

hddlestock

Q1 2024

Results presentation | May 30, 2024

Øyvind Hovland, Chairman of the Board
Leif Arnold Thomas, Group CEO



Q1 2024

- Revenue of NOK 20.6 million, compared NOK 16.6 million in Q1 2023 and NOK 22.6 million in Q4 2023
- EBITDA of NOK -3.8 million, compared NOK -2.4 million in Q1 2023 and NOK -8.0 million in Q4 2023
- Continued profitable Consultancy business with EBITDA-margin of 26% in Q1 2024
- Unlocking growth in Investment-as-a-service (IaaS) business through technology and platform integration
- Bricknode technology launched in the Norwegian market
- New CEO and CFO operational in new roles, set to execute on roadmap to EBITDA-positive
- Focused roles and responsibilities in management team:
 - Daniel Risberg - Appointed CCO with focus on the Nordics
 - Robert Fuchsgruber - Country manager Germany, with focus on the German and central European market
 - Stefan Willebrand - Appointed Chief Information Officer (CIO)

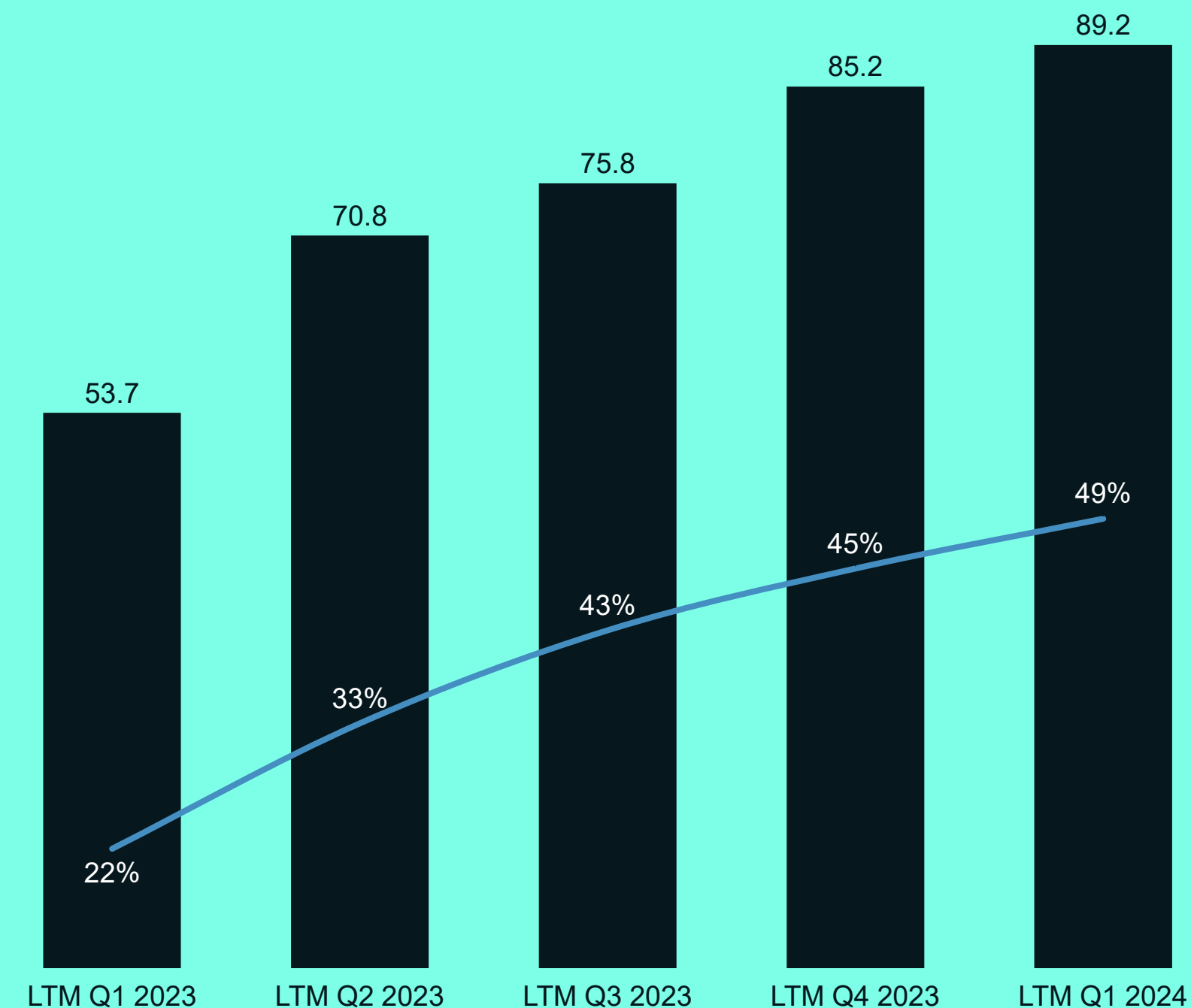
Subsequent events:

- Authorization approved on AGM to issue aggregate convertible loans of up to NOK 40 million
- Secured financing of NOK 12.5 million through convertible shareholder loan on May 29, 2024

Proven growth track record

Last twelve months (LTM) revenue, NOK million

■ Total operating income — % Recurring IaaS-revenue



Our two-sided business model

Empowering modern financial services

Investment as a Service

Access to investment tools and expertise without the need for extensive infrastructure or in-house resources

Recurring sales model

- Monthly licenses
- Assets under management/Assets under Administration
- Transaction fees

Consulting services

Customized strategic and technical solutions assisting clients improving their operations

Project based

- Multiyear relations to large multinational institutions
- Highly experienced team

hddlestock

Our customers

Financial products and services companies



Incumbents

Competitive pressures and evolving client demands rapidly evolving; New products and features, more personalization and seamless digital and hybrid experiences.

