Vedlegg 2/Appendix 2

INTERIM BALANCE SHEET 30 JUNE 2019
HIDDN SOLUTIONS ASA

STATEMENT OF FINANCIAL POSITION

HIDDN SOLUTIONS ASA (NOK thousand)	30.06.2019
Assets	
Investment in subsidiaries	0
Other receivables	0
Total fixed assets	**0**
Current assets	
Public duties payable	695
Other short term receivables	782
Cash and cash deposits	1 016
Total current assets	**2 493**
Total assets	**2 493**
Equity	
Share capital	39 300
Other equity	214 534
Accummulated losses	-256 295
Total equity	**-2 462**
Current liabilities	
Trade creditors	4 310
Other short term liabilities	644
Total current liabilities	**4 955**
Total liabilities	**4 955**
Total equity and liabilities	**2 493**

Oslo, 13 August 2019

Jan Chr Opsahl styremedlem	Jeanette Dyhre Kvisvik styremedlem	Øystein Tvenge styreleder	Jørgen Waaler CEO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - CORPORATE INFORMATION AND ACCOUNTING POLICIES

Corporate information

Hiddn Solutions ASA (the “Company”) is a public limited company, listed on the Oslo Stock Exchange under the ticker HIDDN. The Company is headquartered in Nedre Vollgate 4, 0158 Oslo. The Board of Directors approved the report on 13 August 2019.

Basis of preparation

The interim balance sheet have been prepared based on the principles disclosed in the annual report for 2018. The interim balance sheet has been prepared to enable Hiddn Solutions ASA to carry out the capital reduction (ASAL § 12-2) it is not considered suitable for other purposes.

NOTE 2 –SHARES IN SUBSIDIARY

Company	Book value 30.6.19
Hiddn Solutions AS	0
Hiddn Security AS	0
Finn Clausen Sikkerhetssystemer AS	0
Book value shares in subsidiaries	0

The Company recorded a depreciation of shares in subsidiaries of NOK 73.8 million. As Hiddn Security AS entered int a petition of bankruptcy proceedings with Oslo enforcement, bankruptcy and probate Court on 21 May 2019 the book value of the shares in Hiddn Security has been written down with NOK 61.1 million. The Company has also written down it shares in the subsidiary Finn Clausen Sikkerhetssystemer AS (“FCS”) with NOK 12.7 million. This is due to uncertainty related to continued operations in FCS.

NOTE 3 – LOSS ON RECEIVABLES

With reference to note 2, the Company has also recorded loss on receivables related to Hiddn Security AS, Hiddn Solutions AS and Finn Clausen Sikkerhetssystemer AS as follows:

NOK thousand	1.1-30.6.19
Loss on receivables - Hiddn Security AS	37 154
Loss on receivables - Hiddn Solutions AS	1 429
Loss on receivables - FCS AS	999
Total	39 582

NOTE 4 - GOING CONCERN

The interim balance sheet has been prepared based on the assumption of going concern. Material investments have been impaired in 2019 as stated above and equity is negative. A capital increase of approximately 8.5 MNOK is planned in August 2019 which will strengthen liquidity and management is working on possible transactions with new investors that could add additional equity. At the same time, the company has reduced its cost level through the dismissal of employees and termination of agreements with suppliers. There are risks associated with the planned capital increases and the company may be dependent on further capital injections in order to be able to continue operations for 12 months. Thus, a material uncertainty exists regarding the ability to continue as a going concern.

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Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual General Meeting in Hiddn Solutions ASA

Auditor's report on interim balance sheet

Opinion

We have audited the accompanying interim balance sheet of Hiddn Solutions ASA as at 30. June 2019, showing a negative equity of TNOK 2 462. The interim balance sheet comprises the balance sheet and notes to the interim balance sheet. The interim balance sheet is prepared by the Board of Directors and CEO by applying the accounting principles described in note 1 to the interim balance sheet.

In our opinion, the interim balance sheet presents fairly, in all material respects, the financial position of the Company as at 30. June 2019, in accordance with accounting principles described in note 1 to the interim balance sheet.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the interim balance sheet* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the interim balance sheet in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 4 in the interim balance sheet, which states that the Company's current liabilities exceeded its total assets. This condition, along with other matters as set forth in note 4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for the interim balance sheet and limited distribution

We draw attention to note 1 to the interim balance sheet, describing the basis for the preparation. As the interim balance sheet is prepared to enable Hiddn Solutions ASA to carry out the capital reduction (ASAL § 12-2) it is not considered suitable for other purposes.

