

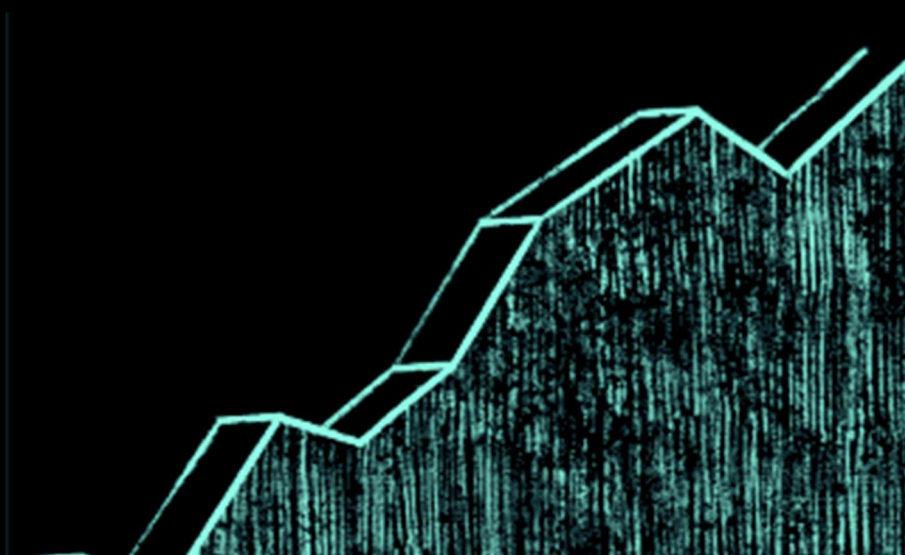
hddlestock

Annual report 2023

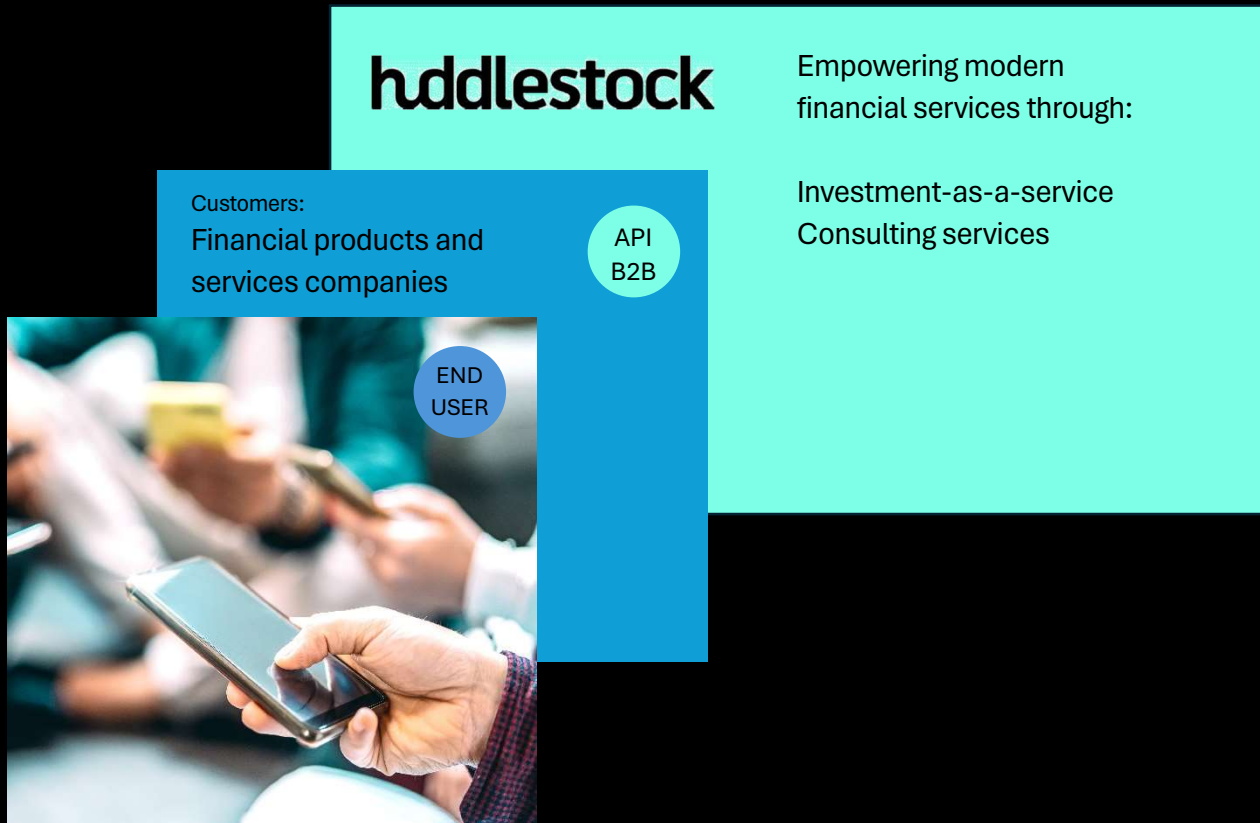


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This is Huddlestock



Huddlestock is an innovative technology software provider through its Investment-as-a-service offering, with full operational service support and a leading financial Consultancy services business. We deliver innovative and sustainable technology and operational solutions to companies offering financial products and services.

The only complete Investment-as-a-service offering

Custom solutions for companies delivering access to wealth. Our trading, technologies, investor services and consulting departments always work together to guarantee your best performance and effectiveness.

Investment-as-a-service

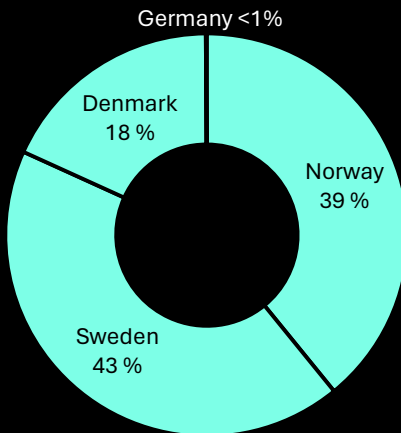
Investment-as-a-Service (IaaS) enables business, from startups to established platforms, to a range of applicable investment technology and services. By utilizing our IaaS-solution, we allow companies to access investment tools and expertise without the need for extensive infrastructure or in-house resources.

Consultancy services

Through our financial consultancy services, we provide customized strategic and technical solutions assisting clients improving their operations, drive smarter business decisions and improve their investment solutions.

Building on a unique market position

2023 revenue break down:



Seven locations in five countries:

Stavanger HQ	Norway
Oslo	Norway
Stockholm	Sweden
Skövde	Sweden
Copenhagen	Denmark
Munich	Germany
London	United Kingdom



2023 Highlights

Strengthened position through M&A

- Acquisitions of Trac, Dtech and Bricknode adding complementary licenses, products, and services to the Huddlestock platform
- Expansion into geographical target markets
- Adding strong team of industry experts

Strong 82% revenue growth

- Majority of growth from acquisitions
- 30% organic revenue growth
- Recurring revenue from Investment-as-a-service representing 45% of 2023 revenue

Platform integration and R&D

- Cross-border technology integration enabling continued organic growth across current geographical markets
- R&D driven by evolving customer needs and market trends to defend a leading market position

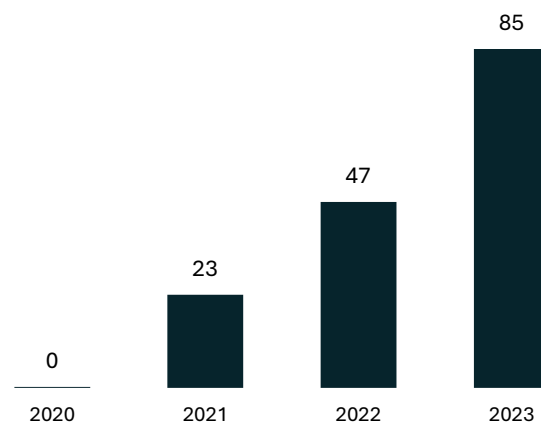
Cash position and financing

- Year-end cash position of NOK 10 million
- Identifying financing partners to support strategy including non-organic growth

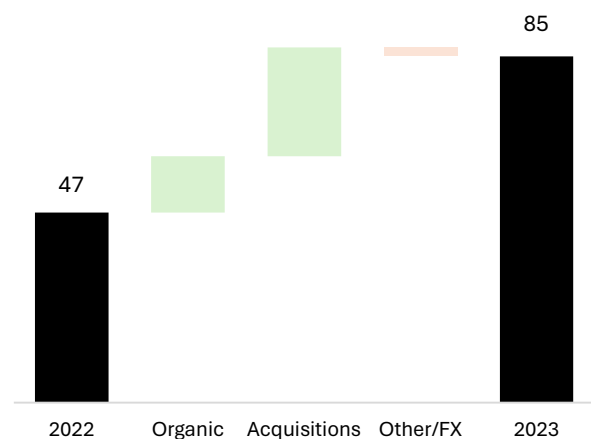
New management in Q1 2024

- New CEO and CFO assumed positions in the first quarter of 2024
- Focus on enhanced sales and cost control towards ambition of EBITDA-positive operations

Revenue development (NOKm)



2023 revenue development (NOKm)



Message from the CEO

Leveraging our unique market position through enhanced value creation focus

Having fueled our growth with significant acquisitions over the last years, our revenue in 2023 reflected a profitable consultancy business and an Investment-as-a-service (IaaS) offering with high growth potential. We have established a strong North European position with the only complete IaaS-platform, targeting a self-reinforced growth market for investment providers. Moving forward, we are poised to leverage this position by intensifying our focus on growth and innovation while implementing stringent cost-saving measures.