- Access to distribution network for technology
- Higher immediate revenue gains
- Higher customer acquisition costs

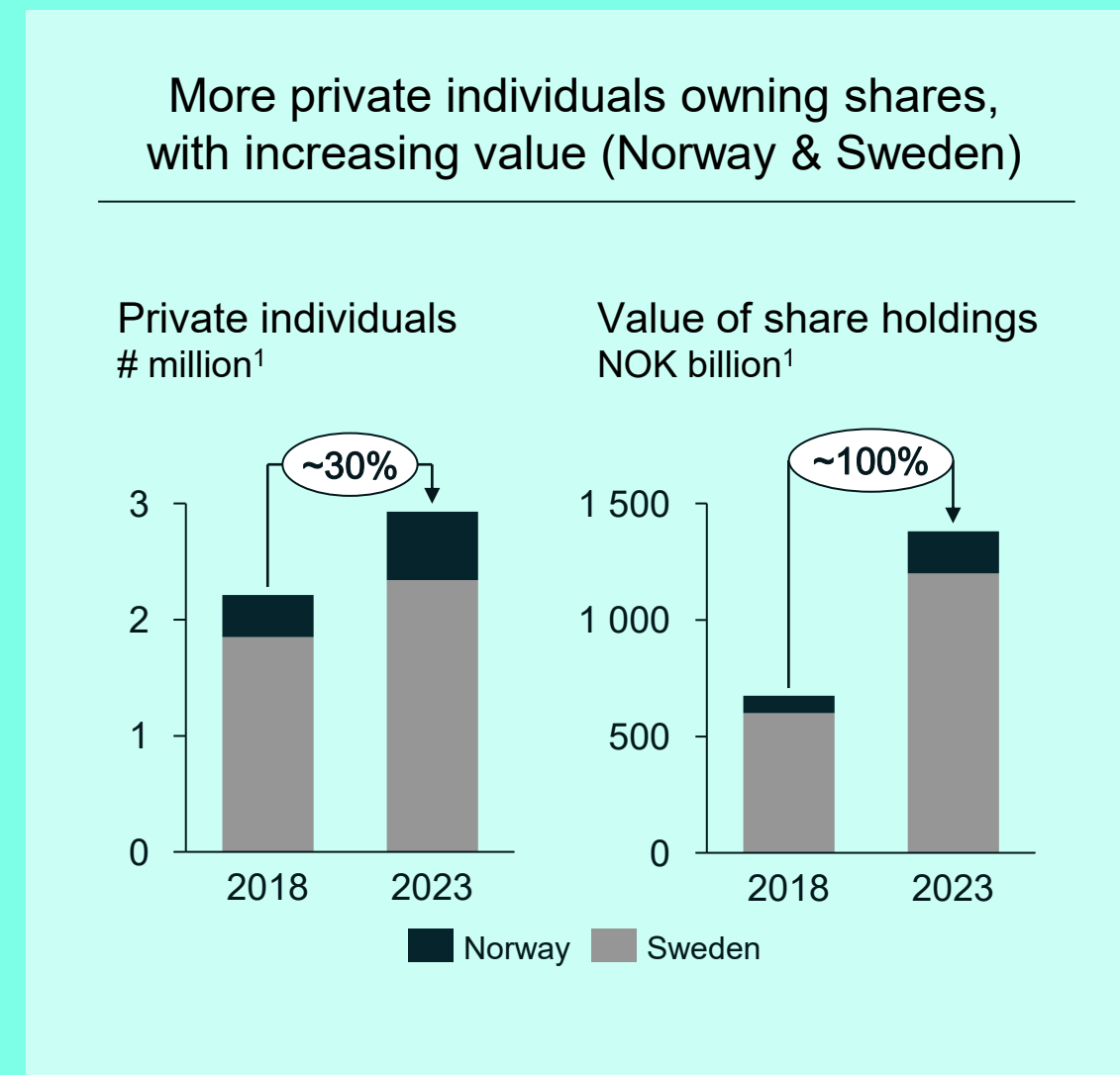
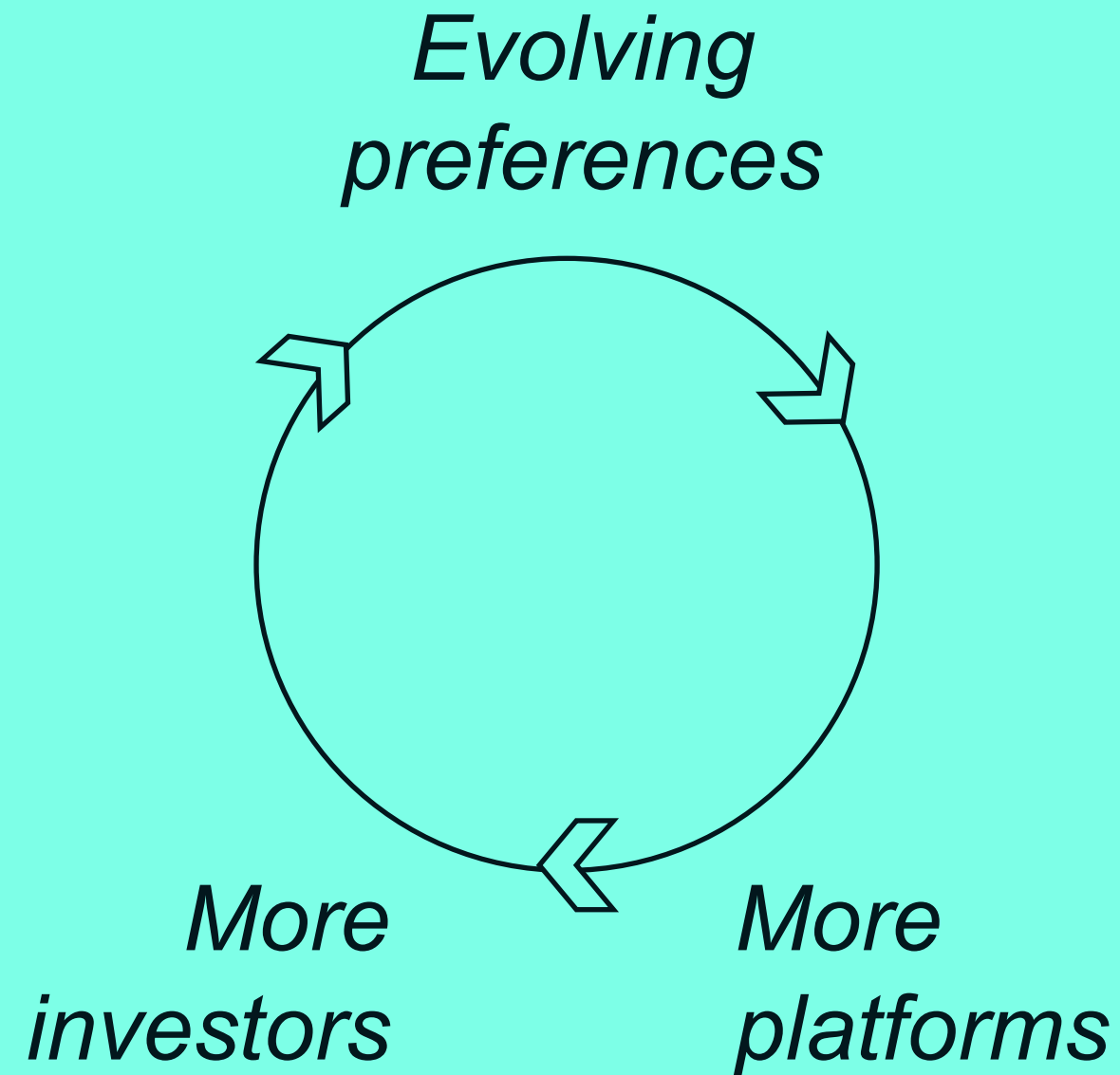


