



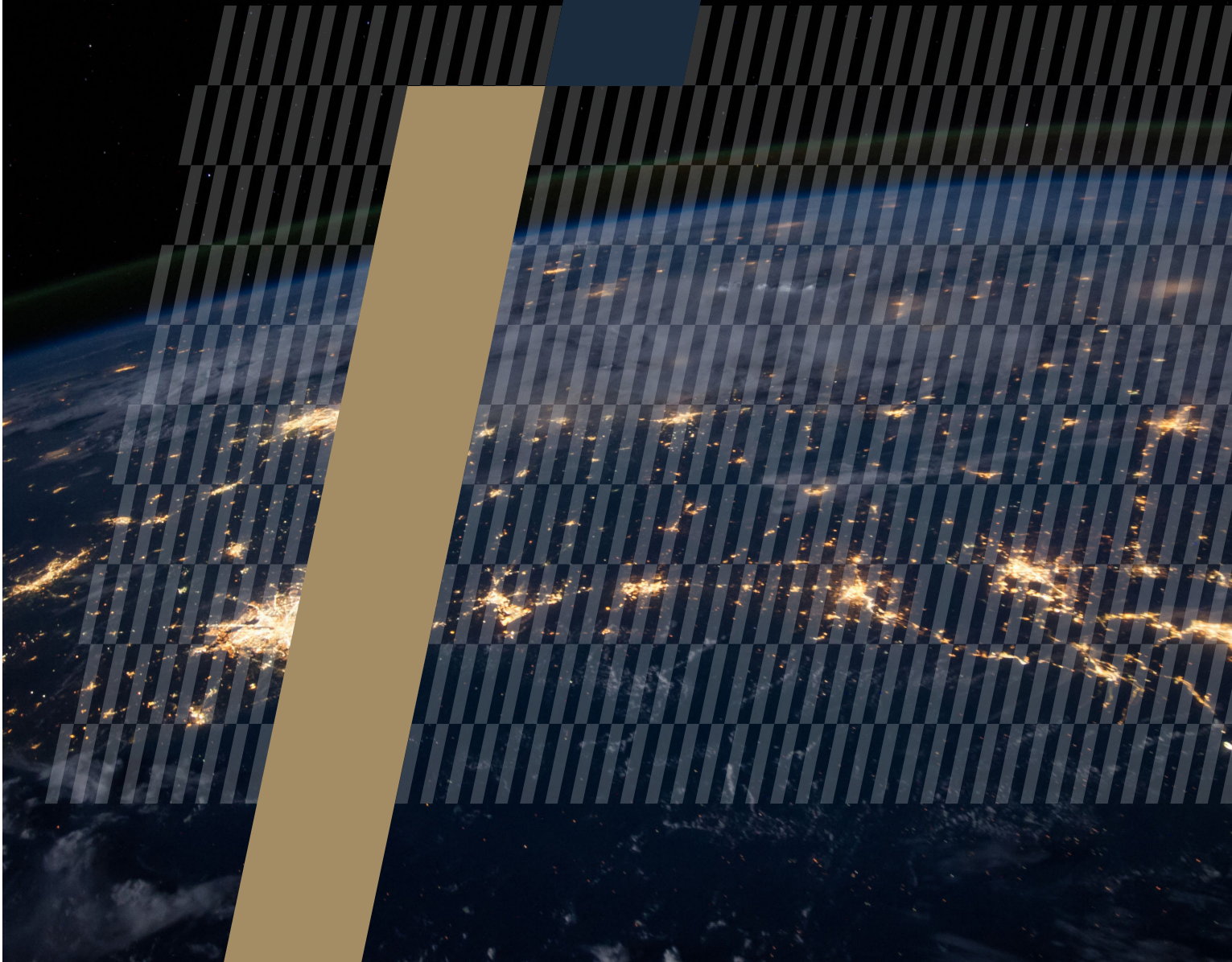
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Q3 2018

REPORT



HIGHLIGHTS OF THE THIRD QUARTER 2018

Hiddn Solutions ASA (“Hiddn”) recorded an improved EBIT, a reduced burn rate and achieved a gross margin of close to 40% in third quarter 2018. Total revenues were NOK 3.4 million in third quarter 2018, down from NOK 4.3 million in the corresponding period last year. Loss before tax was NOK 10.5 million in the quarter, down from 13.4 million in the same quarter last year. Hiddn’s focus in the third quarter has been to further develop the distribution capabilities in Europe and North America, in addition to ramping up the commercial capabilities. The company is now preparing for increased production as Hiddn aims to enter into an accelerated growth path to leverage on the position as a leading technology provider in the global encryption market.