Huddlestock's value proposition to customers is unique, and a reflection of a dedicated acquisition strategy over the past three years. We take pride in our strengthened ability to enable any company swiftly to launch new investment services, or transform their existing ones, in a matter of weeks. The established position is a clear response to a growing market opportunity to serve financial services companies.

With key acquisitions represented by Bricknode, Dtech and Tracs in 2023, F5IT in 2022 and Visigon in 2021, we have established a platform that offers the only complete

Investment-as-a-service offering in Northern Europe. We deliver a broad set of instruments enabling our B2B customers to expand and improve their business within financial services.

Assuming the position as CEO in the first quarter 2024, my foremost priority is to start deploying resources into turning our business EBITDA-positive. This strategic pivot includes enhanced focus on sales efforts, increased cost control and cost reduction initiatives. At the same time, we will continue investments to defend and grow our market position.

We acknowledge the R&D investments required to navigate regulatory and technical disparities across regions for seamless technology integration. As an example, integrating Bricknode's technology into our platform and deploying it in the Norwegian market took a year. Achieving integration milestones like Stackby.me's adoption of our technology for its fund trading platform underlines our progress and the strong capabilities in our R&D team.

Our IaaS-offering caters to both incumbent companies and startups like Stackby.me, whether by enhancing existing services, incubating new business concepts, or launching innovative ventures.

While incumbents promise immediate revenue gains with established client bases, startups offer longer term revenue potential with lower customer acquisition costs. Our strategic positioning covers positioning for growth in both segments of the market securing the long-term viability of our business case.

Across Northern Europe we observe market growth, characterized by more platforms, more investors, and evolving preferences. We currently serve a small share of our potential serviceable IaaS-customers in our existing markets, with substantial identified untapped opportunities. On top of the companies we currently know of, startups and new offerings from incumbent financial services are expected to widen our market opportunity in the years to come.

With ongoing technology implementation to one uniform Investment-as-a- service platform deployable in multiple geographical markets, a strong consultancy offering and a best-in class R&D team, we are now enhancing our focus to utilize our unique market position.



Leif Arnold Thomas
CEO of Huddlestock

Executive management

Leif Arnold Thomas

Chief Executive Officer

Leif Arnold Thomas is CEO at Huddlestock. He has more than 20 years of experience from the Nordic Fintech industry, including several years and various positions at Oslo Børs, VPS and Euronext. From 2017-2022 he was responsible of the Euronext's Fintech spinoff Centevo, a SaaS provider within the portfolio- and fund management industry. Before entering Huddlestock, Thomas worked as CEO at the startup Dtech, a Fintech provider within the pension industry that became part of Huddlestock group March 2023.

Stefan Willebrand

Chief Technology Officer /COO

Stefan has created and developed companies within finance and technology since 1998. In 2000 he started managing money and founded a US-based hedge fund in 2001 based on algorithmic trading. In 2005 he founded SYCAP Group which offered a global trading platform for FX, Spread Betting and CFD Trading with offices in Sweden and the UK. In 2010 he founded Bricknode and has developed the company ever since.

Erik Hagelin

Chief Strategy Officer

Erik is responsible for strategy and partnerships among several other important tasks in Huddlestock. Before joining Bricknode, Erik was involved in the real estate investments area for more than 10 years. He joined Bricknode in 2016 and has been the Co-CEO, responsible for the commercial development and administration in the group.

Daniel Risberg

Chief Commercial Officer

Daniel has extensive experience in product management at customer processes. His years in international organizations and customer projects have provided broad knowledge in the FinTech industry. He holds a master's degree in information systems and a bachelor's degree in International Business from University of Uppsala.

Petter Midtsian

Chief Consulting Officer

Petter is a co-founder of Visigon with a M.Sc in Engineering and a B.Sc. in Business from Uppsala University. He has a strong background in consulting and the financial industry with experience from many banks and financial institutions in the Nordics.

Morten Bernhardsen

Chief Financial Officer

Morten is the Chief Financial Officer of the Group. Morten has a strong track record from more than 16 years of experience in the financial industry and from senior roles in various companies, including seven years with fund management group Sector Asset Management. Morten holds a M.Sc. degree from BI Norwegian Business School.

John E. Skajem,

Chief IR and Corporate Development

John E. Skajem is Chief Investor Relations and Corporate Development. Following a long career in international finance and working for global investment banks, asset managers and large universal banks, John has gained a thorough understanding of all aspects of the financial services industry. He holds MBA work from the University of Chicago.

Robert Fuchsgruber

Managing Director Germany

Robert Fuchsgruber is the CEO of Huddlestock's German business. He brings extensive experience from B2B business with independent wealth managers in Germany and digital solutions for private client platforms. While at DAB BNP, Robert was a member of BNP Paribas' Executive Committee for Private Investors overseeing Consorsbank, DAB and BNP Private Banking since 2016, and a member of BNP Paribas' Executive Committee for Germany. He joined DAB BNP Paribas in 2008.

Inger Sofie Korbøl

Chief Investor Services

Inger Sofie Korbøl is the CEO of Huddlestock Investor Services AS. Following a long career in real estate and the financial industry working with settlement and unit holder registry, Inger Sofie has gained a thorough insight and understanding for the securities trading and custodian services. She holds the license from the Norwegian FSA.

Board of Directors report

Group overview

Huddlestock is a leading provider of investment technology, software and services that enable companies to quickly deploy modern and cost-effective financial services solutions through its platform. With capabilities covering the complete investment process and a team consisting of ex-industry practitioners and wealth technology experts, the company operates at the forefront of capital markets innovation. Huddlestock’s platform is driving democratization of investing.

Huddlestock serves customers across banks, neobanks, wealth managers, fund companies, and investment platforms. The company reported revenue of NOK 85 million in 2023, of which NOK 27 million related to acquired companies in the period.

Investment-as-a-service represents recurring sales of products and services through the company’s platform driven by licenses, assets under management and transaction fees and reflected 45 per cent of 2023 revenue.

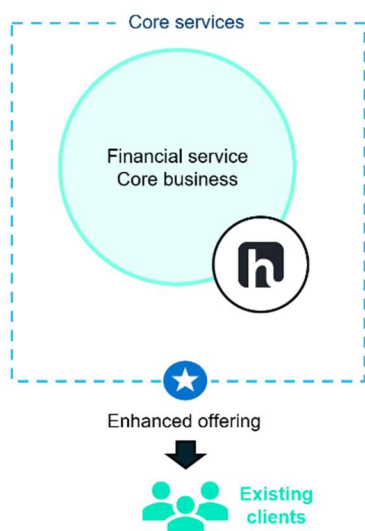
The consultancy business is project based with multiyear relations to large banks and financial institutions reflecting 55 per cent of 2023 revenue.

At the end of 2023, Huddlestock had presence in Sweden, Norway, Denmark, Germany and the UK, with revenue mainly generated in the Nordic countries and a small portion originated in Germany. Please see Note 1 in the notes to the consolidated financial statements for a full overview of the group composition.

Business overview by market and customer type

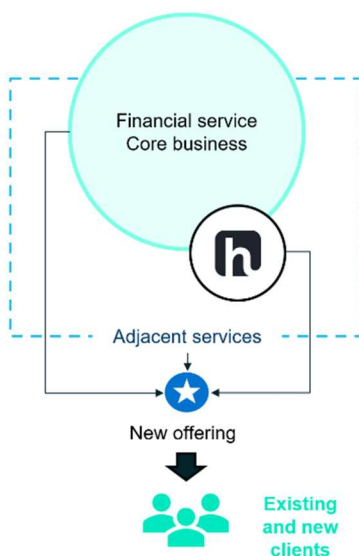
Enhancing core offerings

Businesses partner with Huddlestock and its eco system to enhance its offering and/or improve operations



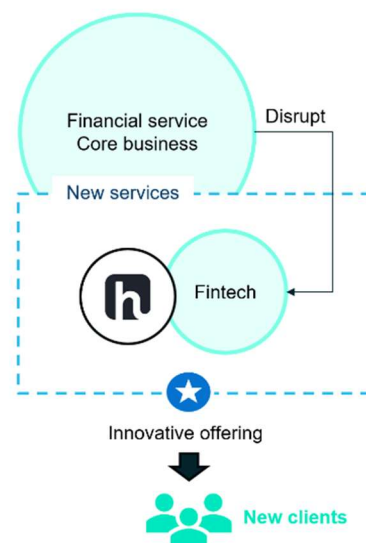
Structuring adjacent business

Businesses engage Huddlestock to launch adjacent service offerings with Huddlestock technology provider



Supporting the disrupters

New solutions with Huddlestock as core building block delivery new innovative solutions attracting new clients



Operational review

The development of the financial services industry is a strong force of growth, modernization and inclusion. Huddlestock completed three acquisitions in 2023, establishing a strong position to deliver products and services to an increasing number of industry players through its platform. Revenue grew 82 per cent mainly due to the acquisitions, with 30 per cent related to organic growth. Substantial costs were associated with the strategic expansion, with objectives of realizing synergies in the group set to force in the third quarter 2023. Visible effects materialized in the last part of the fourth quarter 2023 and are expected to increase during 2024.

Investment-as-a-service (IaaS) accounts for 45 per cent of Huddlestock's 2023 revenue, with the remaining part representing the company's consultancy business.

The IaaS revenue is driven by recurring sales of technology with monthly recurring licenses, assets under management and transaction fees as the main revenue drivers. At the end of 2023 the IaaS offering served neobanks, wealth managers offering financial advisory services, fund companies offering investment products, and investment platforms offering easy access to financial products.

Consultancy revenues come from professional services delivered to incumbent companies represented by larger banks and financial institutions in Sweden and Denmark. This is related to technology implementation and system integration based on evolving needs in the financial sector.