Startups

New investment services requires complex and resource heavy work; Acquiring licenses, developing user experiences and establishing compliance processes

- Lower immediate revenue gains
- Lower customer acquisition costs

A self reinforced growth market for IaaS



Huddlestock's IaaS value drivers

- Monthly recurring licenses
- Transaction fees
- Assets under management/ Administration

~7 000

End-clients served through B2B customers

~11 000

Number of end-client accounts through B2B customers

High value to capture in existing markets

Norway + Sweden: *Technology integration*

- Large serviceable market for IaaS offering identified
- High priority-platform technology integration enabling cross border new sales and up-sales to existing customers

Grow consultancy business

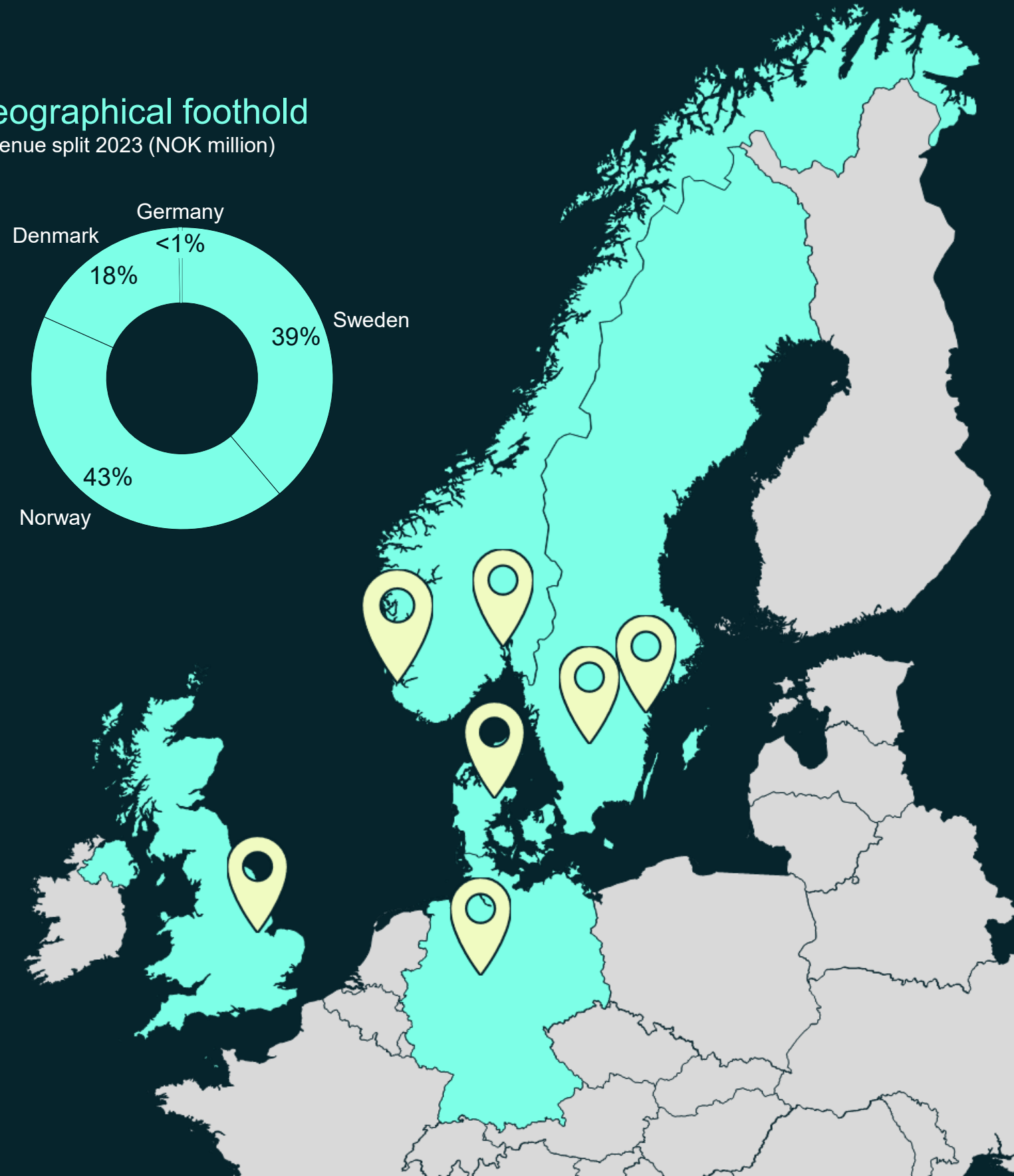
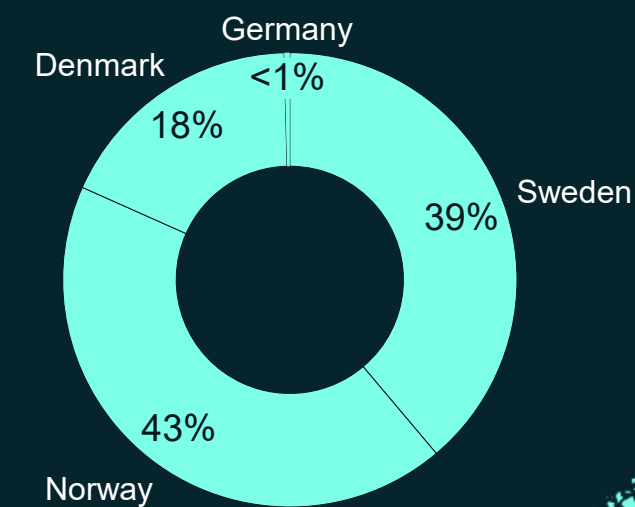
- Strong foothold in Denmark and Sweden
- Started to explore growth avenues within financial services, including geographical expansion and new business areas

Germany: *Additional upside potential*

- Large growing market for Huddlestock platform services
- M&A opportunities with potential to accelerate time to market
- Slow progress in announced LOI with AVL in January

Geographical foothold

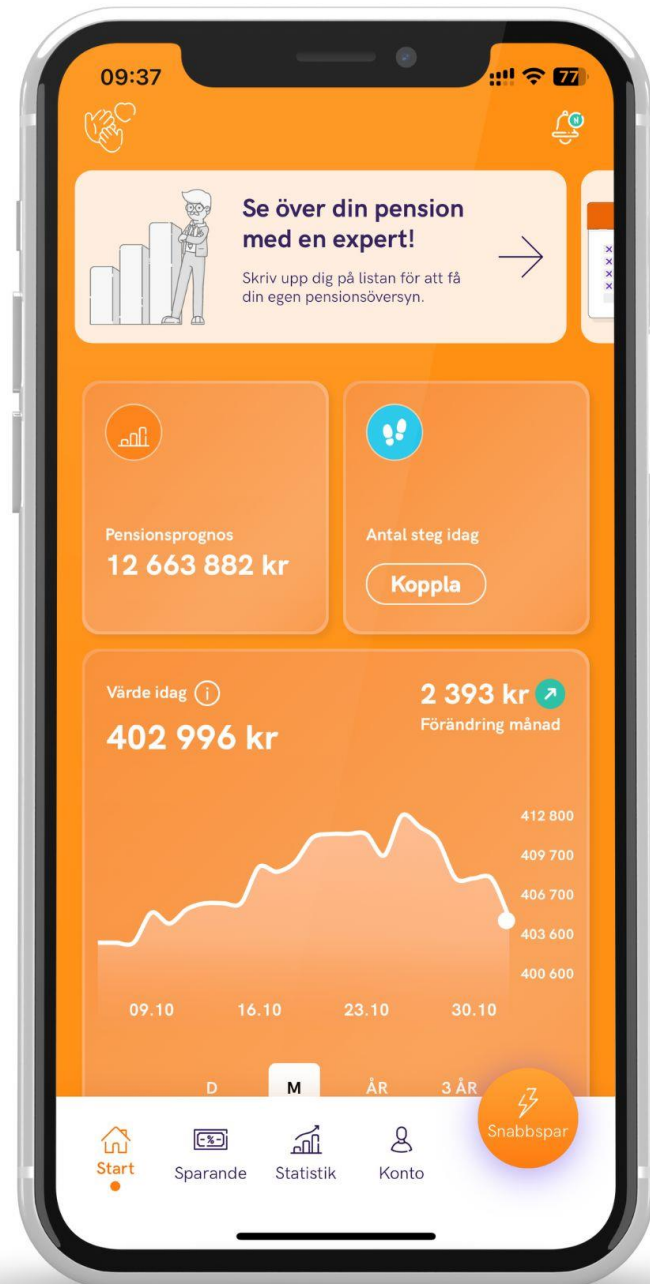
Revenue split 2023 (NOK million)



