



Quarterly presentation – Q2 2017

30 Aug 2017

Hiddn – leading on technology since 1998

More than NOK 200m invested in R&D since 1998

- Since 1998, more than NOK 200m has been invested in developing Hiddn's intellectual property. This investment has put the company in a unique position as no other company can provide the the market with similar products when it comes to safety

Funded by demanding security and defence clients

- A significant part of Hiddn's R&D funding has been provided by institutions with strict safety requirements. Hiddn has obtained a unique position with national security agencies and defence clients in several European countries and in the US

Hiddn's products provide unparalleled safety

- Repeat orders from customers show that many of these institutions and organisations still rely on and trust Hiddn products to secure and safeguard their data, proving that Hiddn still provides a unique and preferred product



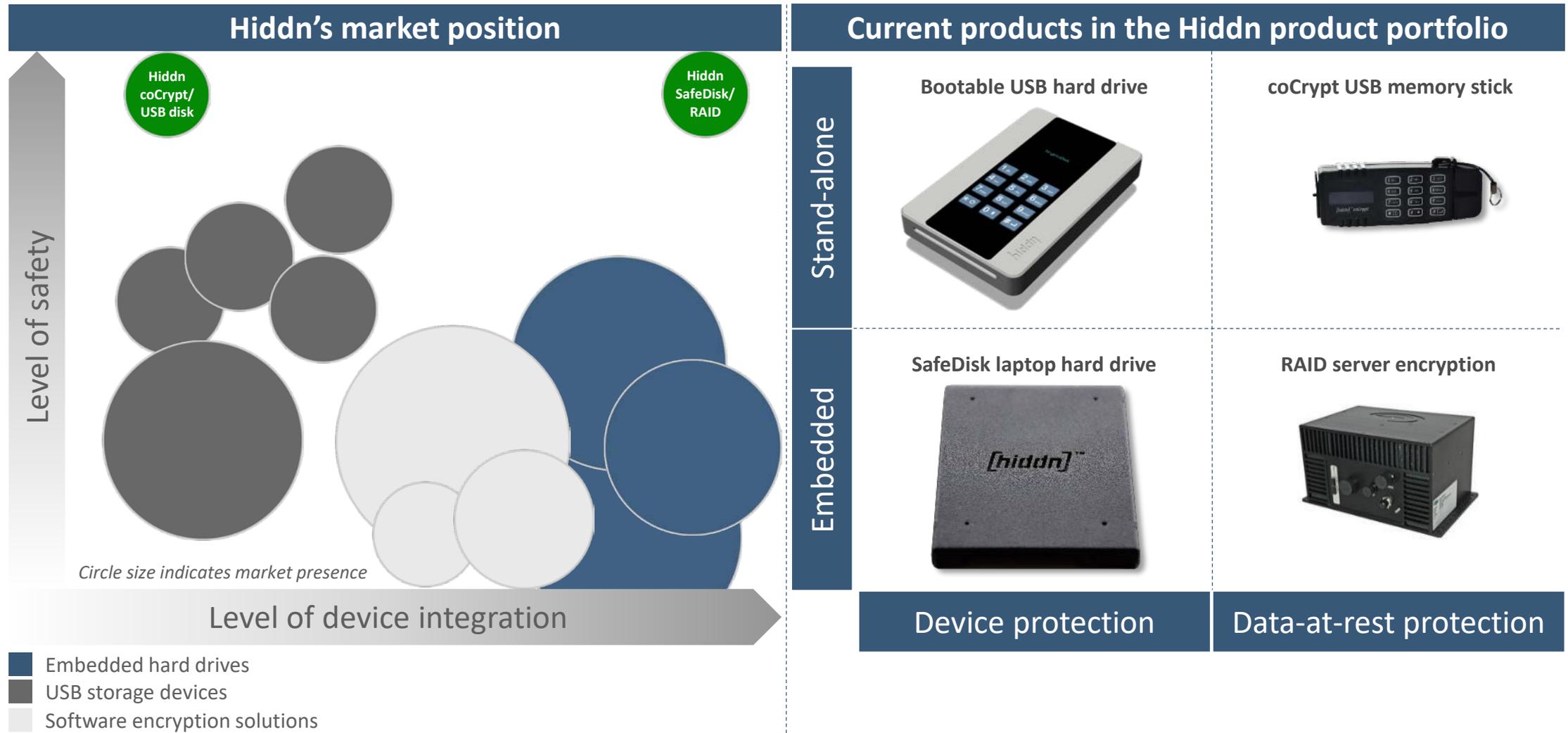
~5000 units sold



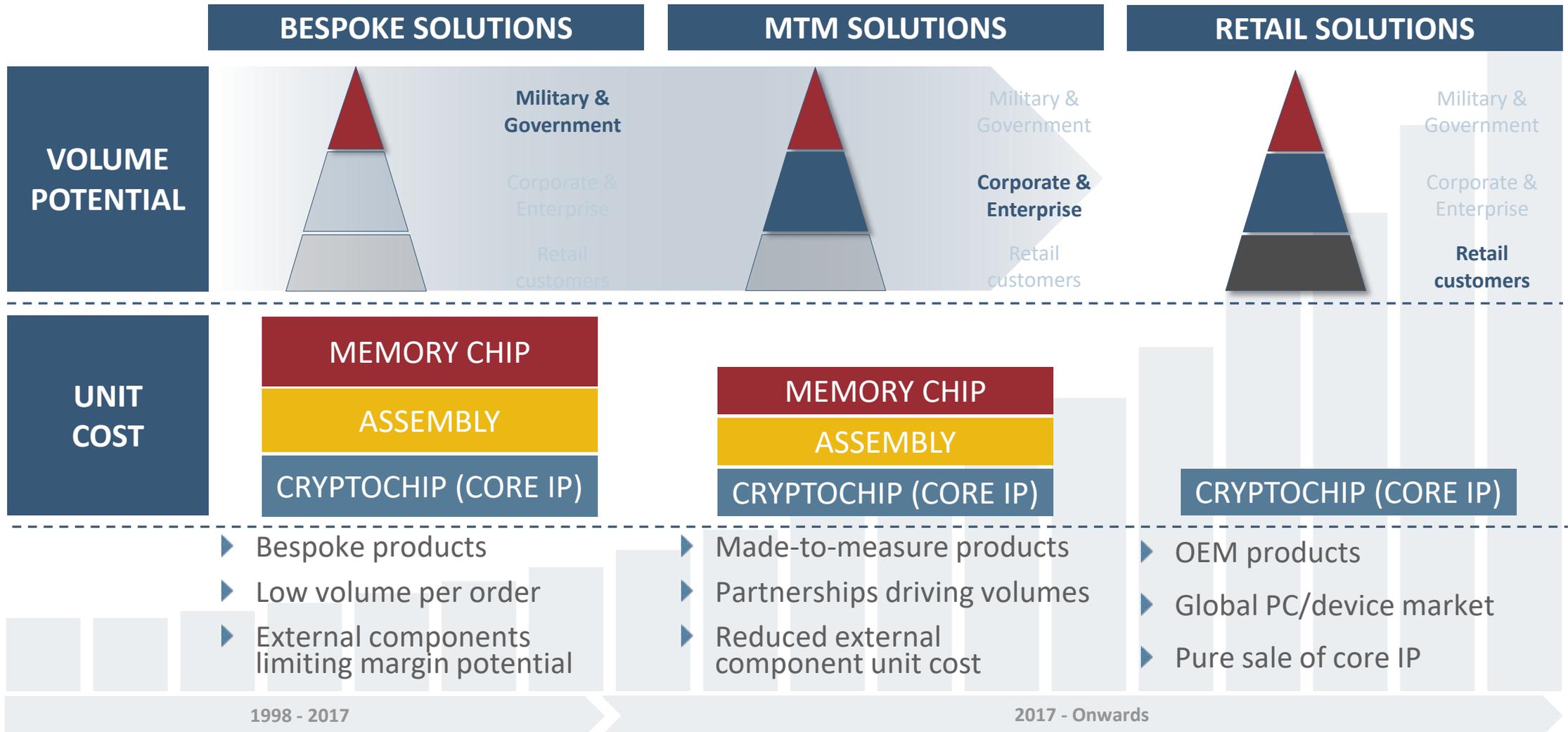
Highlights in second quarter & subsequent events

- ▶ New CEO and new Board of Directors
- ▶ Strategy to also focus on the corporate and enterprise market
- ▶ Signed agreement to develop an ASIC-based crypto platform for Hiddn's products
- ▶ New USB hard drive (KryptoDisk) has passed final testing by NEMKO and will now become available for commercial sale
- ▶ Received a new patent to use smart phones as a platform for key handling and key transfer
- ▶ Sales channel expanded through acquisition of Finn Clausen Sikkerhetssystemer AS

Hiddn's position in the encryption landscape



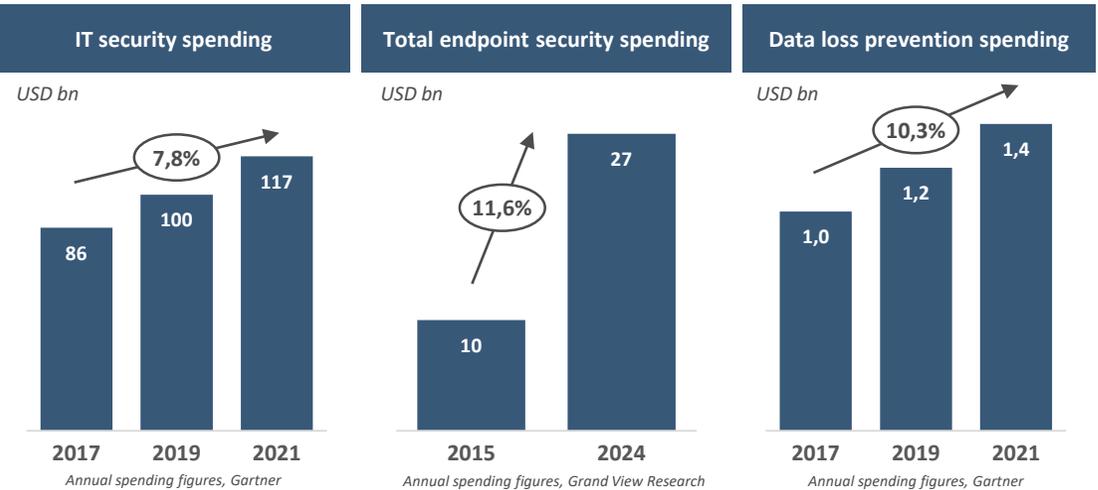
From bespoke products to volume solutions