Management's responsibility for the interim balance sheet

The Board of Directors and CEO is responsible for the preparation of this interim balance sheet as described in note 1 and for such internal control as management determines is necessary to enable the preparation of the interim balance sheet that is free from material misstatement, whether due to fraud or error.

In preparing the interim balance sheet, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the interim balance sheet

Our objectives are to obtain reasonable assurance about whether the interim balance sheet is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

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conducted in accordance with law, regulations and generally accepted auditing principles in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this interim balance sheet.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the interim balance sheet, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim balance sheet or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the interim balance sheet, including disclosures, and whether the interim balance sheet represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Oslo, 13. August 2019
ERNST & YOUNG AS

Kjetil Rimstad
State Authorized Public Accountant (Norway)

Vedlegg 3

Oversikt over tegnere og fordeling av aksjer i den Rettede Emisjonen /
Overview of subscribers and allocation of shares in the Private Placement

Navn på tegner/ Name of susbcriber	**Antall aksjer / Number of shares**	**Tegningsbeløp/ Subscription amount (NOK)**
Fara Holdco Ltd	2 000 000	2 000 000
Torstein Tvenge...	1 000 000	1 000 000
Intelco Concept AS..	1 100 000	1 100 000
Øystein Tvenge	547 300	547 300
Wollebekkgruppen AS	360 000	360 000
Eiliha AS...	250 000	250 000
Holteøy AS	280 000	280 000
Jaco Invest AS..	300 000	300 000
Daymio AS	500 000	500 000
Richard Modalen	200 000	200 000
Blindleia Concept AS..	60 000	60 000
Jeanine Bertrand	50 000	50 000
Tvedt Equity AS..	250 000	250 000
Total	**6 897 300**	**6 897 300**

* * *

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Til generalforsamlingen i Hiddn Solutions ASA

Redegjørelse ved kapitalforhøyelse ved oppgjør av aksjeinnskudd ved motregning i Hiddn Solutions ASA

På oppdrag fra styret avgir vi som uavhengig sakkyndig denne redegjørelsen i samsvar med asal. § 10-2, jf. § 2-6.

Styrets ansvar for redegjørelsen

Styret er ansvarlig for de verdsettelser som er gjort.

Uavhengig sakkyndiges oppgaver og plikter

Vår oppgave er å utarbeide redegjørelsen i forbindelse med generalforsamlingens beslutning om at Aabø-Evensen & Co Advokatfirma AS («AAECO») skal kunne gjøre opp innskuddsforpliktelse for aksjer i Hiddn Solutions ASA («HIDDN») ved motregning, og avgi en uttalelse om at gjeldsposten som skal kunne motregnes, har en verdi som minst svarer til vederlaget.

Den videre redegjørelsen består av to deler. Den første delen beskriver gjeldsposten som skal kunne motregnes. Den andre delen er vår uttalelse om at gjeldsposten som skal kunne motregnes, har en verdi som minst svarer til vederlaget.

Del 1: Opplysninger om gjelden

Gjeldsposten som skal konverteres har oppstått i forbindelse med at («AAECO) har levert tjenester til selskapet, og er ført som leverandørgjeld i regnskapet til («HIDDN»). Gjelden som konverteres utgjør NOK 1.652.700. Verdien av gjelden er vurdert til pålydende i tråd med alminnelige regnskapsmessige prinsipper.

Ifølge avtale som har blitt inngått vedrørende gjeldskonverteringen er den betinget av:

i) betaling av restgjeld på NOK 1 288 175 i kontanter straks den planlagte rettede Emisjonen er gjennomført.
ii) at det sikres et aksjetegnings -konsortium i Emisjonen som sikrer fortsatt drift i Hiddn inntil pågående strategiske prosesser er avklart
iii) at aksjene som utstedes i Gjeldskonverteringen er omsettelige og uten begrensninger slik at de kan realiseres innen utløpet av 2019;
iv) Gjeldskonverteringen gjennomføres til pålydende av Hiddns aksjer, og
v) fremtidige kostnader (inkludert arbeid relatert til Emisjonen, tilhørende prospekt og kapitalnedsettelse etc.) som påløper for tjenester fra AAECO til Hiddn fra og med 15. juli 2019 skal betales i kontanter til AAECO straks Emisjonen er gjennomført.