Key product and integration deliveries in Q1 2024

- ✓ Huddlestock added as a financial administration system in Microsoft AppSource
- ✓ Integration to support Norwegian bank payments
- ✓ Integration with AvtaleGiro, enabling Bricknode to process automatic payments in Norway, mostly used for recurring savings plans
- ✓ Upgrade to support BankID Secure Start in Sweden
- ✓ Automation of Fund trading and ETF trading





Nowo enabling scale through integration of Huddlestock technology

- Nowo is a Swedish savings platform that offers unique ways for individuals to build wealth
- Nowo selected the investment management system from Huddlestock in 2023 offering flexibility in several areas including fund order management, market support and integration
- Since integrating Huddlestock's platform, Nowo has been able to focus on growing its business and now has over 100 000+ savings customers



"...we have more time to focus on our customers and fund management. We now have a scalable system in place that future-proof our operations as we progress"

Rutger Selin, CEO at Nowo fund management

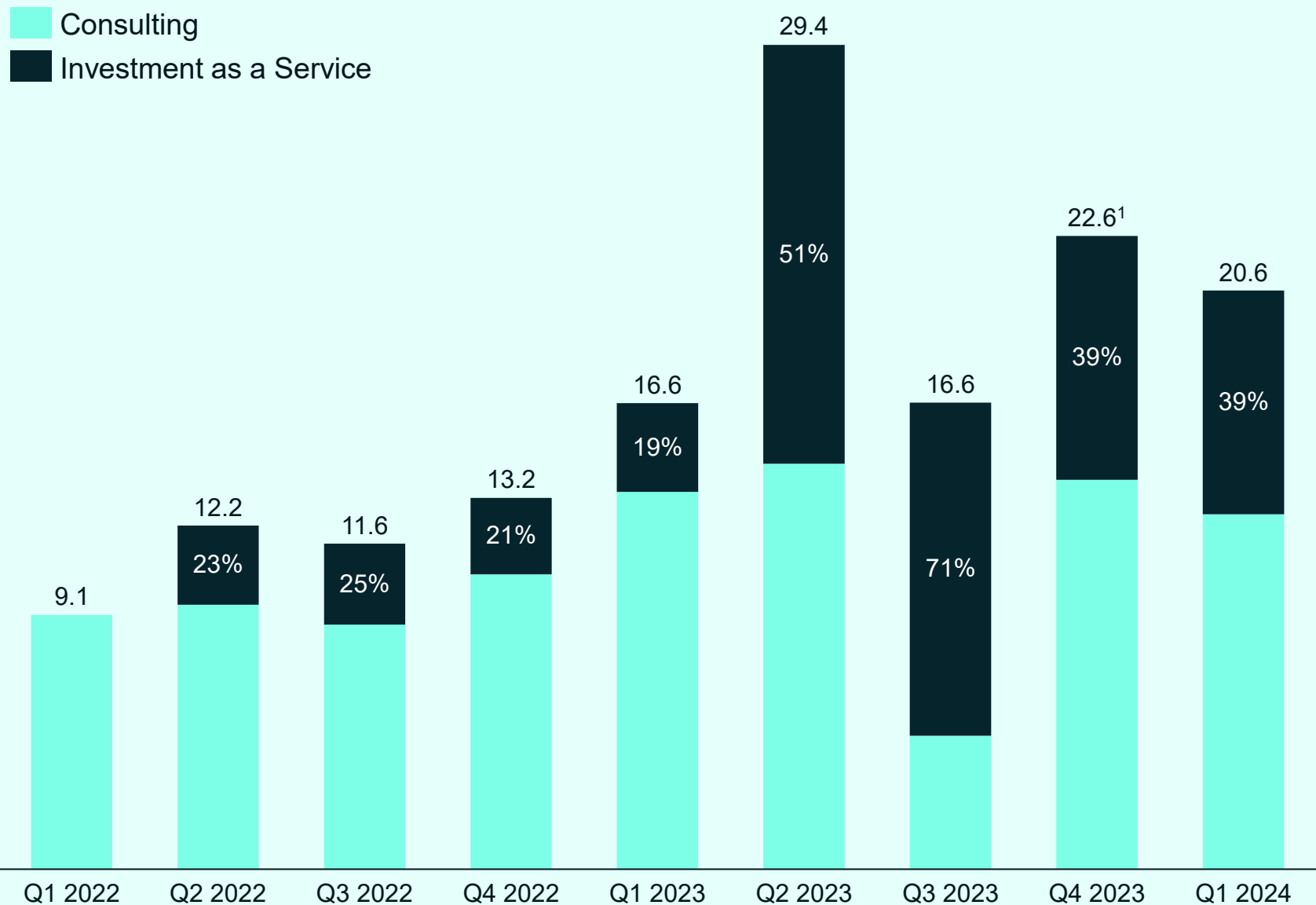
Financial review



Year over year revenue growth supported by acquisitions

Quarterly revenue development

Unaudited, NOK million



1. Reported unaudited Q4 2023 revenue adjusted in accordance with audited Annual Report for 2023

- Revenue growth of 24% compared to Q1 2023 supported by three acquisitions and offset by the divestment of Huddlestok Solutions (F5IT)
- Recurring IaaS-revenue representing 39% of Q1 2024 revenue while remaining 61% related to Consulting
- Recurring IaaS revenue drivers impacted by number of B2B customers and products offered, as well as stock market development through:
 - Monthly recurring licenses
 - Transaction fees
 - Assets under management (AuM/AuA)
- Consulting business from professional services related to technology implementation