Acquisitions and divestments

Huddlestock completed three acquisitions during 2023 and the company divested its Huddlestock solutions division, known as F5IT at the time of acquisition.

Acquisition of Trac Services AS

In February, Huddlestock received ownership approval from the Norwegian Financial

Surveillance authorities to complete the acquisition of Trac Services AS and Tracs technology AS.

The acquisition provides Huddlestock a necessary license upgrade that used together with its own technology, differentiates Huddlestock from other providers that only offer licensed services or pure technology. The transaction included first-class operational services which the professional staff provides to all clients every day. In addition, Huddlestock got a suite of complementary wealth management products expected to improve in the recurring revenues the years to come.

Trac Services has during the year changed its name to Huddlestock Investor Services AS, while Tracs Technology AS has been merged into Huddlestock Technologies AS.

Acquisition of Dtech

In March, Huddlestock completed the acquisition of Dtech AS.

Dtech AS is a Norwegian software company with robust and easy to use solutions for portfolio management and fund order technology. Dtech has developed a specialized SaaS technology which has been proven to support corporate pension providers, with Duvipensjon as its first customer.

Dtech was during the year merged into Huddlestock Technologies AS.

Acquisition of Bricknode

In April, Huddlestock completed the acquisition of Bricknode Holding AB.

The agreement offers strong business logic with complementary products and technology in Bricknode and Huddlestock. The combined portfolio is expected to generate cost synergies and accelerate revenue growth from both upselling opportunities to the combined customer base and an expanded target market with end-to-end solutions strengthening Huddlestock’s platform offering. In addition, the Bricknode-team holds experienced professionals complementing the existing competences in the group.

Divestment of Huddlestock Solutions (F5IT)

Huddlestock acquired Huddlestock Solutions, a specialized software development company, in 2022. The acquisition led to the development of a new state-of-the-art trading engine and other technical solutions, which forms a key part of Huddlestock's platform today.

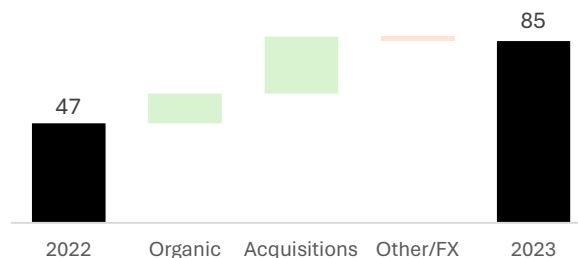
With Huddlestock's recent acquisitions, and a portion of Huddlestock Solutions' business focused in non-financial services sectors, the divestment of Huddlestock Solutions was a clear response to the company’s strategy of shaping a focused platform servicing the financial services industry.

Organic growth

Through the many acquisitions over the past years, Huddlestock has entered a position where the company can start to harvest organic growth by deploying its technology and consultancy resources across its combined markets. In 2023, the company experienced approximately 30 per cent organic growth, including revenue from the divested

Huddlestock Solutions.

Revenue development 2022-2023 (NOKm)



Note: Organic growth figure includes revenue from the divested Huddlestock solutions (F5IT), which represented approximately 10 percentage points of the 30 per cent organic growth in 2023.

The organic growth is expected to continue as the strengthened platform is gradually being made available across geographical markets to existing and potential new customers. At this point, however, the company will not guide on the expected pace of organic growth, as timing of the results from platform integration and enhanced sales efforts is hard to predict.

Investment-as-a-Service (IaaS)

Investment-as-a-Service gives businesses, across startups to incumbents, access to a range of applicable investment technology and services. By using the Huddlestock platform, companies can access investment tools and expertise without the need for extensive infrastructure or in-house resources.

Huddlestock experienced increased interest for its IaaS-offering during 2023 and into 2024. The number of requests from prospects are increasing and is not isolated to the Nordic region. To secure delivery capacity, opportunities requirements closest to current delivered services are prioritized.

From the start of 2024, Huddlestock has actively used social media channels notably more than before to increase awareness and demand for the IaaS offering. Use of social

media has demonstrated to be a valuable way of building Huddlestock's brand-recognition in the market, in addition to traditional marketing and communication channels.

Consultancy business

Huddlestock's consultants are established as the leading player in the Nordics with significant multiyear relationships with most Swedish and Danish large banking groups, and financial institutions.

Huddlestock sees multiple avenues for growth and during 2024 these opportunities will be explored. This includes increased integration with the company's existing and potentially new IaaS customers.

Platform integration and R&D

Huddlestock leverages a combination of ongoing hands-on financial administration and a strong in-house engineering team. This unique team setup enables fast development and deployment of value-enhancing solutions for Huddlestock and its customers, based on evolving customer needs and the latest market trends.

During 2023 a lot of effort was put into evaluating and combining the technology from Bricknode with the roadmap of Huddlestock and the daily financial administrative operations. In addition, the implementation of internal systems and processes that Bricknode brought into Huddlestock established a single point of truth for the organization. This ensures efficient documentation and product development together with project management, allowing Huddlestock to build out from a common base.

Numerous launches were made in 2023 as a result of the acquisitions, from automatic payment flows to order handling and as well as administrative processes. At the same time

Huddlestock increased automation which is expected to improve the company's scalability.

Machine learning has been used for several years and is contributing to the speed and efficiency that Huddlestock can apply towards developing and supporting its business with a grounding in technology.

To ensure continuation of the development, Huddlestock maintain its efforts to attract and retain great and curious minds able to support the company's unique market position.

Organization

Huddlestock is dedicated to the well-being of its employees, and to offering everyone equal opportunities irrespective of background, ethnicity, gender, sexual orientation, religion, or age. Huddlestock is currently merging its acquired organizations shaping one company culture.

At year end, Huddlestock had 64 employees at the end of 2023, comprising of 46 men and 18 women. Full-time employees represent 94 per cent of the workforce with temporary employees representing 6 per cent. Sickness and absence were recorded at 1 per cent in 2023. There were no serious work-related injuries in 2023.

Huddlestock Fintech AS signed up to the UN's Ten Principles on human rights, labor, environment, and anti-corruption in 2021. Delivering on the Sustainable Development Goals is a part of Huddlestock's corporate strategy, organizational culture, and ethos.

In the first quarter of 2024, Leif Arnold Thomas assumed the position as CEO and Morten Bernhardsen the position as CFO.

External environment

Huddlestock's operations hold limited direct pollution impact on the external environment.

Financial review

The consolidated financial statements of the Group for the year ended 31 December 2023 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP) and NRS 8 for small companies.

Huddlestock reported total operating income of NOK 85 million, representing an increase of 82 per cent compared to NOK 47 million in 2022. NOK 27 million of the growth is related to acquisitions, while NOK 14 million was related to organic growth in the group, this was offset by foreign exchange and other effects of negative NOK 2 million

EBITDA was negative NOK 16 million compared to negative NOK 15 million in 2022. Significant costs were related to the strategic acquisitions reflected in other operating expenses of NOK 26 million.

Depreciation and amortization of NOK 64 million is an effect of acquisitions conducted during 2023, and mainly reflects amortization of intangible assets.

At the end of 2023, Huddlestock had a cash position of NOK 10 million and is actively working to identify financing partners to support strategy including non-organic growth.

Key figures

<i>NOK million</i>	2023	2022
Total operating income	85	47
Cost of materials/subcontractors	0	-13
Personnel costs	-75	-44
Other operating expenses	-26	-5
EBITDA	-16	-15
Depreciation, amortization and impairment	-64	-18
Operating profit (loss)	-80	-33
Financial income	1	1
Financial expenses	-8	-1
Net financial items	-7	0
Profit (loss) before tax	-87	-34
Income tax	-1	2
Net profit (loss)	-86	-32
Cash and cash equivalents at period end	10	3

Profit and loss

Huddlestock had a total operating income of NOK 85 million for 2023, up 82 per cent from NOK 47 million for 2022. 45 per cent of the 2023 is related to recurring revenues from Huddlestock Investment-as-a-service offering, with the remaining 55 per cent related to the company's consulting business.

Most of the increase in total operating income is related to acquisitions in 2023, representing NOK 27 million. Organic growth was NOK 14 million, and the growth was offset by negative NOK 2 million from foreign exchange and other effects.

Some of the groups' sales are directly related to third party solutions, reflected in the direct cost of materials/subcontractors which amounted to NOK 0.5 million in 2023, a significant reduction compared to NOK 13 million in 2022. This mainly relates to the Consultancy business.

Personnel costs amounted to NOK 75 million in 2023, compared to NOK 44 million in 2022. The 73 per cent increase is mainly related to the same acquisitions in the period.

Other operating expenses were NOK 26 million in 2023, compared to NOK 5 million in 2022. The increase is mainly related to costs in acquired companies and parts of these costs represent a potential for synergy realization.

In total, operating expenses were NOK 102 million resulting in an EBITDA of negative NOK 16 million in 2023, compared to an EBITDA of negative NOK 15 million in 2022.

Depreciation, amortization and impairments were NOK 64 million in 2023, compared to NOK 18 million in 2022. This is a reflection of effects of the acquisitions during 2023, and is primarily reflecting amortization of intangible assets. See note 6 of the consolidated financial statements for a detailed overview.

Net financial items amounted to negative NOK 7 million for 2023 compared to negative NOK 0.5 million in 2022. The increase mainly reflects increased interest expenses and other financial expenses, a reflection of increased loans and borrowings and increased interest rates in 2023.

Huddlestock recorded result before tax of negative NOK 87 million for 2023, compared to negative NOK 34 million for 2022.

Net profit was negative NOK 86 million for 2023 and negative NOK 32 million for 2022.

Cash flow

Operating activities generated a cash outflow of NOK 24 million for 2023 and NOK 18 million for 2022.

