



Huddlestock delivers growth and is well prepared for the future after solid increase in revenues, client acquisitions and successful closure of three acquisitions

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Huddlestock delivers growth and is well prepared for the future after solid increase in revenues, client acquisitions and successful closure of three acquisitions in the first quarter of 2023.

Stavanger, Norway, 1st June 2023

Huddlestock Fintech AS, a provider of innovative technology solutions to the capital market and wealth managers providing a “Investment as a Solutions”, today released its Unaudited Financial Report for the first quarter 2023 and also holds its Capital Markets Day in Stavanger.

For the first quarter, Huddlestock group delivers consolidated revenues of NOK 16.6 million against NOK 9.1 million in Q1 2022. This is a year over year growth of 183%. Consolidated Group EBITDA in first quarter was NOK -2.4 million 2023. Huddlestock group Proforma (Proforma numbers includes Tracs, Dtech, Bricknode as of January 2023) revenues of NOK 25.3 million against NOK 9.1 million in Q1 2022. This is a year over year growth of 278%. Proforma Group EBITDA in first quarter was NOK -6.0 million 2023. Furthermore, the company has increased its Annual Recurring Revenue to NOK 9.5 million in the first quarter 2023. On a 12 month forward rolling basis this becomes annualised to NOK 38 million.

“The first quarter of 2023 was yet another excellent quarter for Huddlestock. We continue to enjoy solid demand from our customers and several clients have signed up. The acquisitions we have made has also transformed the company to become a complete “Investment as a Service” provider, leading the way in Europe. We have also achieved increased revenues from all divisions, and we have managed to gain many new clients, products and of course several new competent and motivated colleagues,” says John E. Skajem, CEO Huddlestock Fintech.

The Huddlestock team continue stay focused on delivering a first-class product to the clients in the relentless pursuit of create a European leading “Investment as a Service” company. Since the beginning of 2023 the management team has been focusing on building a strong organization who work together as a team in achieving the established common goals. This is a task which is high and will remain a focus area for the years to come.

For the products and services, the company continues to invest, innovate, develop, and enhance the various platforms in order to strengthen our product offering to our client base.

During the month of March 2023, the company received the ownership approval for the acquisition of Trac Services AS. The transaction was signed in the middle of 2022 and the closing of the transaction has been subject to approval from the Financial Supervisory Authority (Finanstilsynet) in Norway due to the change in ownership control in Trac Services AS. Following such approval received from Finanstilsynet on 27th February 2023, the transaction was completed shortly thereafter. Such closing was carried out as a share exchange following which the sellers of Trac Services AS and Tracs Technology AS became owners of 12,732,819 shares of Huddlestock issued by Huddlestock based on a registered proxy.

“Huddlestock is really excited about the closing of the Tracs transactions and the team is already fully integrated into the Huddlestock Group. The acquisition gives Huddlestock the necessary license upgrade that the company have been targeted and inclusion of the first-class operational services which the professional staff is diligently providing to all their clients every day. In addition, Huddlestock gets a suite of complementary wealth management products, and will see an increase in the annual recurring revenues of an estimated NOK 9.5 million per year. Trac Services will shortly change name to Huddlestock Securities AS, while Tracs Technology AS will be merged into Huddlestock Technologies”, says John E. Skajem, CEO of Huddlestock Fintech

In March 2023, Huddlestock completed another transaction with the acquisition of Dtech AS. Dtech is a Norwegian software company with robust and easy to use solutions for portfolio management and fund trading technology for the pension market and pension providers. Dtech was established in 2019 and generates today revenues through a SaaS model to the leading Norwegian challenger in the pension market, Duvi Pensjon. Duvi Pensjon, a challenger in the Norwegian pension market, is focusing on SMEs and has more than 6,000 corporate customers serving more than 75,000 individual pension accounts.