Target markets are experiencing strong growth

Total annual IT security spending at USD 86 bn in 2017

- ▶ At least USD 4.3 bn directly relevant to Hiddn's current product portfolio
- ▶ With the move to cloud computing, spending on endpoint security and data loss protection is rapidly growing both in enterprise and consumer segments
- ▶ Hiddn's business plan involves expanding Hiddn's offering along new dimensions, granting access to new IT security segments



Three factors driving endpoint security spending

The move to cloud servers drives endpoint security need

- McKinsey estimates 71% of large enterprises will shift to off-premises cloud solutions by 2018, from 24% in 2015*
- Less control over servers and "bring your own device"-policies increases focus on securing endpoint devices

GDPR turns encryption into a must-have for corporates

- EU's GDPR directive, active from May 2018, fines corporates for loss of individual's data with the higher of 4% of annual turnover or €20m
- Loss of just one single laptop may trigger a massive corporate fine
- Encryption specifically named as an eligible preventive measure

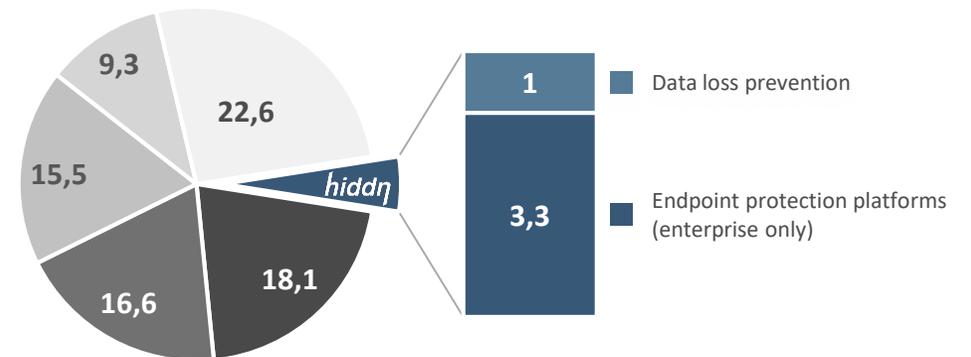
Encryption alternatives to major OS providers increasingly HW-based

- Major OS providers (Microsoft, Apple) embed encryption tools in their software, squeezing out smaller software encryption players
- Customers seeking alternatives or supplements to BitLocker and FileVault will increasingly need to find this in hardware encryption

IT security segments by annual spend**

2017, USD bn

- Consulting
- IT Outsourcing
- Implementation
- Firewalls
- Others



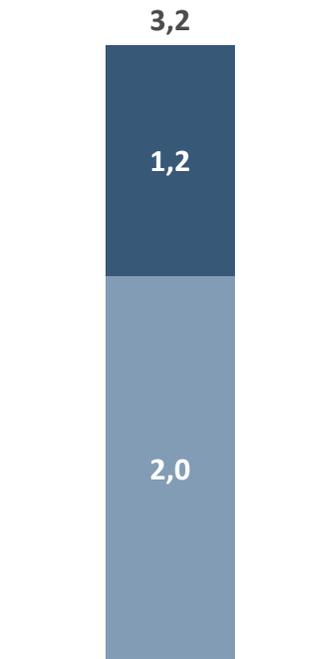
* IT as a service: From build to consume; McKinsey, Sep. 16

** Forecast Analysis: Information Security, Worldwide; Gartner, Jun. 17

Financials – first half 2017

Revenues and operating expenses – H1 2017

Half-yearly revenues
NOK million



■ Finn Clausen
Sikkerhetssystemer
■ Hiddn Solutions

Half-yearly Opex
NOK million



■ R&D
■ Payroll
■ Other opex
■ One-time expenses

R&D and recruitment driving costs

▶ Revenues of 3,2 million

- Revenues from Finn Clausen Sikkerhetssystemer from June 1st affecting revenue figures positively

▶ Payroll & management-for-hire expenses of 9,7 million

- Payroll expenses have increased due to new hires in the R&D team, and temporary hiring of central staff functions

▶ R&D expenses of 4,2 million

- R&D spending has been accelerated in 2017, and is primarily comprised of R&D consultancy fees and equipment for Hiddn's in-house research lab

▶ Other operating expenses of 6,3 million

- Other operating expenses have risen as a consequence of becoming a listed company, as well as a G&A increase stemming from organisational growth

▶ One-time expenses of 4,3 million

- One-time expenses include legal fees, listing fees, M&A fees etc. from the listing of Hiddn on the Oslo Stock Exchange