After the closing of the quarter, Hiddn has announced the following:

- Hiddn received the first order from ALSO Holding AG (“ALSO”). The initial order has a value of NOK 1.7 million and covers Hiddn’s KryptoDisk and other encryption products for the Scandinavian market. The products will be available for purchase from ALSO during the fourth quarter of 2018.
- Hiddn received repeat orders for SafeDisks and USB-products from clients in Europe and the Middle East.
- Hiddn appointed Jørgen Waaler as SVP for Partner sales as the company is entering the commercialisation stage of Hiddn’s state-of-the-art encryption technology. Waaler brings extensive experience from international sales and will leverage on the market momentum for Hiddn’s new products and solutions.

HIDDEN IN BRIEF

Hiddn Solutions ASA is listed on the Oslo Stock Exchange under the ticker HIDDEN. The company is offering impenetrable proprietary hardware-based authentication and encryption products with a superior level of security as well as a wider product suite addressing all market segments looking for solutions to ensure that sensitive information stays confidential and unavailable to unauthorised access.

Based on Hiddn’s unrivalled and proven position in the high-end encryption market, Hiddn is implementing a strategy of adapting the proprietary technology to the high-volume markets to take advantage of the growing global security challenges and the arising regulatory requirements.

Hiddn has established a product offering that addresses all market segments from the high-end security clients to the retail market, and established partnerships with some of the most important sales and distribution partners in Europe. Hiddn sees significant growth opportunities and rising demand from customers and is well on its way to solidify its leading position in the growing market for secure data storage. For more information, please visit: www.hiddn.no

HOW THE TECHNOLOGY WORKS

Hiddn has established a product offering that addresses all market segments from the high-end security clients to the retail market, based on Hiddn’s competence in delivering impenetrable proprietary hardware-based authentication and encryption products.

Before using a Hiddn high-end two-factor authentication storage device, the encryption key needs to be transferred from the smart card following an authentication process. This process requires you to enter a pin code for the

algorithm in the smart card to verify that the storage device requesting the key is the correct recipient. Upon verification, the key will be securely transferred thereafter.

Other encryption products involve storing of the encryption key either on the device and/or on the storage drive itself. The authentication process and the storage of the encryption key is therefore determining the safety level of the device and hence the protection of your data. Hiddn can offer products suitable for different protection levels. Our most sophisticated and high-end products are the only solutions on the market known to store the encryption key separated from the device.

Hiddn utilises hardware encryption and has developed a code that today is implemented on a field-programmable gate array (FPGA), a microchip designed to be configured after manufacturing. After implementing the source code on the FPGA, the chip is casted onto a hard drive controller card to prevent tampering. The key stored on the smart card (or other secure media) is transferred to the FPGA after a process of authentication and verification. The exact process is protected by Hiddn's patents, which represents the core of Hiddn's unique solution.

KEY DEVELOPMENTS IN THE THIRD QUARTER

During the third quarter of 2018, Hiddn continued working to expand the product offering and the distribution capabilities. Hiddn is now preparing for future volume production targeting the growing business and service market in Europe and US/Canada as response to the anticipated increase in demand for Hiddn's products and services. Some of these initiatives materialised after the closing of the quarter, including the following key developments.

Receives initial order from ALSO

Hiddn received the first order from ALSO. The initial order has a value of NOK 1.7 million and covers Hiddn's KryptoDisk and other encryption products for the Scandinavian market. The products will be available for purchase from ALSO during the fourth quarter of 2018. This first order confirms the demand for Hiddn's GDPR compliant secure data storage solutions in Scandinavia and is a stepping stone into launching the new range of products and services in both Scandinavia and the rest of Europe.