Investment activities generated a cash outflow of NOK 9 million for 2023 compared to NOK 15 million for 2022. Net additions in intangible assets related to technology development and M&A-activities amounted to negative NOK 51 million, while net cash retained from acquisitions of subsidiaries represented a positive NOK 41 million cash inflow.

Financing activities led to a cash inflow of NOK 41 million for 2023 due, comprised of NOK 23 million proceeds from capital increases, NOK 6 million from sale of treasury shares and offset by NOK 1 million in repayment of loans. In 2022, financing activities generated a cash inflow of NOK 20 million.

On 31 December 2023, Huddlestock had a cash position of NOK 10 million, compared to NOK 3 million on 31 December 2022.

Financial position

Assets

Total non-current assets amounted to NOK 236 million at the end of 2023, compared to NOK 143 million at the end of 2022. Goodwill accounted for NOK 116 million compared to

NOK 53 million in 2022, and the total intangible assets were NOK 236 million compared to NOK 143 million in 2022. The increase relates to the acquisitions made during the year, with the main portion relating to the acquisition of Bricknode completed in the second quarter 2023.

Total current assets amounted to NOK 27 million at the end of 2023, compared to NOK 25 million at the end of 2022. Total receivables were NOK 17 million, of which NOK 11 million in trade receivables and NOK 6 million in other short-term receivables. Cash and cash equivalents amounted to NOK 10 million.

Equity and liabilities

Total equity amounted to NOK 156 million at the end of 2023 compared to NOK 115 million at the end of 2022. The increase mainly reflects share issues to fund acquisitions made in 2023 reflected in an increased share premium from NOK 115 million at the end of 2022 to NOK 180 million at the end of 2023.

Total liabilities amounted to NOK 89 million at the end of 2023, compared to NOK 40 million at the end of 2022. The increase during 2023 mainly reflects increases in other short-term liabilities from NOK 20 million to NOK 65 million, with the main portion related to a short-term liability of NOK 48 million to Bricknode Holding AB in connection with settlement of the acquisition of Bricknode.

Long-term liabilities and provisions amounted to NOK 19 million at the end of 2023, up from NOK 12 million at the end of 2022.

The group had an equity ratio of 59 per cent at the end of 2023, compared to 69 per cent at the end of 2022.

Parent company accounts

Huddlestock Fintech AS, the parent company in the Group, provides services to the Group's

other companies. Huddlestock Fintech AS had total operating income of NOK 5 million both in 2023 and 2022. Total operating expenses amounted to NOK 22 million in 2023, compared to NOK 18 million in the previous year, generating an operating loss of NOK 17 million and NOK 14 million respectively. Net financial items were negative NOK 43 million and negative NOK 0.1 in the same periods. Net loss before tax hence amounted to NOK 60 million in 2023 and NOK 14 million in 2022. There was no income tax expense in 2023, resulting in a net loss of NOK 60 million in 2023, compared to a loss of NOK 13 million in 2022.

The Board of Directors proposes to the Annual general meeting that the net loss of the parent company is charged to 'Share premium'. Huddlestock Fintech AS had total assets of NOK 264 million at the end of 2023, compared to NOK 168 million at the end of 2022, consisting of NOK 230 million non-current assets mainly reflecting investments in subsidiaries and NOK 33 million current assets. Equity amounted to NOK 194 million, reflecting an equity ratio of 74 per cent.

Going concern

The board of directors and the CEO confirm that the annual accounts have been prepared on the assumption of a going concern. Similar to previous years, the company experienced negative cash flow in 2023. This is not uncommon for technology companies, primarily due to being in a developmental phase with significant investments before products become revenue-generating.

The company is still in a phase of development and investment and relies on continued liquidity infusion. The company has the stated goal of achieving positive cash flow within one to two years and can demonstrate an improvement in profitability margins through 2023 in its

subsidiaries, thanks to initiatives implemented in 2023.

Further cost-cutting measures have been decided upon, while full focus is on selling the most profitable products to the market to ensure revenue generation as quickly as possible. The board closely monitors the liquidity situation and will, if deemed necessary, initiate a process for raising new capital to ensure the company's continued operation. Being publicly listed, the company has raised new capital in the market on several occasions.

No decision regarding such capital raising has been formalized as of the date of the annual

accounts, but management is confident that the company's and the group's development demonstrate values in a manner that makes it possible to raise new capital or find other strategic solutions. If the company is unable to meet its ongoing obligations the carrying amounts of intangible assets and goodwill will be subject to impairment and there will be material uncertainty related to going concern.

Risks and mitigating factors

The Group is subject to various types of risks including regulatory, technological, market, capital availability, insurance and ESG. Risks and mitigating activities have historically been done at the individual entities within the group. As part of a group, the next step is to unify this work so that risks and mitigating actions will be executed on both a local and a group level.

Regulatory

Changes in financial services regulations in Germany, Norway, and the EU/EEA could significantly impact the company's business, products, services, and asset value.

Areas of potential impact include monetary policy changes, regulatory policies influencing investor decisions, increased business costs, competition and pricing environments, financial reporting requirements, and operational structures.

Huddlestock find itself in a constantly changing landscape of regulations. Since the groups entities have delivered serviced in that

landscape for many years, regulatory changes are perceived more as an opportunity for new business solutions than a threat.

Technology

Introduction of new technologies, digitalization, and changing consumer behaviors in the wealth tech sector could lead to structural changes and increased industry dynamics.

Failure to respond to market demands may negatively impact customer relationships, value chain position, and service offerings.

Also, dependence on uninterrupted IT system operation and reliance on third-party providers

for critical IT services, could potentially adversely affect business operations.

One of Huddlestock main drivers is to be in forefront when it comes to utilizing new available technologies. To not become a supplier with technology that at some point in the future is not relevant for the customers anymore, the technology stack is developed with an API-first approach, meaning that new solutions derived from new technological opportunities easily can be plugged in/out depending on customer needs or other new requirements.

Market

Limited equity market investments, with potential adverse effects on share price and cost of capital during negative equity market conditions.

Foreign exchange exposures managed mainly through international business transactions, considered manageable.

Debt and revolving overdraft facilities with exposure to interest rate increases affecting profitability.

Huddlestock has an active approach when it comes to overseeing its mix of financing situations. The company has demonstrated its ability to attract growth capital via different mechanisms, following the opportunities available in combination with market risk following these alternatives.

Strategy and Implementation

Risks associated with implementing the company's strategy, including complex

judgments regarding customer needs, competitor activity, and macroeconomic assumptions.

Foreign exchange

The mass majority of the groups revenues comes from Norway and Sweden. The NOK and SEK have historically followed each other, meaning that hedging risk between these two currencies has not been a priority. Going forward with ambitions outside Norway and Sweden, foreign exchange risk hedging will be evaluated.

Capital Availability

The possibility of needing additional capital in the future, with uncertainty about availability on attractive terms. Volatile global equity markets and higher inflation levels impacting central bank actions and interest rates, potentially affecting the company's cost of capital.

Huddlestock has ongoing work to identify financing partners to support strategy including non-organic growth.

Insurance

Full insurance coverage for regulatory requirements and liabilities for the Board of Directors and CEO.

Environmental, Social and Governance

No environmental damages caused by company activities. Good work environment with no serious injuries, work-related wear, strain injuries, or property damage recorded in 2023.

Outlook

Huddlestock has grown to have a strong position in the European market within Investment services to Investment providers. Competition is limited and no head-to-head-competitors are identified in the Nordic region. The company will prioritize unfolding the financial potential in the group built up over the last years, through enhanced focus on sales efforts and increased cost control and cost reduction initiatives. At the same time Huddlestock will invest to defend its unique position in the market.

With a new management implemented in the first quarter of 2024 the company pursues an ambition to become EBITDA-positive, through focused sales efforts and increased cost control and cost reduction measures.

Substantial costs were associated with the company's strategic expansion, with objectives of realizing synergies in the group set to force in the third quarter 2023. Visible effects materialized in the last part of the fourth quarter 2023 and are expected to increase during 2024.

Commercially the company is pursuing growth opportunities by expanding its offering to current and potentially new customers through geographical expansion and consolidation of its own and acquired technology and services to a common platform.

The short-term growth focus will be within its existing Nordic markets, while Germany as the natural center of the European expansion

holds a large growing potential for Huddlestock medium to long-term.

At this point, the company will not guide on the expected pace of organic growth, as timing of the results from platform integration and enhanced sales efforts is hard to predict.

The company will continue to invest in technology development to defend its leading market position through its platform offering. By enhancing core offerings, structuring adjacent businesses, and engaging with new disruptive financial services, Huddlestock is positioning as a solution provider both as a provider to incumbent companies and startups within the financial services sector.

In addition, the company is working to identifying potential financing partners to support strategy including non-organic growth.

Share and shareholders

Huddlestock is listed on Euronext Growth, the Oslo Stock Exchange, under the ticker HUDL. As of 31 December 2023, the company had a total of 184 477 549 outstanding shares, each with a par value of NOK 0.0019. Huddlestock has one share class, and all shares have equal rights. The shares are registered in the Norwegian Central Securities Depository (VPS). The company's registrar is DNB. The shares carry the securities number NO0010859648.