“Through the acquisition of Dtech, Huddlestock is adding a pension vertical in a new market with a strong growth outlook. Huddlestock and Dtech is a very good match, as Dtech can expand its customer offering with Huddlestock technology like trading, asset management, custody back-office, and settlement services to its client base. Furthermore, we see

opportunities to expand the pension products together with Dtech to the rest of the Nordics as well as to the German market,” says John E. Skajem, CEO of Huddlestock Fintech

After the close of the quarter, Huddlestock acquire all operational assets of the Swedish fintech company Bricknode Holding AB, a B2B-focused SaaS company providing scalable, cloud-based software comprising the complete infrastructure of a financial service operation. The structure of the agreement implies that Huddlestock has acquired the three operational subsidiaries of Bricknode, namely Bricknode Software AB, Bricknode Platform AB, and Bricknode Ltd

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 12 months. For the revenue side it has been identified approximately NOK 20-30 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 in new strong teams.

“The successful acquisitions during Q1 2023 not only demonstrates how Huddlestock combine M&A activities with organic growth as an important part of our strategy, but it also demonstrates the company’s ability and commitment to reach our strategic plan”, says John E. Skajem, CEO Huddlestock Group.

In May Huddlestock signed the first Family Office to use the company’s Portfolio Management System and reporting platform. The company is with this new client, extending our client potential to also cover Family Offices, which will be attractive for years to come. In choosing the digital PMS and reporting platform, the Family Office will be able to have a complete system for entering, monitoring, and reporting all their investments into one digital system. The platform allows for all investment products to be entered whether it is listed on a regular stock exchange or if it is an “over the counter” investment. Huddlestock Securities will administer the services and assist the client with required support. The client will initially operate the technical platform themselves with the administration of user groups, set up of ISIN numbers, define investment objectives, input investment transactions, and create customized and required reports. The system is a cloud-based SaaS solution with a 2-factor authentication for secure access.

Also, in May did the company sign up another asset management firm in Sweden which selected Bricknode, a Huddlestock group company, for investment management system and managed services. The Swedish asset management firm has selected its cloud investment management system and managed services to power its operations. The asset manager is a licensed securities firm providing tailored investments and portfolio management to private and institutional investors. Bricknode Broker provides extensive investment management operations support including onboarding, client management, order execution and settlement, reconciliation management, corporate actions management and regulatory compliance. The asset manager has also opted to use Bricknode and Huddlestock's managed services, where administration of the platform is outsourced to Bricknode and Huddlestock's team of experts.

Huddlestock announced that Garantum Wealth Management AS has selected Huddlestock Securities (Tracs Services) for storage of financial instruments in a nominee depot, management of shareholder registers as well as customer- and tax reporting. Garantum Wealth Management AS is an affiliated agent for Garantum Fondkommission AB and offers order mediation and provides investment advice.

“With our latest acquisitions of Tracs, Dtech and Bricknode, we have significantly increased our product which will meet the growing demand from existing and new clients. With our ecosystem-philosophy as an important foundation also going forward, we have increased the speed of building an organisation delivering profitable growth, creating sustainable and recurring shareholder value,” says Øyvind Hovland, Chairman of Huddlestock Fintech.

The presentation will be held at 12.00 in English at the headquarter in Stavanger, Kanalsletta 2. A webcast will be recorded and made available for replay at [huddlestock.com](https://us06web.zoom.us/webinar/register/WN_Jep3AncnR1-rFf0PMweRXA)

To participate, use this link.

https://us06web.zoom.us/webinar/register/WN_Jep3AncnR1-rFf0PMweRXA

Please find enclosed the Q1 presentation material. For questions, please contact:

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Disclosure regulation

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About Huddlestock Fintech AS

Huddlestock Fintech is an innovative technology software provider with a leading expert professional services business. We deliver innovative and sustainable technology solutions 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

Attachments

- [Download announcement as PDF.pdf](#)
- [HSF Q1 2023 and CMD Final.pdf](#)