



Huddlestock Fintech AS (OSE: HUDL): Acquiring Bricknode, adding MNOK 20 of recurring revenue, complementing fintech platform.

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- Acquisition creating a Nordic wealth tech platform leader providing with end-to-end SaaS solutions.
- Adding MNOK 20 of recurring revenue to Huddlestock
- Firm cost synergies NOK 10 million and revenue synergies of NOK 25 million identified.
- All-shares deal giving Huddlestock shareholders 78.7 percent of Huddlestock following share exchange payment to Bricknode shareholders.

Huddlestock Fintech AS ("Huddlestock") has signed an asset purchase agreement agreeing to acquire all operational assets of the Swedish fintech company Bricknode Holding AB ("Bricknode"), a B2B-focused SaaS company providing scalable, cloud-based software comprising the complete infrastructure of a financial service operation.

The agreement offers strong business logic as the two companies' product and technology platforms are highly complementary. The combination is expected to generate significant cost synergies and an accelerated revenue growth from both upselling opportunities amongst the combined customer base and an expanded target market with the complete end-to-end solution. The cost savings have been identified as an approximate NOK 10 million effect, implemented over the next 9 months. For the revenue side it has been identified approximately NOK 25 million in increased customer revenues through the delivery of an improved onboarding process and a significantly shortened time to market approach. Another synergy is all the competent professional colleagues which will be complementing each other, working side by side.

"Huddlestock's vision is to democratise the financial industry, and by including Bricknode in the Huddlestock Group, we can support digitalisation of the financial industry even better and more efficiently. The two companies complement each other perfectly with Huddlestock having strong trading technology, access to global markets and an investment banking license, whereas Bricknode contributes proven back-office technology, operational services, front-end user interfaces along with highly competent teams from both companies," said John E. Skajem, CEO of Huddlestock.

The Bricknode acquisition is the fifth acquisition since Huddlestock was listed on Euronext Growth in 2021. The structure of the agreement implies that Huddlestock acquires the three operational subsidiaries of Bricknode, namely Bricknode Software AB, Bricknode Platform AB, and Bricknode Ltd (the "Companies").

"Our track record of value creation through M&A is strong, and by including Bricknode we will be able to extract significant synergies on the cost and revenue side, in addition to strengthening our product platform considerably. As a combined company, we can immediately access new customers efficiently and with credibility," said Øyvind Hovland, Chairman of Huddlestock.

Bricknode's software for investment management, funds and lending enables financial companies to rapidly launch a digital offering. The company also offers outsourcing solutions for back-office administration. Huddlestock will combine this with the company's existing investment banking license and technology base, broad customer network and market access through DNB and Baader Bank along with other eco system partners.

With a strong customer base, Bricknode delivered revenues of SEK 18.3 million in 2022, a growth of 18 percent from 2021.

"We are excited to join forces with Huddlestock where our extensive product portfolio and domain knowledge will be implemented at great scale. In the 13 years Bricknode has been operating, we have invested over NOK 110 million in our technology and created an ecosystem of financial applications. All our software is cloud-native, which gives us unparalleled speed and scalability. Bricknode has a strong footprint in Sweden and further into the Nordics in general, servicing many B2B clients every day. Bricknode and Huddlestock have promising synergies and we are looking forward to working together in creating a unique European Fintech company," said Stefan Willebrand, founder and co-CEO of Bricknode.

In 2022, Bricknode had earnings before tax of negative SEK 18 million. The company has implemented a significant cost reduction program with proven effect from Q1 2023, reducing the operating losses to approximately SEK 0.6 million per month. By Q4 2023 Bricknode is expected to reach a profitable bottom line and positive cash flow on a run-rate basis. Prior

to the closing of the transaction, Bricknode will procure that the three Companies being purchased, have a consolidated positive net cash position of SEK 4 million.

The acquisition is an all-share deal, whereby Huddlestock shareholders will maintain 78.70 percent ownership of Huddlestock post-closing, and Bricknode shareholders 21.30 percent. Upon closing of the transaction Huddlestock will issue a Seller's Credit of NOK 106,961,168 as payment to Bricknode Holding AS. The Seller's Credit will be converted to a total of 41,138,911 shares in Huddlestock Fintech AS ("Consideration Shares") with a conversion price of NOK 2.60 for each Huddlestock share. The Seller's credit will be converted to shares in three tranches as follows: 19,000,000 shares being issued in first and second tranche and 3,138,911 shares being issued in third tranche. It will be a condition for the issuance under both second and third tranche that previous Consideration Shares received by Bricknode Holding AB have been transferred to its shareholders whereby Bricknode Holding AB at no time will own more than 9,9% of the issued shares of Huddlestock. Huddlestock will issue the Consideration Shares by using the current registered proxy to issue new shares.

The founders of Bricknode, Holding AB Stefan Willebrand and Erik Hagelin, will receive Consideration Shares following distribution from Bricknode Holding AB. Willebrand and Hagelin have entered into a lock-up agreement for 60% of said shares for a 2-year period, in which 1/3 of the shares are released following 12 months after closing, 1/3 released following 18 months and remaining 1/3 are released after 24 months.

The acquisition is conditional on approval by Extraordinary General Meeting of Bricknode Holding AB, which will take place 31 March 2023. The majority requirement of the approval of the transaction is acceptance from 2/3 of the shareholders of Bricknode Holding AB. Bricknode Holding AB have received precommitment from shareholders representing 69,54% percent of the shares of Bricknode.

Disclosure regulation

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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About Huddlestock Fintech AS Huddlestock Fintech is an innovative technology software provider with a leading expert professional Investor Services and consultancy business. We deliver innovative and sustainable technology solutions and professional services to the capital markets, treasury and wealth management industries.

Through its technology offering, Huddlestock offers an innovative, compliant, and data-centric WealthTech SaaS, accelerating the digital transformation, and trends of hyper-personalization and on-demand banking within the wealth management industry. Huddlestock's SaaS empowers the embedding of low-cost, efficient white-label trading and investment services, underpinning Huddlestock's mission of delivering financial inclusion by democratizing access to capital markets. Through its world-class expert professional services business, Huddlestock delivers strategic technology solutions and process automation for the financial services industry. This range of services has propelled Huddlestock into becoming the preferred supplier of financial consultancy services and technology solutions in the Nordic region. Huddlestock Fintech AS was listed on Euronext Growth Market 26th November 2020, as Norway's first fintech company to be publicly traded.

For more information, please visit www.huddlestock.com

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Attachments

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