20 largest shareholders on 31 December 2023

Name	Stake in %
Nordnet Bank AB	10.2
NJORD GROUP AS	6.7
SAA INVEST AS	6.0
VISION INVEST STAVANGER AS	4.6
Bank Julius Bär & Co. AG	3.7
HEDEN HOLDING AS	3.2
NORDNET LIVSFORSIKRING AS	2.5
GENTLE INVEST AS	2.4
SAAMAND AS	2.4
GJEDREM AS	2.4
HUDDLESTOCK FINTECH AS	2.2
GRUNNFJELLET AS	2.2
Myrlid AS	2.1
KJELL'S OCTOPUS INVEST AS	1.9
STEIN HEGRE HOLDING AS	1.8
BILL INVEST AS	1.6
HOGNAN INVEST AS	1.4
MATS NORDSTAD	1.3
HANS PETTER VEITBERG	1.0
BERKER GROUP AS	0.9
Top 20 shareholders	60.4
Other 1 366 shareholders	39.6
Total 1 386 shareholders	100.0

Share issues

On 28 March 2023 in connection with the acquisition of Trac Services AS and Tracs Technology AS, Huddlestock announced registration of 12 732 819 new shares to the seller in the way of a private placement and 1 923 076 new shares in connection with a private placement to Njord Group AS raising NOK 5 million. Share price of NOK 2.6.

On 31 March 2023 in connection with the acquisition of Dtech AS, Huddlestock announced registration of 828 706 new shares to the seller in the way of a private placement. Share price of NOK 2.4.

On 4 April 2023 in connection with the acquisition of Bricknode Holding AB's operational assets, Huddlestock announced registration of 19 000 000 new shares in a way of private placement to converting parts of a seller's credit note to shares. Share price NOK 2.6.

On 13 November 2023 in a private placement raising NOK 18 million, Huddlestock announced registration of 14 583 333 new shares at a share price of NOK 1.2. In addition, 0.5 unlisted warrants per subscribed share was distributed with a strike price of NOK 1.8 exercisable until 12 months after registration.

General meetings

On 21 June 2023, Huddlestock held its ordinary general meeting. All resolutions proposed by were approved.

On 23 November 2023, Huddlestock held an extraordinary general meeting. It was decided to adjust the subscription interval in the proposed share proxy to NOK 1.2 to 12.0. All items on the agenda were approved.

Board of Directors

Øyvind Hovland, Chairman

Øyvind is a serial entrepreneur with more than 25 years of experience in starting and scaling companies in various industries. In addition to Huddlestock Fintech, it is notably Cyviz AS – with offices globally, and Vision IO AS, a leading optic camera provider to the Oil and gas industry.

Morten Flørenæss, Board Member

Morten has been an instrumental part of the management in all the Tracs companies prior to now getting more engaged in Tracs Accounting as their CEO. Morten brings stability, financial and administrative know how to the Board.

Ramtin Matin, Board Member

Ramtin is Head of Innovation at Sparebank 1 SR-Bank. He has a strong track record in technology innovation within the financial services industry, applying AI and Blockchain. His previous roles include hands-on participation in portfolio companies within SR-Banks Venture Fund Finstart Nordic, regional lead and Senior Solutions Architect for SAS Institute, management consulting with PWC.

Jan Sigurd Vigmostad, Board Member.

Jan Sigurd is the Chief Operating Officer for Glastad Holding, which is the parent company of most of the Group's investments, including Huddlestock Fintech AS. He has a long and distinguished carrier with investments and finance and brings to the board a wealth of knowledge and experience.

Erik Hagelin, Board Member

Erik is responsible for strategy and partnerships among several other important tasks in Huddlestock. Before joining Bricknode, Erik was involved in the real estate investments area for more than 10 years. He joined Bricknode in 2016 and has been the Co-CEO, responsible for the commercial development and administration in the group.

Declaration by the Board of Directors and CEO

Huddlestock Fintech AS's consolidated financial statements and the separate financial statements for Huddlestock Fintech AS for the period 1 January to 31 December 2023 have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards.

We confirm to the best of our knowledge that the consolidated and separate financial statements for the period 1 January to 31 December 2023 have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities, financial position and profit or loss taken as a whole.

We also confirm that, to the best of our knowledge, full year 2023 gives a true and fair view of important events in the accounting period and their influence on the annual report, as well as the principal risks and uncertainties facing the business in the next accounting period.

The Board of Directors confirms that the financial statements have been prepared under a going concern assumption, and the Group's liquidity position, solidity and ongoing cash flow from operations support the assessment that this assumption is realistic.

The board of directors and CEO of Huddlestock Fintech AS. Stavanger, 8 May 2024

Øyvind Hovland

[Øyvind Hovland \(8. mai. 2024 11:14 GMT+2\)](#)

Øyvind Hovland

Chairman

Jan S. Vigmostad

Jan Sigurd Vigmostad

Board member

Morten Flørenæss

Morten Flørenæss

Board member

Erik Hagelin

[Erik Hagelin \(8. mai. 2024 10:51 GMT+2\)](#)

Erik Hagelin

Board member

Ramtin Matin

[Ramtin Matin \(8. mai. 2024 12:11 GMT+2\)](#)

Ramtin Matin

Board member

Leif Arnold Thomas

[Leif Arnold Thomas \(8. mai. 2024 10:43 GMT+2\)](#)

Leif Arnold Thomas

CEO

Consolidated
financial statements

Consolidated income statement

Huddlestock Fintech AS

(amounts in NOK 1000)	Note	2023	2022
Operating income			
Revenue	2	85 150	46 708
Total operating income		85 150	46 708
Operating expenses			
Cost of materials/subcontractors		457	12 817
Personnel costs	4,5	75 305	43 555
Depreciation, amortisation and impairment	6	63 974	18 408
Other operating expenses	5	25 802	5 033
Total operating expenses		165 537	79 814
Operating profit (loss)		-80 387	-33 105
Financial income			
Interest income		790	429
Other financial income		330	238
Total financial income		1 120	667
Financial expenses			
Interest expenses		2 697	847
Other financial expenses		5 166	268
Total financial expenses		7 862	1 115
Net financial items		-6 742	-449
Profit (loss) before tax		-87 129	-33 554
Income tax	9	-806	1 817
Net profit (loss)		-86 324	-31 737

Consolidated statement of financial position

Huddlestock Fintech AS

(amounts in NOK 1000)	Note	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Intangible assets			
Research and development		58 139	35 770
Goodwill		116 449	52 958
Technology		18 516	6 383
Customer contracts and relationships		14 172	17 215
Licenses		28 470	30 573
Total intangible assets	6	235 745	142 899
Fixed assets			
Investment in equities		323	200
Property, plant & equipment		199	286
Total fixed assets		522	486
Total non-current assets		236 267	143 385
Current assets			
Receivables			
Trade receivables	7, 12	11 347	10 820
Other short-term receivables	3	5 953	11 077
Total receivables		17 300	21 897
Bank deposits, cash and cash equivalents	8	10 184	2 904
Total current assets		27 484	24 801
Total assets		263 751	168 186

The board of directors and CEO of Huddlestock Fintech AS. Stavanger, 8 May 2024

Sign.

(amounts in NOK 1000)	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	11	351	257
Share capital - not registered		13 562	0
Own shares		-5	-10
Share premium		180 377	115 150
Total paid-in capital		194 285	115 398
Retained earnings			
Other equity		-38 549	0
Total retained earnings		-38 549	0
Total equity	10	155 736	115 398
Liabilities			
Deferred tax		8 145	5 192
Loans and borrowings	12	10 141	0
Other long-term liabilities	13	676	7 246
Total long-term liabilities and provisions		18 961	12 437
Short-term liabilities			
Accounts payable		6 661	9 531
Payroll taxes, VAT etc.		8 423	4 276
Loans and borrowings	12	9 196	6 347
Other short-term liabilities	14	64 774	20 196
Total short-term liabilities		89 054	40 350
Total liabilities		108 015	52 788
Total equity and liabilities		253 751	168 186

The board of directors and CEO of Huddlestock Fintech AS. Stavanger, 8 May 2024

Sign.

Øyvind Hovland
Øyvind Hovland (8. mai. 2024 11:14 GMT+2)

Øyvind Hovland
Chairman

Jan S. Vigmostad

Jan Sigurd Vigmostad
Board member

Morten Flørenæss

Morten Flørenæss
Board member

Erik Hagelin

Erik Hagelin (8. mai. 2024 10:51 GMT+2)

Erik Hagelin
Board member

Ramtin Matin

Ramtin Matin (8. mai. 2024 12:11 GMT+2)

Ramtin Matin
Board member

Leif Arnold Thomas

Leif Arnold Thomas (8. mai. 2024 10:43 GMT+2)

Leif Arnold Thomas
CEO

Consolidated statement of cash flows

Huddlestock Fintech AS

(amounts in NOK 1000)	2023	2022
Cash flows from operating activities		
Profit (loss) before tax	-87 129	-33 554
Depreciation and amortisation	63 974	18 408
Changes to accounts receivable	-527	-1 966
Changes to accounts payable	-2 870	6 702
Changes to other accruals and prepayments	2 724	-7 955
Net cash flow from operating activities	-23 829	-18 365
Cash flows from investment activities		
Net additions intangible assets	-51 046	-14 319
Acquisition of subsidiaries, net of cash acquired	41 608	478
Transaction cost	0	-865
Net cash flow from investment activities	-9 438	-14 706
Cash flows from financing activities		
Proceeds from capital increase	22 500	2 150
Treasury shares	6 308	10 510
Loans obtained	12 531	7 093
Repayment of loans	-792	0
Net cash flow from financing activities	40 547	19 753
Net changes to cash and cash equivalents	7 280	-13 318
Bank deposits, cash and cash equivalents per 1.1.	2 904	16 222
Bank deposits, cash and cash equivalents per 31.12.	10 184	2 904

Notes to the consolidated financial statements

Note 1 – General accounting policies

Basis for preparation

The consolidated financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP) and NRS 8 for small companies.

The Company is listed on Euronext Growth, and is therefore required to prepare consolidated financial statements.

All amounts are presented in thousands of NOK, unless otherwise clearly stated.