Del 2: Den uavhengig sakkyndiges uttalelse

Vi har utført vår kontroll og avgir vår uttalelse i samsvar med standard for attestasjonsoppdrag SA 3802-1 " Revisors uttalelser og redegjørelser etter aksjelovgivningen". Standarden krever at vi

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planlegger og utfører kontroller for å oppnå betryggende sikkerhet for at gjelden som skal motregnes, minst svarer til det avtalte vederlaget. Arbeidet omfatter kontroll av at gjelden er en reell betalingsforpliktelse.

Etter vår oppfatning er innhentet bevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Konklusjon

Etter vår mening svarer den gjeld som skal kunne motregnes minst til det avtalte vederlaget i aksjer i Hiddn Solutions ASA pr. 13. august 2019 pålydende NOK 1 652 700.

Oslo, 13. august 2019
FGH Audit AS

____
Ståle Raastad Hansen
Statsautorisert revisor

Vedlegg 5

Risiko og hendelser etter 31.12.18

Tegning av aksjer i Selskapet er forbundet med en høy grad av risiko. En investering i Selskapet er kun passende for investorer som forstår risikoen knyttet til denne type investering og som helt eller delvis kan tape sin investering.

Følgende hendelser av vesentlig betydning for Selskapet har funnet sted etter 31. desember 2018:

– Den 21. mai 2019 begjærte Selskapets datterselskap, Hiddn Security AS, oppbud og Hiddn Security AS er under konkursbehandling på datoen for denne innkallingen. Administrasjon av virksomheten og utvikling i Hiddn Security AS var frem til nevnte tidspunkt hovedvirksomheten for Selskapet.

– Selskapets andre operative datterselskap, Finn Clausen Sikkerhetssystemer AS, har mistet en vesentlig distribusjonskontrakt. Dette har medført at verdien av nevnte datterselskap ble nedskrevet til null per 30. juni 2019. Det arbeides med å etablere nye distribusjonsavtaler fortløpende.

– Som en følge av ovennevnte har Selskapet per datoen for denne innkallingen redusert inntektsgenererende virksomhet.

Styret vurderer løpende strategiske muligheter for Selskapet fremover og mener at man gjennom den Rettede Emisjonen vil oppnå tilstrekkelig arbeidskapital for å forfølge disse mulighetene videre. Det finnes likevel ingen garanti for at man lykkes med nye strategiske muligheter og investeringer i Selskapet vil i så tilfelle helt eller delvis gå tapt.

Avskrift av seneste årsregnskap, årsberetning og revisjonsberetning er utlagt på Selskapets kontor sammen med innkallingen. Selskapet har utarbeidet en revidert mellombalanse per 30. juni 2019, se Vedlegg 2, som også er utlagt på Selskapets kontor.

Appendix 5

Risk and events after 31.12.18

Investing in Shares in the Company involves a high degree of risk. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

The following events of material importance for the Company has taken place after 31 December 2018:

– On 21 May 2019, the Company's subsidiary, Hiddn Security AS, filed a petition for bankruptcy and Hiddn Security AS is currently under bankruptcy proceedings as of the date of this notice. Administration and development of the business in Hiddn Security AS was until this point in time, the main business for the Company.

– The Company's other operative subsidiary, Finn Clausen Sikkerhetssystemer AS, has lost a material distribution agreement. This has entailed that the value of said subsidiary was written down to zero as per 30 June 2019. Work is made for establishing new distribution agreements on a continuing basis.

– As a consequence of the above, the Company has as of the date of this notice, a reduced revenue generating business.

The board is continuously evaluating strategic options for the Company going forward and believes that through the Private Placement it will have sufficient working capital to pursue these options. Notwithstanding the foregoing, there are no guarantee to succeeds with new strategic options and investments in the Company will in such case be lost in part or in its entirety.

Copies of the latest annual report, board statement and auditor statements is available at the Company's office together with the notice. The Company has prepared an audited interim balance sheet as of 30 June 2019, see Appendix 2, which is also available at the Company's office.

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