The initial order from ALSO covers Hiddn's flash and USB products for Scandinavia and Hiddn is currently also finalising the availability for these products in the rest of Europe. In addition, Hiddn is preparing the upcoming inclusion of Hiddn's SafeDisk solution for laptops and tablets into the ALSO product offering.

Receives several repeat orders

Hiddn has a longstanding relationship with governmental organisations in Europe and the Middle-East, and has recently received repeat orders for 200 SafeDisks and 200 KryptoDisks, adding to their existing portfolio of encryption products from Hiddn. The repeat orders confirms Hiddn's unrivalled position at the most demanding end of the market.

Appointed SVP Partner sales

Hiddn appointed Jørgen Waaler as SVP for Partner sales as the company is entering the commercialisation stage of Hiddn's state-of-the-art encryption technology. Jørgen Waaler was taking up the position in Hiddn from 8 November 2018 after being the CEO of StrongPoint ASA for 13 years. StrongPoint is a Oslo Stock Exchange listed Retail Technology company operating in 12 countries. Waaler holds an MBA from the University of Wyoming. Waaler brings extensive experience from international sales and will leverage on the market momentum for Hiddn's new products and solutions.

High trade fair activity

Hiddn has been present at tradeshows such as InfoSecure, CEBIT and IT-SA and received great interest and several leads. In November 2018, Hiddn has also attended the Fujitsu partner forum and the Electronica fair in München and NIDV in Rotterdam.

FINANCIAL REVIEW

KEY FINANCIAL FIGURES

	1.7-30.9.18	1.7-30.9.17	1.1-30.9.18	1.1-30.9.17
<i>(Amounts in NOK thousands, except EPS)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	3 431	4 317	14 310	7 521
Gross profit	1 260	770	5 634	267
Gross margin	37 %	18 %	39 %	4 %
Operating expenses (excl COGS)	(11 619)	(14 140)	(37 336)	(38 628)
EBIT	(10 359)	(13 370)	(31 702)	(38 361)
Basic and diluted earnings per share (EPS)	(0,11)	(0,20)	(0,39)	(0,64)

	30.9.18	31.12.17
<i>(Amounts in NOK thousands)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Cash balance	2 401	12 005
Total assets	30 326	41 424
Total equity	12 072	16 539

Gross profit and gross margin are alternative performance measures. Gross profit is calculated by deducting cost of goods sold from revenue. Gross margin is calculated by dividing gross profit by revenue. EBIT is equal to operating loss in the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2018 (UNAUDITED)

Hiddn Solutions ASA is a public limited company headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker HIDDN. The company's operating activities are reported through the subsidiaries Hiddn Security AS, Hiddn Solutions AS and Finn Clausen Sikkerhetssystemer AS (together named "Hiddn", "Group" or "Company"). The Board of Directors approved the report on 15 November 2018.

PROFIT OR LOSS STATEMENT

The Company completed the acquisition of Finn Clausen Sikkerhetssystemer AS ("FCS") on 16 May 2017. Hence, FCS is included from 1 June 2017 in the following financial discussion.

Revenues

Hiddn recorded operating revenues of NOK 3.4 million in the third quarter of 2018, down from NOK 4.3 million in the corresponding quarter of 2017. The gross profit increased with NOK 0.5 million, from NOK 1.3 million in the third quarter of 2018 compared to NOK 0.8 million during the same period of 2017. The gross profit was 37% in the third quarter 2018 compared to 18% in the corresponding quarter last year.

Revenues for the nine-month period ended 30 September 2018 was NOK 14.3 million compared to NOK 7.5 million in the comparable period in 2017; an increase of NOK 6.8 million. The increase is due to organic growth and the acquisition of FCS. The gross profit increased with NOK 5.3 million to NOK 5.6 million in the nine-month period ended 30 September 2018 compared to NOK 0.3 million during the same period of 2017.

Cost of goods sold

Hiddn recorded cost of goods sold of NOK 2.2 million in the third quarter of 2018 compared to cost of goods sold of NOK 3.5 million in the corresponding quarter of 2017. The third quarter of 2017 included a charge of NOK 0.6 million related to purchase acquisition fair value of FCS inventory.