Group composition

The Company's head office is located at Forus in Stavanger municipality, Norway. In addition to the parent entity, Huddlestock Fintech AS, headquartered in Stavanger, Norway, the group includes the subsidiaries Huddlestock Technologies AS, Oslo, Norway, Huddlestock GmbH, Munich, Germany; Visigon Nordic AB and Visigon Sweden AB, Stockholm, Sweden; Visigon Denmark ApS, Copenhagen, Denmark. The company has offices in Norway, Germany, Sweden, Denmark and UK, respectively.

The consolidated financial statements have been prepared in accordance with uniform policies by converting the subsidiaries to the same principles as the parent company.

Classification of items in the statement of financial position

Assets intended for long-term ownership or use are classified as non-current assets. Assets associated with the normal operating cycle are classified as current assets. Receivables are classified as current assets if they fall due within one year. Analogue criteria are applied to liabilities. Unless otherwise stated, long-term liabilities also include next year's installments.

Foreign currency translation

The functional currency of the parent entity is NOK. For consolidation purposes, the results and financial position of all the Group's entities that have a functional currency other than NOK are translated to the closing rate at the reporting date of each month. Income and expenses for each income statement are translated to the average exchange rate for the period, this being a reasonable approximation for estimating actual rate. Exchange differences are recognized directly against equity.

Note 2 - Revenues

Significant accounting policies

Revenues is services provided, and is recognized when the service is rendered.

Revenues by nature (amounts in NOK 1000)	2023	2022
Consulting revenue	46 505	37 941
Other revenue	38 646	8 767
Total	85 150	46 708

Revenues by country (amounts in NOK 1000)	2023	2022
Norway	33 302	8 140
Sweden	36 330	22 210
Denmark	15 443	15 731
Germany	75	628
Total	85 150	46 708

Note 3 – Government grants

Significant accounting policies

The group receives government grants in relation to its research and development activities. When such grants are received to carry out certain activities or compensate specific expenses, the grant is recognised in the income statement over the same period as the associated costs. Grants that compensate the group for the cost of an asset are recognised as a reduction in the carrying value of the related asset and recognised as reduced depreciation over the useful life of the asset.

SkatteFUNN

The group currently has two Skattefunn-projects approved. The first project is approved from 2021 to 2023 and relates to the development of a platform for sustainable investments. The second project is approved from 2022 to 2024 and relates to the development of a cloud-based multi-tenant module based investment solution, with 100% isolation between users and with significantly lower costs and enabling scalability due to ultra rapid computing architecture compared to existing solutions. There will be developed five modules with functionalities for investment support, investment management, fund management, order management and portfolio accounting. A total of 10 720' has been received in grants from Skattefunn related to these two projects.

Note 4 – Personnel cost

Significant accounting policies

Personnel costs are expensed as the employees earn the right to the payment of wages for hours worked. Payments to defined contribution pension are expensed over the period in which the employees earn the right to the deposit. Personnel costs related to research and development projects are capitalised to the extent that the conditions for this are met.

Specification of personnel costs (amounts in NOK 1000)	2023	2022
Wages	60 566	29 138
Pension contributions	3 701	1 742
Social security tax	8 872	6 141
Other personnel costs	2 166	6 533
Total	75 305	43 555

Number of employees (average FTE for the period)	2023	2022
Norway	19	10
Sweden	15	14
Denmark	7	7
Germany	3	3
Malaysia	0	1
Romania	6	5
United Kingdom	1	0
Total	50	41

Note 5 – Remuneration of management and auditor

The CEO had a salary of NOK 2.27 million in 2023. He is not entitled to severance pay and has no loans from the company. Board member Ramtin Matin has received a fee of TNOK 225 in 2023. No other fees has been paid to The Board of Directors.

Specification of auditors' remuneration (amounts in NOK 1000)	2023	2022
Statutory audit fee	1 145	580
Other non-auditing services	0	270
Total	1 145	850

Reported amounts are exclusive of VAT.

Note 6 – Intangible assets, research and development

Significant accounting policies

Expenditures on research and development are capitalized to the extent that they are part of projects generating identifiable intangible assets, of which future economic benefits can be attributed. Expenses related to projects not meeting these criteria are charged to the income statement as they accrue.

Research, development and technology

For the year 2023, the Company has invested further resources and funding into our technology solutions. Huddlestock is a "technology first" company and therefore spends much of the resources on development, creating technical solutions and enhancements to the product range. In order to stay with the developments in the market and continue to have a leading role, Huddlestock prioritizes to continue to develop and enhance the various platforms.

Licences

The Group, through its parent Company, holds licenses that are licensed perpetually for the use of the core technology behind Huddlestock Trader.

Specification of intangible assets (amounts in NOK 1000)	Research and development	Licenses	Technology	Goodwill	Customer contracts and relations
Cost 01.01.	37 652	32 182	7 650	58 539	22 314
Additions	70 537	5 000	21 010	90 173	2 000
Disposals	-1 218	0	-5 000	-16 065	
Currency translation	479		621	6 716	7 731
Cost 31.12.	107 450	37 182	24 281	139 362	32 045
Accumulated depreciation 01.01.	-1 882	-1 609	-1 267	-5 582	-5 100
Depreciations and amortisation for the year	-15 356	-7 103	-4 181	-11 806	-6 175
Impairment	-13 271	0	-1 345	-4 599	0
Additions	-19 072			2 410	0
Disposals	553	0	1 500	0	0
Currency translation	-283		-472	-3 335	-6 599
Accumulated depreciation 31.12.	-49 311	-8 712	-5 765	-22 913	-17 874
Book value 1.1.	35 770	30 573	6 383	52 958	17 215
Book value 31.12.	58 139	28 470	18 516	116 449	14 172
Amortisation period	5 yrs	5 yrs	5 yrs	10 yrs	10 yrs

Goodwill is amortised over ten years as the group considers the goodwill to be of a long-term nature, and such an amortisation period is deemed to best correspond with the economic lifespan.

Note 7 – Trade and other receivables

Significant accounting policies

Trade and other receivables are recognised at face value, less provisions for expected credit losses. Provisions for expected credit losses are made on the basis of a specific assessment of the individual receivables. For trade receivables, a general provision is also made based on historical losses.

Specification of trade receivables (amounts in NOK 1000)	2023	2022
Trade receivables at face value	11 347	10 820
Provision for expected credit losses	0	0
Net trade receivables	11 347	10 820

Note 8 – Bank deposits, overdraft facility and restricted cash

Significant accounting policies

Bank deposits, cash and cash equivalents include all cash, bank deposits and other liquid investments that can be immediately converted into cash, with negligible exchange rate risk.

Restricted cash (amounts in NOK 1000)	2023	2022
Payroll tax account	633	659

Note 9 – Income tax

Significant accounting policies

The income tax expense in the income statement includes the tax payable for the period and changes in deferred tax. Tax payable and deferred tax is calculated using tax rates and tax legislation that have been enacted at the end of the reporting period. Deferred tax is calculated on all temporary differences between tax base and amount recognised in the statement of financial position. In addition, deferred tax is also calculated on tax loss carryforward at the end of the reporting period. Deferred tax is only recognised to the extent that it is probable that future taxable income will be generated against which it can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset them.

Basis for recognition of deferred tax asset

The deferred tax asset has not been recognised, in line with the exemption under NGAAP for smaller companies.

Specification of income tax expense		
(amounts in NOK 1000)	2023	2022
Tax payable	-1 915	416
Change in deferred tax	2 721	1 401
Income tax expense	806	1 817

Reconciliation of tax expense, calculated at nominal rate		
(amounts in NOK 1000)	2023	2022
Result before tax	-87 129	-33 554
Tax at nominal rate (22 %)	19 114	-7 382
Permanent differences	-35 082	4 050
Change in temporary differences	44 650	0
Change in deferred tax not recognised	-27 877	3 332
Income tax expense	806	0

Specification of deferred tax			
(amounts in NOK 1000)	2023	2022	Change
Fixed assets	-702	0	0
Intangible assets	8 145	5 192	-2 953
Receivables	32	0	0
Deferred government grants	0	0	0
Net deferred tax on temporary differences	7 474	5 192	-2 953
Tax loss carryforward	-28 616	-8 743	19 873
Total deferred tax	-21 143	-3 552	16 920
Deferred tax recognised	8 145	5 192	0

Deferred tax asset is not entered in the balance in accordance with NRS 8.

Note 10 – Equity

Specification of equity		Cap.increase not registered				
(amounts in NOK 1000)	Share capital	Own shares	Share premium		Other equity	Sum
Equity as per 31.12.2022	257	-10	115 150		0	115 398
Reclassification	0,1	0	14 223		-14 223	0
Net profit (loss)	0	0	-59 571		-26 753	-86 324
Purchase (sale) of own shares	0	4	3 663			3 667
Capital increase not registered		0		13 562	0	13 562
Capital increase	93	0	106 912			107 005
Currency translation	0	0	0		2 428	2 428
Equity as per 31.12.2023	351	-5	180 377	13 562	-38 548	155 736

The Group has an outstanding convertible loan, included in other current liabilities, that can be converted into shares in Huddlestock Fintech AS. The convertible loan amounts to TNOK 47 681.

Note 11 – Share capital and shareholder information

Share capital

The parent entity, Huddlestock Fintech AS, has 184 477 549 shares outstanding, each with a nominal value of NOK 0.0019. All shares have equal voting and dividend rights.