Key figures

Profit and loss statement

Unaudited, NOK million

	Q1 2024	Q1 2023	Q4 2023 ¹
Total operating income	20.6	16.6	22.6
Cost of materials/subcontractors	0.1	-5.2	2.7
Personnel cost	-17.1	-14.4	-18.6
Other operating expenses	-7.4	0.6	-14.8
EBITDA	-3.8	-2.4	-8.0
Depreciation, amortization and impairments	-12.0	-6.6	-28.6
EBIT	-15.8	-8.9	-36.7
Net financial items	-0.6	-0.4	-4.5
Result before tax	-16.3	-9.3	-41.2
Net result	-16.4	-9.0	-41.1

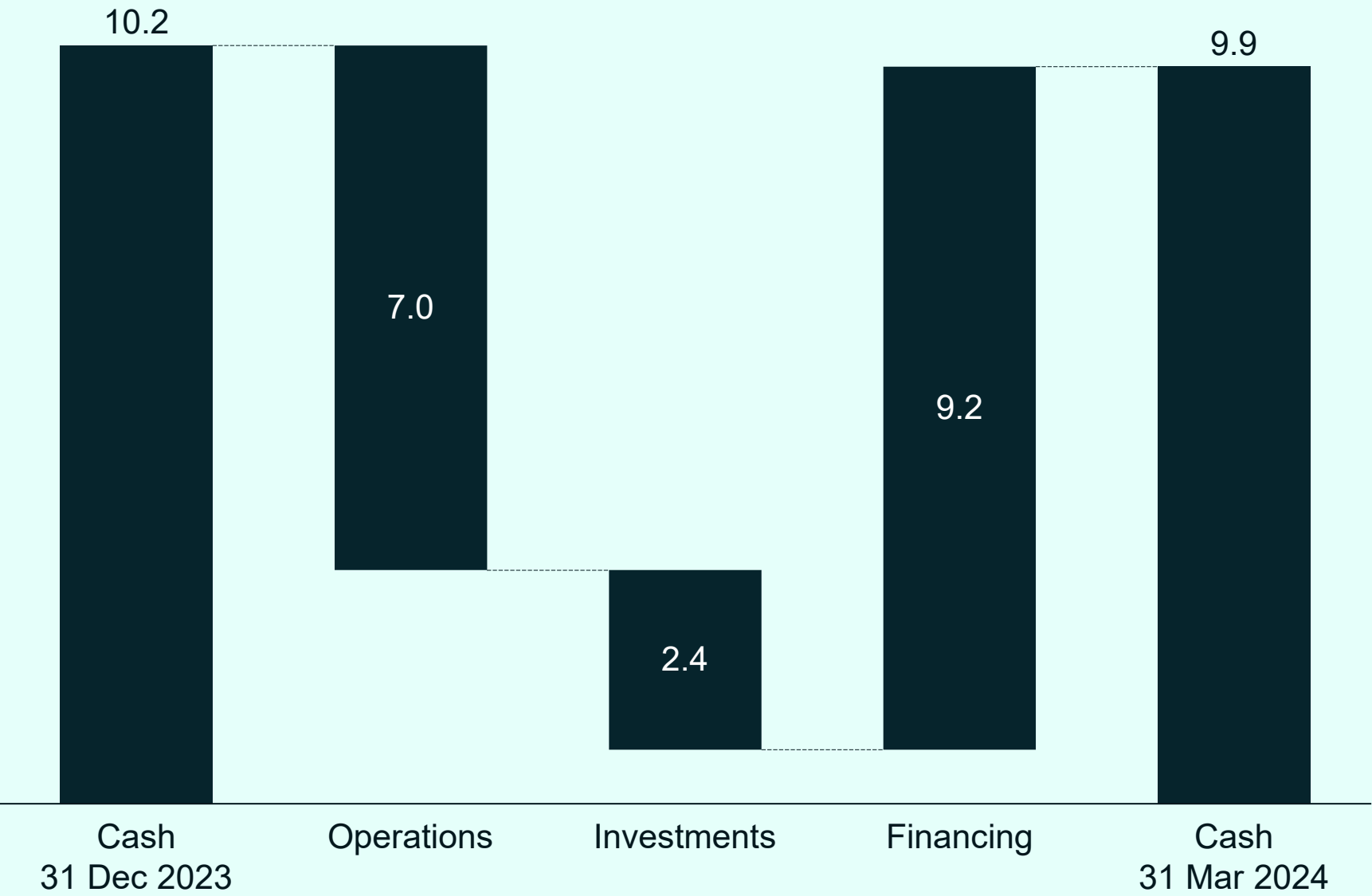
- 24% revenue growth compared to Q1 2023 supported by three acquisitions
- Increased personnel costs following acquired companies compared to Q1 2023
- Other operating expenses increase compared to Q1 2023, but reduced compared to Q4 2023
- EBITDA-improvement compared to Q4 2023, however still negative at NOK 4 million
- Higher depreciation, amortization and impairments reflecting acquisitions
- Net result of negative NOK 16 million