Cost of goods sold for the nine-month period ended 30 September 2018 was NOK 8.7 million compared to NOK 7.3 million in the comparable period in 2017. Year to date 2017 included a charge of NOK 1.0 million related to purchase acquisition fair value of FCS inventory.

Payroll expenses

Payroll expenses were NOK 6.7 million in the third quarter of 2018 compared to NOK 6.3 million in the corresponding quarter of 2017. Included in the figures for the third quarter of 2018 is a share-based expense of NOK 0.3 million.

Payroll expenses were NOK 21.1 million in the nine-month period ended 30 September 2018 compared to NOK 12.2 million in the same period in 2017, an increase of NOK 8.9 million. The increase is due to an ongoing strengthening of the organisation. The new employees are to a large extent replacing the use of R&D consultants and management for hire consultants. Included in the year to date figures for 2018 is also a share-based expense of NOK 1.8 million.

Depreciation and amortisation

Depreciation and amortisation expenses amounted to NOK 177 thousand during the third quarter of 2018 compared to NOK 177 thousand in the same period in 2017.

Depreciation and amortisation expenses amounted to NOK 535 thousand in the nine-month period ended 30 September 2018 compared to NOK 289 thousand in the same period of 2017. The increase primarily relates to

amortisation of intangible assets that was included in full for the nine-month period ended 30 September 2018, while only from the month of June in 2017.

Other operating expenses

Other operating expenses were NOK 4.8 million in the third quarter of 2018 compared to NOK 7.7 million in the corresponding quarter of 2017, a reduction of NOK 2.9 million is primarily related to R&D consultants being replaced by new employees.

Other operating expenses for the nine-month period ended 30 September 2018 amounted to NOK 15.7 million compared to NOK 26.1 million in the nine-month period ended 30 September 2017; a reduction of NOK 10.4 million. The reduction is primarily related to R&D consultants and management for hire consultants being replaced by new employees and listing fee expensed in 2017.

Net financial items

Net financial items were minus NOK 185 thousand in the third quarter of 2018 compared to minus NOK 16 thousand in the comparable period in 2017, an increased expense of NOK 169 thousand.

Net financial items were minus NOK 1.2 million in the nine-month period ended 30 September 2018 compared to minus NOK 2.0 million in the comparable period in 2017; a decrease of NOK 0.8 million primarily due to lower average outstanding debt in nine-month period ended 30 September 2018 compared to the same period in 2017.

Net loss

Net loss in the third quarter of 2018 was NOK 10.5 million compared to a loss of NOK 13.4 million in the corresponding quarter of 2017.

Net loss in the nine-month period ended 30 September 2018 was NOK 32.8 million compared to a loss of NOK 40.0 million in the same period of 2017.

BALANCE SHEET

Cash and cash equivalents amounted to NOK 2.4 million as per 30 September 2018 in addition to an unutilized credit facility of NOK 4.7 million. Cash and cash equivalents amounted to NOK 12.0 million as per 31 December 2017. As per 30 September 2018, the total assets were NOK 30.3 million compared to NOK 41.4 million at 31 December 2017. Total equity was positive and amounted to NOK 12.1 million at 30 September 2018 compared to NOK 16.5 million at 31 December 2017.

The Board of Directors is continuously working to optimising the future financial structure of the Company, including financing from Skattefunn, Innovation Norway, The Research Council of Norway, bank facilities and arrangements for factoring and inventory financing, overdraft and long term facilities as well as private placements, secured by board proxy, to increase share capital by up to 30%. As a part of this work, the Company has received an offer for a credit facility of minimum NOK 15 million to be utilized to support operations in 2019.

BUSINESS OUTLOOK

The Board of Directors believes that Hiddn is well positioned to benefit from the increased demand for reliable and secure storage solutions. Based on Hiddn's unrivalled and proven position in the high-end encryption market and the wider products and service range recently launched, the Board of Directors believes the Company can take advantage of the growing global security challenges and the arising regulatory requirements.

To take advantage of the expanding global encryption market, Hiddn has established a product offering that addresses all market segments from the high-end security clients to the retail market. The Company has also established partnerships with some of the most important sales and distribution partners in Europe and entered into a distribution agreement targeting the high-end business market in North America.