Significant shareholders	Shares	Ownership
Njord Group AS	12 429 113	6,7 %
SAA Invest AS	11 000 000	6,0 %
Vision Invest Stavanger AS	8 486 715	4,6 %
Total (shareholders holding > 4,5 %)	31 915 828	17,3 %
Other shareholders	152 561 721	82,7 %
Total	184 477 549	100,0 %

Shareholders associated with leading roles

Related party transactions (amounts in NOK 1000)	Representative	Role	Transactions during 2023*
Vision Invest Stavanger AS	Øyvind Hovland	Chairman of the Board	1 200

* Included in other operating cost

Øyvind Hovland is CEO and Chairman of the board of Vision Invest AS

Note 12 – Loans and borrowings

The Group holds the following loans as of December 31, 2023:

Loans and borrowings (amounts in NOK 1000)	Limit	Drawn amount 31.12.2023	Due within 1 year	Due between 2-5 years	Due thereafter
Long term loan	11 383	11 383	2 342	9 041	0
Long term loan Innovasjon Norge	3 500	3 500	2 400	1 100	0
Overdraft facility	13 000	4 453	4 453	0	0
Total	27 883	19 336	9 195	10 141	0

The following assets are pledged as security (amounts in NOK 1000)	31.12.2023
Trade receivables	11 347
Total	11 347

The overdraft facility has a covenant that the drawn amount should not exceed 70 % of the trade receivables. As of 31.12.2023 the Group is in compliance with its loan covenants.

Note 13 – Provisions and other short-term liabilities

Significant accounting policies

Other short-term liabilities are mainly related to services received or wages to employees, for which payment is due within the next twelve months. These liabilities are measured at nominal amounts.

Specification of other short-term liabilities (amounts in NOK 1000)	2023	2022
Accrued holiday pay and salaries	2 623	3 426
Short-term debt to employees and shareholders	414	0
Short-term liability to Bricknode Holding AB	47 681	0
Other short-term liabilities	14 056	36 925
Total	64 774	40 350

In connection with the acquisition of Bricknode Platform AB, Bricknode Software AB, and Bricknode Ltd, settlement was agreed upon in the form of shares in Huddlestock Fintech AS. As of December 31, 2023, an amount of NOK 47 681' of this liability remains unsettled.

Note 14 – Equity

Description of business combination

Huddlestock Fintech AS was listed on Euronext Growth Market Oslo - 26 November 2020, as Norway's first fintech company to be publicly traded. Huddlestock Fintech is a company that develops and implements unique software as a service-solutions for digitizing work processes for custody banks, asset managers and trading venues.

The open, compliance-optimized and data centric wealthtech platform allows our customers to offer a differentiated real-time product that reduces cost and increases efficiency. Huddlestock Fintech's technology enables end-to-end digital services such as onboarding, client communication, reporting, order execution and portfolio management, all executed on the same platform.

Huddlestock has developed a white label solution that is primarily a product for financial services firms wanting to add low cost-efficient trading and investment services to their client web and app offerings. The solution links financial services firms with custody services, asset managers and individual investors.

Through its financial consultancy division - Visigon, Huddlestock delivers strategic financial technology solutions and process automation for the financial services industry. Founded in 2008, Visigon has grown into becoming the preferred supplier of financial consultancy services and technology providers in the Nordic region. Visigon became part of the Huddlestock Fintech family in 2021.

In 2022 Huddlestock added F5 IT to its group of companies, strengthening the group's capacity in delivering high-class strategic technology solutions and process automation for clients also outside of the financial services industry.

In 2023 Huddlestock added Trac Services AS (later renamed Huddlestock Investor Services AS), Bricknode Platform AB (later renamed Huddlestock AB), Bricknode Software AB (later renamed Huddlestock Technologies AB), Bricknode Ltd (later renamed Huddlestock Ltd), Dtech AS (later merged with Huddlestock Technologies AS) and Tracs Technology AS (later merged with Huddlestock Technologies AS) to its group of companies, while the investment in Huddlestock Solutions AS was divested.

Transaction details '(amounts in NOK 1000)						
	Trac Services AS	Bricknode Platform AB	Bricknode Software AB	Bricknode LTD	Dtech AS	Tracs Technology AS
Ownership share acquired	100 %	100 %	100 %	100 %	100 %	100 %
Currency	NOK	SEK	SEK	SEK	NOK	NOK
Cash consideration	0	0	0	0	0	0
Share exchange	26 741	3 455	44 688	1 190	2 000	4 495
Sellers credit/convertible loan		4 031	52 141	1 389		
Transaction cost	0	0	616	0	0	0
Transaction price	26 741	7 487	97 445	2 579	2 000	4 495
Book value equity acquired	3 324	1 481	17 817	503	4 202	528
Identified excess values recognised						
Intangible assets	7 000	802	18 704	0	0	1 494
Goodwill	17 957	5 379	65 039	2 076	-2 202	2 802
Deferred tax	-1540	-177	-4115	0	0	-329
Total allocation	26 741	7 487	97 445	2 579	2 000	4 495

Note 15 – Events after the reporting period and going concern

The board of directors and the CEO (management) confirm that the annual accounts have been prepared on the assumption of a going concern. Similar to previous years, the company experienced negative cash flow in 2023. This is not uncommon for technology companies, primarily due to being in a developmental phase with significant investments before products become revenue-generating. The company is still in a phase of development and investment and relies on continued liquidity infusion. The company has the stated goal of achieving positive cash flow within one to two years and can demonstrate an improvement in profitability margins through 2023 in its subsidiaries, thanks to initiatives implemented in 2023. Further cost-cutting measures have been decided upon, while full focus is on selling the most profitable products to the market to ensure revenue generation as quickly as possible. The board closely monitors the liquidity situation and will, if deemed necessary, initiate a process for raising new capital to ensure the company's continued operation. Being publicly listed, the company has raised new capital in the market on several occasions. No decision regarding such capital raising has been formalized as of the date of the annual accounts, but management is confident that the company's and the group's development demonstrate values in a manner that makes it possible to raise new capital or find other strategic solutions. If, against expectations, management fails to raise new capital or find strategic solutions, the company will be unable to meet its ongoing obligations. If the company is unable to meet its ongoing obligations the carrying amounts of intangible assets and goodwill will be subject to impairment and there will be material uncertainty related to going concern.

Parent company
financial statements

REVENUE STATEMENT

HUDDLESTOCK FINTECH AS

OPERATING INCOME AND OPERATING EXPENSES	Note	2023	2022
Other income		5 090 994	4 853 889
Total income		5 090 994	4 853 889
Employee benefits expense	1	7 441 622	5 984 250
Depreciation and amortisation expenses	2	6 436 440	3 727 532
Other expenses	1	8 030 573	8 888 851
Total expenses		21 908 635	18 600 634
Operating profit		-16 817 641	-13 746 745
FINANCIAL INCOME AND EXPENSES			
Other interest income		112 305	426 715
Other financial income		22 169	21 703
Write-down of subsidiaries		39 905 954	0
Write-down of receivables from subsidiaries		1 339 627	0
Other interest expenses		1 618 746	508 842
Other financial expenses		23 235	74 753
Net financial items		-42 753 088	-135 177
Net profit before tax		-59 570 729	-13 881 922
Income tax expense	3	0	54 412
Net profit after tax		-59 570 729	-13 936 334
Net profit or loss	4	-59 570 729	-13 936 334
ATTRIBUTABLE TO			
Transferred from share premium reserve		59 570 729	13 936 334
Total		-59 570 729	-13 936 334

BALANCE SHEET			
HUDDLESTOCK FINTECH AS			
ASSETS	Note	2023	2022
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Licenses, development and similar rights	2	24 136 654	30 573 094
Total intangible assets		24 136 654	30 573 094
NON-CURRENT FINANCIAL ASSETS			
Investments in subsidiaries	5, 6	206 708 391	81 202 230
Total non-current financial assets		206 708 391	81 202 230
Total non-current assets		230 845 045	111 775 324
CURRENT ASSETS			
DEBTORS			
Other short-term receivables		18 016	375 652
Receivables from group companies	7	32 239 914	30 390 514
Total receivables		32 257 930	30 766 166
Cash and cash equivalents	8	453 839	255 764
Total current assets		32 711 768	31 021 931
Total assets		263 556 813	142 797 255

BALANCE SHEET

HUDDLESTOCK FINTECH AS

EQUITY AND LIABILITIES	Note	2023	2022
EQUITY			
PAID-IN CAPITAL			
Share capital	9	350 507	257 278
Cap. increase not registered		13 561 756	0
Treasury stock		-5 335	-9 811
Share premium reserve		180 377 457	129 373 106
Total paid-up equity		194 284 385	129 620 574
Total equity	4	194 284 385	129 620 574
LIABILITIES			
Liabilities to financial institutions	6	11 383 223	4 000 000
Total non-current liabilities		11 383 223	4 000 000
CURRENT LIABILITIES			
Liabilities to financial institutions	6	4 453 651	5 263 924
Trade payables		1 783 138	2 736 731
Public duties payable		1 077 625	436 091
Other current liabilities	4	50 574 791	739 935
Total current liabilities		57 889 205	9 176 681
Total liabilities		69 272 428	13 176 681
Total equity and liabilities		263 556 813	142 797 255

Stavanger, 08.05.2024

The board of Huddlestock Fintech AS

Øyvind Hovland Ramtin Matin

Øyvind Hovland (8. mai. 2024 11:14 GMT+2) Ramtin Matin (8. mai. 2024 12:11 GMT+2)

Øyvind Hovland
chairman of the board

Ramtin Matin
member of the board

Morten Flørenæss
member of the board

Jan S. Spilling

Jan Sigurd Spilling Vigmostad
member of the board

Erik Hagelin

Erik Hagelin (8. mai. 2024 10:51 GMT+2)

Erik Lars Hagelin
member of the board

Leif Arnold Thomas

Leif Arnold Thomas (8. mai. 2024 10:43 GMT+2)

Leif Arnold Thomas
general Manager

Notes to the parent company financial statements

HUDDLESTOCK FINTECH AS

821 888 522

Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

OPERATING REVENUES

Income from the sale of goods is recognised on the date of delivery. Services are posted to income as they are delivered.

