the issue of the new shares the Company's share capital is NOK 15,158,980, divided into 15,158,980 shares with a par value of NOK 1 per share.

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 is NOK 1,128,811.

The Annual General Meeting gave a consultative vote on management remuneration policy as described in the remuneration statement from the Board of Directors, thereby approving the proposed share option scheme for the Company going forward.

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 October 2016, the board of directors resolved to allot net 229,000 (of which 4,000 options was cancelled due to employees leaving) conditional share options. As stated above, the total number approved by the general meeting was 330,000 conditional share options for this program, and the board of directors has therefore additionally 101,000 conditional share options available for allotment.

The following primary insiders were allotted conditional share options in October 2016 :

- Tore Etholm-Idsøe (CEO) was granted 20,000 options (298,000 options)
- Knut Stålen (CFO) was granted 15,000 options (55,000 options)
- Matias Troccoli (CTO) was granted 15,000 options (201,377 options)
- Robert Muller (Chief Technologist Systems) was granted 10,000 options (70,470 options)
- Campbell Kan (VP of Operations and Asia Sales) was granted 15,000 options (42,000 options)
- Charles Ng (VP Sales, Americas) was granted 10,000 options (40,000 options)
- Radek Matyasek (VP Sales EMEA) was granted 10,000 options (40,000 options)

The total number of unconditional options outstanding is 1,128,811 and the remaining amount under the board authorisation is NOK 1,128,811.

Options	2016	2015
Opening balance	1 374 276	1 299 876
Grant of incentive options	225 000	209 500
Exercised incentive options	-245 465	-62 100
Forfeited incentive options	-20 000	-73 000
Expired incentive options	0	0
Closing balance	1 333 811	1 374 276

In order to attract talented, experienced and high value networked human resources the Company has entered and plan to continue to enter into share option agreements. NEXT has granted incentive options to employees, contractors and high value networked individuals and members of the advisory board.

Options	2016		2015		2014	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at the beginning of period	1 374 276	31.16	1 299 876	28.65	1 275 332	25.46
Granted	225 000	187.00	209 500	55.44	224 544	47.63
Exercised	-245 465	16.98	-62 100	35.16	-130 000	28.23
Cancelled	-	-	-	-	-	-
Forfeited	20 000	59.90	-73 000	52.67	-60 000	25.00
Expired	-	-	-	-	-10 000	75.00
Adjusted quantity	-	-	-	-	-	-
Modification / Dividends	-	-	-	-	-	-
Outstanding at the end of period	1 333 811	59.63	1 374 276	31.16	1 299 876	28.65
Vested options	921 311	29.44	1 004 100	22.29	970 210	19.63

Weighted Average Fair Value of Options Granted during the period	225 000	101.22	209 500	39.80	251 544	26.26
Intrinsic value outstanding options at the end of the period	1 128 811	108 905 380	1 374 276	105 596 159	857 700	29 369 951
Intrinsic value vested options at the end of the period	921 311	94 492 880	1 004 100	86 064 831	827 710	29 055 056

9. 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.

	2016	2015
Profit (loss) attributable to the shareholders (NOK)	-192 614 180	-121 533 300
Number of ordinary shares issue at 31 December	15 158 980	13 473 515
Weighted average basic number of shares	14 483 859	11 639 238
Weighted average diluted number of shares	15 795 887	12 971 504
Profit (loss) per share (NOK)	-13.30	-10.44

10. Risk management

A description of risk factors can be found in Note 2 of NEXT Biometrics Group ASA's 2015 annual report.

11. Events occurring after the balance sheet date

In the first quarter of 2017 NEXT raised additional MNOK 151 in net proceeds in a private placement. The private placement consisted of 1,167,000 new shares at a price of NOK 134 per share.

Between 31 December 2016 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 year 2016 or the value of the Company's assets and liabilities at 31 December 2016.