Going forward, Hiddn will focus on sales and marketing efforts as well as optimising its set-up for volume production. The company is preparing to place its first orders with its third-party production partners and expects to increase production as a response to the anticipated growth in demand. As volumes increase, the Company will work to reduce its sourcing and production cost to create future profitability. As part of the ongoing mass-market strategy and our preferred indirect sales model focus on international high-growth products, Hiddn has engaged an advisor to conduct a strategic review of the affiliated company Finn Clausen Sikkerhetssystemer AS, supplying cabinets and physical filing systems.

Oslo, 15 November 2018

Siw Ødegaard

Øystein Tvenge
chairman

Jan Christian Opsahl

Jeanette Dyhre Kvisvik

Svein Willassen

Carl Espen Wollebekk
CEO

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Amounts in NOK thousands</i>	NOTE	1.7-30.9 2018 (unaudited)	1.7-30.9 2017 (unaudited)	1.1-30.9 2018 (unaudited)	1.1-30.9 2017 (unaudited)
Revenues	2	3,431	4,317	14,310	7,521
Other income		-	-	-	-
Total revenue and other income		3,431	4,317	14,310	7,521
Cost of materials and services		(2,171)	(3,547)	(8,676)	(7,254)
Payroll expenses	3.4	(6,651)	(6,275)	(21,086)	(12,247)
Depreciation & amortization		(177)	(177)	(535)	(289)
Other operating expenses	4	(4,791)	(7,688)	(15,715)	(26,092)
Operating loss		(10,359)	(13,370)	(31,702)	(38,361)
Interest income		-	-	1	-
Other financial income		1	39	72	50
Interest expense		(95)	(38)	(726)	(1,016)
Other financial expenses		(91)	(17)	(497)	(1,023)
Net financial items		(185)	(16)	(1,150)	(1,989)
Loss before income tax		(10,544)	(13,386)	(32,852)	(40,350)
Income tax expense		-	-	-	1,371
Loss for the period		(10,544)	(13,386)	(32,852)	(38,979)
Profit/(loss) attributable to:					
Equity holders of parent company		(10,544)	(13,386)	(32,852)	(38,487)
Non-controlling interest		-	-	-	(492)
Basic and diluted earnings per share		(0.11)	(0.20)	(0.39)	(0.64)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK thousands</i>	NOTE	1.7-30.9 2018 (unaudited)	1.7-30.9 2017 (unaudited)	1.1-30.9 2018 (unaudited)	1.1-30.9 2017 (unaudited)
Net profit/(loss) for the period		(10,544)	(13,386)	(32,852)	(38,979)
Other comprehensive income:					
<i>Items that may be reclassified subsequently through profit or loss:</i>		-		-	
<i>Items that will not be reclassified subsequently to profit or loss:</i>		-		-	
Other comprehensive income directly against equity		-		-	-
Total comprehensive income for the period		(10,544)	(13,386)	(32,852)	(38,979)
Total comprehensive income attributable to:					
Equity holders of parent company		(10,544)	(13,386)	(32,852)	(38,487)
Non-controlling interest		-	-	-	(492)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK thousands</i>	NOTES	Pr. 30.9 2018 (unaudited)	Pr. 31.12 2017 (audited)
ASSETS			
Non-current assets			
Property, plant, and equipment		214	279
Goodwill		7 771	7 771
Other intangible assets		3 886	4 325
Total non-current assets		11 871	12 375
Current assets			
Inventory		6 830	6 851
Accounts receivable		3 354	3 285
Other receivables		5 870	6 908
Cash and short-term deposits		2 401	12 005
Total current assets		18 455	29 049
TOTAL ASSETS		30 326	41 424
EQUITY AND LIABILITIES			
Equity			
Share capital	5	31 192	25 364
Additional paid-in capital		199 016	178 245
Other paid-in-capital		15 029	13 243
Accumulated losses		(233 165)	(200 313)
Total equity		12 072	16 539
Non-current liabilities			
Long-term debt		-	900
Total non-current liabilities		-	900
Current liabilities			
Current portion of long-term debt	6	7 282	7 070
Trade payables		4 161	9 301
Social security payable, etc.		846	1 093
Other short-term debt		5 965	6 521
Total current liabilities		18 254	23 985
Total liabilities		18 254	24 885
TOTAL EQUITY AND LIABILITIES		30 326	41 424