1. Reported unaudited Q4 2023 revenue adjusted in accordance with audited Annual Report for 2023

First quarter cash flow

Q1 2024 cash flow

Unaudited, NOK million



- Cash flow from operations reflects a profitable Consultancy business and a IaaS-business with high growth potential
 - Investments represents net additions in intangible assets related to technology development
 - Financing mainly reflects increased debt of NOK 9 million from existing credit facility offset by repayment of short-term debt
 - Overall slight decrease in cash position to NOK 10 million at the end of Q1 2024
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- Subsequent to Q1, Huddlestock secured additional funding through a NOK 12.5 million convertible loan to existing shareholders

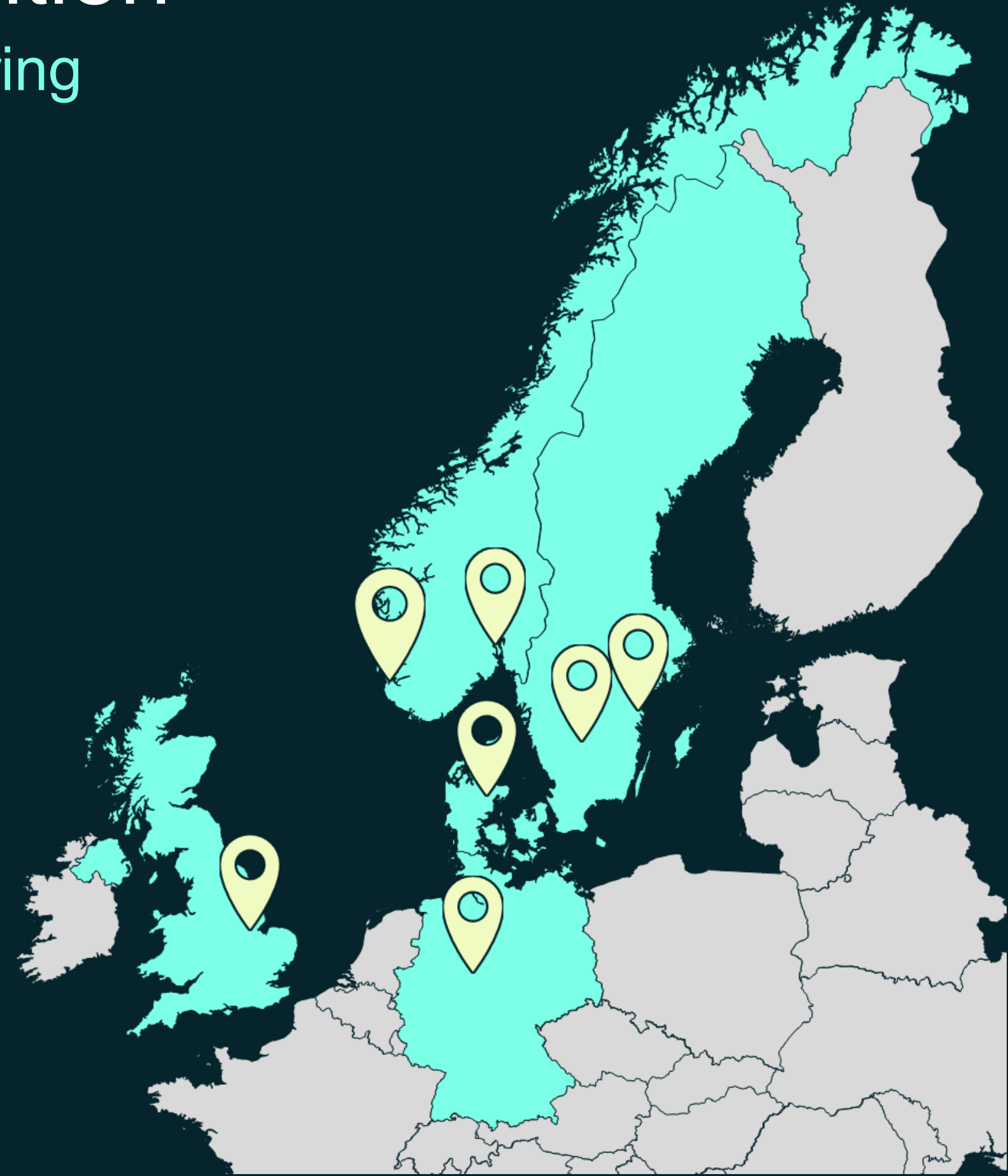
Summary and outlook



Building on a unique market position

The only complete Investment as a Service offering

- Continued profitable consultancy business
- Unlocking growth in Investment-as-a-service (IaaS) business through technology and platform integration
- Secured NOK 12.5 million funding through convertible shareholder loan at May 29, 2024
- Executing on roadmap to EBITDA-positive
 - Focus on recurring 'Investment as a service'-sales
 - Enhance sales efforts in existing sales organization
 - Continue to grow professional services business
 - Increase efficiency and enhance structures
 - Cost control and cost reduction