TAX

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

CLASSIFICATION AND VALUATION OF FIXED ASSETS

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. The depreciation period for real property acquired after 2009 is divided into the part that represents the building and the part that represents fixed technical installations. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

CLASSIFICATION AND VALUATION OF CURRENT ASSETS

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

SHARES IN SUBSIDIARIES

Subsidiaries are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

RECEIVABLES

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

INTANGIBLE ASSETS

Expenditures on research and development are capitalized to the extent that they are part of projects generating identifiable intangible assets, of which future economic benefits can be attributed. Expenses

HUDDLESTOCK FINTECH AS**821 888 522**

related to projects not meeting these criterias are charged to the income statement as they accrue..

GROUP COMPOSITION

The Company's head office is located at Forus in Stavanger municipality, Norway. In addition to the parent entity, Huddlestock Fintech AS, headquartered in Stavanger, Norway, the group includes the subsidiaries Huddlestock Technologies AS, Oslo, Norway; Huddlestock Systems GmbH, Munich, Germany; Huddlestock Visigon Nordic AB and Huddlestock Visigon Sweden AB, Stockholm, Sweden; Huddlestock Visigon Denmark ApS, Copenhagen, Denmark; and Huddlestock Asia Sdn Bhd, Kuala Lumpur, Malaysia. It has offices in Norway, Germany, Lithuania, Sweden, Denmark and Asia, respectively.

HUDDLESTOCK FINTECH AS **821 888 522**

Note 1 Salary costs and benefits, remuneration to the chief executive, board and auditor

SALARY COSTS

	2023	2022
Salaries	6 233 811	5 045 143
Employment tax	1 006 460	739 185
Pension costs	195 914	169 333
Other benefits	5 436	30 589
Total	7 441 622	5 984 250

In 2023 the company employed 5 man-years.

REMUNERATION TO LEADING PERSONNEL

The CEO had salary of 2,27 mNOK in 2023. He is not entitled to severance pay, and has no loans from the Company. Board member Ramtin Matin has received a fee of TNOK 225 in 2023. No other fees has been paid to The Board of Directors.

AUDITOR

Audit fees expensed for 2023 amount to NOK 262 475 ex. vat.
In addition there is a fee for other services of NOK 224 374 ex. vat.

Note 2 Intangible assets, research and development

	Licenses.
Acquisition cost as at 01.01.2023	32 182 204
Additions	0
Acquisition cost 31.12.2023	32 182 204
Depreciation and write-downs as at 01.01.2023	1 609 110
Ordinary deprecation for the year	6 436 440
Depreciation and write-downs as at 31.12.2023	8 045 550
Book value 31.12.2023	24 136 654

Capitalised development costs

For the year 2023, the Company has invested further resources and funding into our technology solutions. Huddlestock is a "technology first" company and therefore spends much of the resources on development, creating technical solutions and enhancements to the product range. In order to stay with the developments in the market and continue to have a leading role, Huddlestock prioritizes to continue to develop and enhance the various platforms.

LICENCES

The Group, through its parent Company, holds licenses that are licensed perpetually for the use of the core technology behind Huddlestock Trader.

HUDDLESTOCK FINTECH AS **821 888 522**

Note 3 Tax

This year's tax expense	2023	2022
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	54 412
Tax expense on ordinary profit/loss	0	54 412

Taxable income:

Ordinary result before tax	-59 570 729	-13 881 922
Permanent differences	41 251 484	72 124
Changes in temporary differences	-854 232	0
Taxable income	-19 173 478	-13 809 798

Payable tax in the balance:

Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2023	2022	Difference
Tangible assets	0	-854 233	-854 232
Total	0	-854 233	-854 232
Accumulated loss to be brought forward	-56 994 053	-37 820 575	19 173 478
Not included in the deferred tax calculation	56 994 053	38 674 808	-18 319 245
Deferred tax assets (22 %)	0	0	0

Deferred tax asset is not entered in the balance in accordance with NRS 8.

Note 4 Equity capital

	Share capital	Share premium	Cap.increase not registered	Own shares	Total equity capital
Pr. 31.12.2022	257 278	129 373 106	0	-9 811	129 620 574
Capital increase	65 521	89 439 805			89 505 326
Capital increase	27 708	17 472 291			17 500 000
Capital increase			13 561 756		13 561 756
Purchase/sale of own shares		3 662 983		4 476	3 667 459
Result of the year		-59 570 729			-59 570 729
Pr 31.12.2023	350 507	180 377 457	13 561 756	-5 335	194 284 385

Included in other current liabilities is convertibel loan that can be converted into shares in Huddlestock Fintech AS. The convertibel loan amounts to NOK 47 681 169 pr 31.12.2023.

HUDDLESTOCK FINTECH AS

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Note 5 Investment in subsidiary and associated companies

Company name	Owner share	Carrying value	Equity (100%)	Net result (100%)
Huddlestock AB	100,0 %	7 562 177	2 156 107	647 942
Huddlestock Investor Services	100,0 %	28 610 168	3 547 262	188 193
Huddlestock Technologies AB	100,0 %	96 829 264	12 239 412	-6 892 226
Huddlestock Technologies AS	100,0 %	13 400 000	14 089 832	-31 950 563
Visigon Nordic AB	100,0 %	60 306 782	-3 289 436	5 335 081
Total		206 708 391	28 743 177	-32 671 573

Note 6 Liabilities

	2023	2022
Debt secured by charges		
Debt to credit institutions	11 383 223	4 000 000
Other long-term debt	4 453 651	5 263 924
Total	15 836 874	9 263 924
Charged assets		
Investments in subsidiaries	206 708 391	81 202 230
Total	206 708 391	81 202 230

Note 7 Inter-company items between companies in the same group

	2023	2022
Receivables		
Other short-term receivables within the group	32 239 914	30 390 514
Total	32 239 914	30 390 514
Liabilities		
Loans from companies in the same group	0	0
Other short-term liabilities within the group	0	0
Total	0	0

HUDDLESTOCK FINTECH AS

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Note 8 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 452 119.

Note 9 Share capital, shareholders etc.

The share capital in Huddlestock Fintech AS as at 31.12 consists of:

	Number	Par value	Posted
Ordinary shares	184 477 549	0,0019	350 507
Total	184 477 549	0	350 507

All shares give the same rights in the company.

Huddlestock Fintech AS had 1 386 shareholders as at 31.12.2023.

Statement of the largest shareholders as at 31.12.2023:

	Shares	Stake in %
Njord Group	12 429 113	6,74
Saa Invest AS	11 000 000	5,96
Vision Invest Stavanger AS	8 486 715	4,60
Bank Julius Bär & Co AG	6 886 274	3,73
Heden Holding AS	5 944 692	3,22
Nordnet Livsforsikning AS	4 619 152	2,50
Gentle Invest AS	4 470 000	2,42
Saamand AS	4 367 684	2,37
Gjedrem AS	4 366 500	2,37
Grunnfjellet AS	3 995 000	2,17
Total	66 565 130	36,08
Others	117 912 419	63,92
Total	184 477 549	100

Huddlestock Fintech AS owns 4 040 715 own shares.

Note 10 Going concern

The board of directors and the CEO (management) confirm that the annual accounts have been prepared on the assumption of a going concern.

Similar to previous years, the company experienced negative cash flow in 2023. This is not uncommon for technology companies, primarily due to being in a developmental phase with significant investments before products become revenue-generating. The company is still in a phase of development and investment and relies on continued liquidity infusion. The company has the stated goal of achieving positive cash flow within one to two years and can demonstrate an improvement in profitability margins through 2023 in its subsidiaries, thanks to initiatives implemented in 2023. Further cost-cutting measures have been decided upon, while full focus is on selling the most profitable products to the market to ensure revenue generation as quickly as possible.

The board closely monitors the liquidity situation and will, if deemed necessary, initiate a process for raising new capital to ensure the company's continued operation. Being publicly listed, the company has raised new capital in the market on several occasions. No decision regarding such capital raising has been formalized as of the date of the annual accounts, but management is confident that the company's and the group's development demonstrate values in a manner that makes it possible to raise new capital or find other strategic solutions. If, against expectations, management fails to raise new capital or find strategic solutions, the company will be unable to meet its ongoing obligations.

If the company is unable to meet its ongoing obligations the carrying amounts of intangible assets and goodwill will be subject to impairment and there will be material uncertainty related to going concern.

Independent auditor's report



RSM Norge AS

To the General Meeting of Huddlestock Fintech AS

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Org.nr: 982 316 588 MVA

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Independent Auditor's Report

Opinion

We have audited the financial statements of Huddlestock Fintech AS showing a loss of NOK 59 570 729 in the financial statements of the parent company and a loss of NOK 86 324 000 in the financial statements of the group. The financial statements comprise:

- the financial statements of the parent company Huddlestock Fintech AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Huddlestock Fintech AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other 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.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av/s er medlem av Den norske Revisorforening.



Material Uncertainty Related to Going Concern

We draw attention to note 15 in the consolidated financial statements, note 10 in the parent company financial statements and the Board of Director's report, which describe that the Company and Group are dependent on raising new capital but that no such capital raising has been formalized as of the date of the annual accounts. These events or conditions, along with other matters as set forth in Note 15 in the consolidated financial statements, Note 10 in the parent company financial statements and the Board of Director's report, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information. The purpose is to consider if there is material inconsistency between the other information and the financial statements or our knowledge obtained in the audit, or whether the other information appears to be materially misstated. We are required to report if there is a material misstatement in the other information. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 conducted in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Kristiansand, 8 May 2024
RSM Norge AS

A handwritten signature in blue ink, appearing to read "Nils Eivind Holst".

Nils Eivind Holst
State Authorised Public Accountant

huddlestock

Huddlestock Fintech AS
Kanalsletta 2, 4033
4005 Stavanger
Norway