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

<i>Amounts in NOK thousands</i>	Share capital	Share premium	Other-paid-in capital	Accumulated losses	Non-controlling interest	Total equity controlling interest
Equity 1 January 2017	12 162	81 820	12 904	(130 183)	(2 028)	(25 325)
Loss for period	-	-	-	(38 487)	(492)	(38 979)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(38 487)	(492)	(38 979)
Issue of shares	8 200	61 498	-	-	-	69 698
Transaction costs	-	(5 520)	-	-	-	(5 520)
Business combination	1 360	10 600	-	-	-	11 960
Repurchase of NCI - share issue	1 092	18 379	-	(21 759)	2 288	-
Repurchase of NCI - cash	-	-	-	(886)	232	(654)
Equity 30 September 2017	22 814	166 777	12 904	(191 315)	-	11 180
Equity 1 January 2018	25 364	178 245	13 243	(200 313)	-	16 539
Loss for period	-	-	-	(32 852)	-	(32 852)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(32 852)	-	(32 852)
Share-based compensation	-	-	1 786	-	-	1 786
Share issue	5 828	24 172	-	-	-	30 000
Transaction costs	-	(3 401)	-	-	-	(3 401)
Equity 30 September 2018	31 192	199 016	15 029	(233 165)	-	12 072

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in NOK thousands</i>	NOTE	1.1-30.9 2018 (unaudited)	1.1-30.9 2017 (unaudited)
<i>Cash flow from operating activities:</i>			
Net cash used in operating activities		(35 316)	(43 388)
<i>Cash flow from investing activities:</i>			
Net cash used for business combination		-	(338)
Purchases of property, plant & equipment		(30)	(97)
Net cash from investing activities		(30)	(435)
<i>Cash flow from financing activities:</i>			
Share issuance		30 000	69 698
Transaction cost related to share issue		(3 401)	(5 520)
Proceeds from short-term loans		10 000	-
Repayment of short-term loans		(10 000)	(12 025)
Repayment of government loans		(857)	(786)
Purchase of non-controlling interest		-	(654)
Repayment of convertible loans		-	(668)
Net cash from financing activities		25 742	50 045
Net change in cash and cash equivalents		(9 604)	6 222
Cash, cash equivalents and overdraft at beginning of period		12 005	3 211
Cash, cash equivalents and overdraft-end of period		2 401	9 433

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Corporate information & accounting policies

Corporate information

Hiddn Solutions ASA (the “Company”) is a public limited company, listed on the Oslo Stock Exchange under the ticker HIDDEN. The Company’s operating activities are reported through the subsidiaries Hiddn Security AS, Hiddn Solutions AS and Finn Clausen Sikkerhetssystemer AS (together named “Hiddn” or the “Group”). The Company is headquartered in Nedre Vollgate 4, 0158 Oslo. The Board of Directors approved the report on 15 November 2018.

Hiddn is offering impenetrable proprietary hardware-based authentication and encryption products with a superior level of security, as well as a wider product suite addressing all market segments looking for solutions to ensure that sensitive information stays confidential and unavailable to unauthorised access. The Group is also supplying secure cabinets and physical filing systems through Finn Clausen Sikkerhetssystemer AS (“FCS”).

As of 30 September 2018, the Group had 26 employees.

Basis of preparation

These condensed consolidated interim financial statements have been prepared based on the principles of International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as approved by EU. They do not include all the information required for full annual financial statements and should be read in conjunction with financial statements of the Group for the year ended 31 December 2017. These condensed consolidated interim financial statements are unaudited. The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2017. New accounting standards IFRS 9, Financial Instruments, and IFRS 15, Revenue from contracts with customer are implemented from 1 January 2018. There have been no changes in equity or classifications from the implementation of the new standards.