Q&A



Øyvind Hovland
Chairman of the Board



Leif Arnold Thomas
CEO



Appendix



Consolidated income statement

Unaudited in NOK

	Q1 2024	Q4 2023	QoQ	Q1 2023	YoY
Operating income					
Other operating income	20 613 359	22 559 177	-9 %	16 600 346	24 %
Total operating income	20 613 359	22 559 177	-9 %	16 600 346	24 %
Operating expenses					
Cost of materials/subcontractors	86 425	2 718 832	-97 %	-5 209 862	-102 %
Personnel costs	-17 119 365	-18 566 333	-8 %	-14 360 800	19 %
Other operating expenses	-7 371 618	-14 756 613	-50 %	600 765	-1327 %
Total operating expenses	-24 404 557	-30 604 114	-20 %	-18 969 897	29 %
EBITDA	-3 791 199	-8 044 937	-53 %	-2 369 551	60 %
Depreciation, impairment and amortisation	-11 972 874	-28 614 934	-58 %	-6 558 546	83 %
EBIT	-15 764 073	-36 659 871	-57 %	-8 928 097	77 %
Financial income					
Interest income	12 257	674 957	-98 %	0	0 %
Other financial income	55 174	90 056	-39 %	36 214	52 %
Total financial income	67 431	765 012	-91 %	36 214	86 %
Financial expenses					
Interest expenses	-560 357	-1 430 605	-61 %	-231 950	142 %
Other financial expenses	-72 131	-3 844 364	-98 %	-182 064	-60 %
Total financial expenses	-632 488	-5 274 969	-88 %	-414 014	53 %
Net financial items	-565 057	-4 509 956	-87 %	-377 799	50 %
Result before tax	-16 329 131	-41 169 827	-60 %	-9 305 897	75 %
Income tax	-48 306	56 880	-185 %	284 312	-117 %
Net result	-16 377 437	-41 112 948	-60 %	-9 021 584	82 %

Consolidated statement of financial position

Unaudited in NOK

Consolidated Balance Sheet

	31.03.2024	31.12.2024
Non-current assets		
Intangible assets		
Research and development	56 397 961	58 138 522
Goodwill	113 195 640	116 449 291
Technology	17 366 095	18 515 698
Customer contracts and relations	12 563 030	14 171 778
Licenses	26 610 876	28 469 988
Total intangible assets	226 133 603	235 745 276
Fixed assets		
Investment in subsidiaries	0	0
Loan to group companies	-756 701	0
Investment in equities	329 771	322 719
Property, plant & equipment	190 408	199 483
Total fixed assets	-236 522	522 201
Total non-current assets	225 897 081	236 267 478
Current assets		
Receivables	0	0
Trade receivables	14 709 494	11 347 040
Other short-term receivables	2 546 924	5 952 937
Total receivables	17 256 417	17 299 977
Bank deposits, cash and cash equivalents	9 897 167	10 183 903
Total current assets	27 153 585	27 483 880
Total assets	253 050 665	263 751 358

Equity

Paid-in capital		
Share capital	362 215	350 957
Own shares	-4 796	-5 335
Other paid-in capital	0	0
Capital increase not registered	0	13 561 756
Share premium	193 927 505	180 377 457
Total paid-in capital	194 284 924	194 284 835
Other equity		
Capital Reserves	0	0
Other equity	-54 944 092	-38 548 773
Total other equity	-54 944 092	-38 548 773
Total equity	139 340 832	155 736 062
Liabilities		
Long-term liabilities		
Other long-term liabilities	671 287	675 778
Deferred tax	7 482 741	8 144 578
Total long-term liabilities	8 154 028	8 820 356
Short-term liabilities		
Accounts payable	3 066 780	6 661 053
Payroll taxes, VAT etc.	8 097 746	8 422 709
Loans and borrowings	28 885 260	19 336 874
Other short-term liabilities	65 506 019	64 774 304
Total short-term liabilities	105 555 805	99 194 940
Total liabilities	113 709 833	108 015 296
Total equity and liabilities	253 050 665	263 751 358

Consolidated statement of cash flow

Unaudited in NOK

Consolidated Cash Flow

	3M 2024	2023
Profit/loss before tax	-16 329 131	-87 129 435
Depreciation and amortisation	11 972 874	63 973 602
Changes to accounts receivable	-3 362 454	-527 235
Changes to accounts payable	-3 594 273	-2 870 269
Changes to other accruals and prepayments	3 812 766	53 849 179
Changes to other accruals and prepayments adjustment	452 395	-51 125 078
Net cash flow from operating activities from continuing operations	-7 047 822	-23 829 236
Net additions intangible assets & Property, plant & equipment	-2 413 675	-51 045 929
Adjustment ned additions assets aquision/sale of company	0	29 522 000
Aquisition/sale of subsidiaries, net of cash aquired	0	12 086 429
Net cash flow from investment activities from continuing operations	-2 413 675	-9 437 501
Proceeds from capital increase	0	22 500 000
Costs of capital increase	0	0
Treasury shares	0	6 307 579
Loans obtained	9 758 913	12 531 000
Repayment of loans	-584 152	-791 777
Net cash flow from financing activities from continuing operations	9 174 761	40 546 802
Net changes to cash and cash equivalents from continuing operations	-286 737	7 280 066
Bank deposits, cash and cash equivalents per 1.1.	10 183 903	2 903 838
Bank deposits, cash and cash equivalents per 31.03.	9 897 167	10 183 903

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Huddlestock Fintech AS
Kanalsletta 2, 4033
4005 Stavanger
Norway