NOTE 2 – Revenues and segment information

Geographical distribution of revenues

<i>Amounts in NOK thousands</i>	1.1-30.9.18	1.1-30.9.17
Norway	12 264	6 937
Middle-East region	1 436	-
Netherlands	578	570
Other	32	14
Total	14 310	7 521

Segment information

The following segment information is based on the reporting of the subsidiaries as reviewed by management currently based on the encryption products of Hiddn Security AS and the archives, storage, and security products of FCS. The segment result measure is operating profit / (loss). The chief operating decision maker of the Group (CODM) is the management team.

1.1-30.9.2018 <i>Amounts in NOK thousands</i>	Electronic encryption products	Archive, storage, and security products	Corporate costs, adjustments and eliminations	Consolidated
Operating revenues	4 172	10 138	-	14 310
Segment result (operating income/(loss))	(20 483)	(279)	(10 940)	(31 702)

1.1-30.9.2017 <i>Amounts in NOK thousands</i>	Electronic encryption products	Archive, storage, and security products	Corporate costs, adjustments and eliminations	Consolidated
Operating revenues	3 035	4 486	-	7 521
Segment result	(21 370)	(69)	(16 922)	(38 361)

The comparative segment results for the nine-month period ended 30 September 2017 has been changed to the operating loss for the period. Previously, the Group reported profit/(loss) before tax as its segment result.

NOTE 3 - Share based compensation

	Number of options	Weighted average exercise price
Outstanding 1 January 2018	4 440 000	2,00
Granted during the year	360 000	2,00
Cancelled during the year	-	-
Exercised during the year	-	-
Expired during the year	(90 000)	2,00
Outstanding 30 September 2018	4 710 000	2,00
Exercisable 30 September 2018	1 540 000	2,00

In June 2017, the Shareholder meeting in Hiddn Solutions ASA authorised issuance of up to 6,709,940 options to employees and others providing similar services. In November 2017, the Group granted 4,400,000 options to employees and two directors.

In 2018, an additional 360 thousand options has been granted to a new employee and a new Board member.

The Group recognised a share-based expense of NOK 1.8 million for the nine-month period ended 30 September 2018.

NOTE 4 – R&D related expenses

During third quarter of 2018, Hiddn has continued its product development and R&D efforts focusing on developing new products and solutions and updating Hiddn's product range to comply with new standards and conventions, improving accessibility and user experience. Total R&D related expenses amounted to NOK 4.7 million during third quarter of 2018 compared to NOK 6.2 million in the corresponding quarter of 2017. The use of R&D consultants have to a large extent been replaced by new employees and thus reducing the R&D expenses. Total R&D related expenses for the nine-month period ended 30 September 2018 was NOK 14.2 million compared to NOK 13.8 million for the corresponding period in 2017.

NOTE 5 – Equity

Number of shares outstanding in thousands	Ordinary Shares
2017:	
Opening balance	35,771
Share issues to repurchase non-controlling interest	3,212
Rights issue	24,116
Shares issued in business combination	4,000
30 September 2017	67,099
2018:	
Opening balance	74,599
Share issuance - April	17,143
30 September 2018	91,742

On 6 April 2018, the Company completed a rights issue. A total of 17,142,857 new shares were issued securing net proceeds of NOK 26.6 million after deducting directly attributable transaction costs of NOK 3.4 million. After the rights issue, Hiddn Solutions ASA has 91,742 thousand outstanding shares and share capital of NOK 31,192 thousand

NOTE 6 - Interest bearing debt

Amounts in NOK thousands	Interest	Principal	Final Maturity	Carrying amount	
				Pr 30.9 2018	Pr 31.12 2017
Non-secured long-term loan	NIBOR+3%	1,060	March 2019	996	900
Low interest loan from the Government	4.95%	6,857	March 2024	6,286	7,070
Total loans				7,282	7,970
Less current portion of debt				7,282	7,070
Non-current liabilities				-	900

Loan from Norwegian entity

The long-term government loan with a carrying amount of NOK 6.3 million (NOK 6.6 million principal) is classified as a current liability since the subsidiary Hiddn Security AS is in breach of the equity covenant. Innovation Norway has been informed of the breach, that originally occurred in 2016. Innovation Norway has not required any remedies as of the date of the financial statements

NOTE 7 – Events after the balance sheet date

N/A