



# **huddlestock**

## **Annual Report 2021**

(audited)

*Democratizing access to capital markets*

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# Democratizing access to capital markets

DIRECT ACCESS TO CAPITAL MARKETS  
>30,000 FINANCIAL INSTRUMENTS

Equities

Equity Indices

Bonds

Commodities

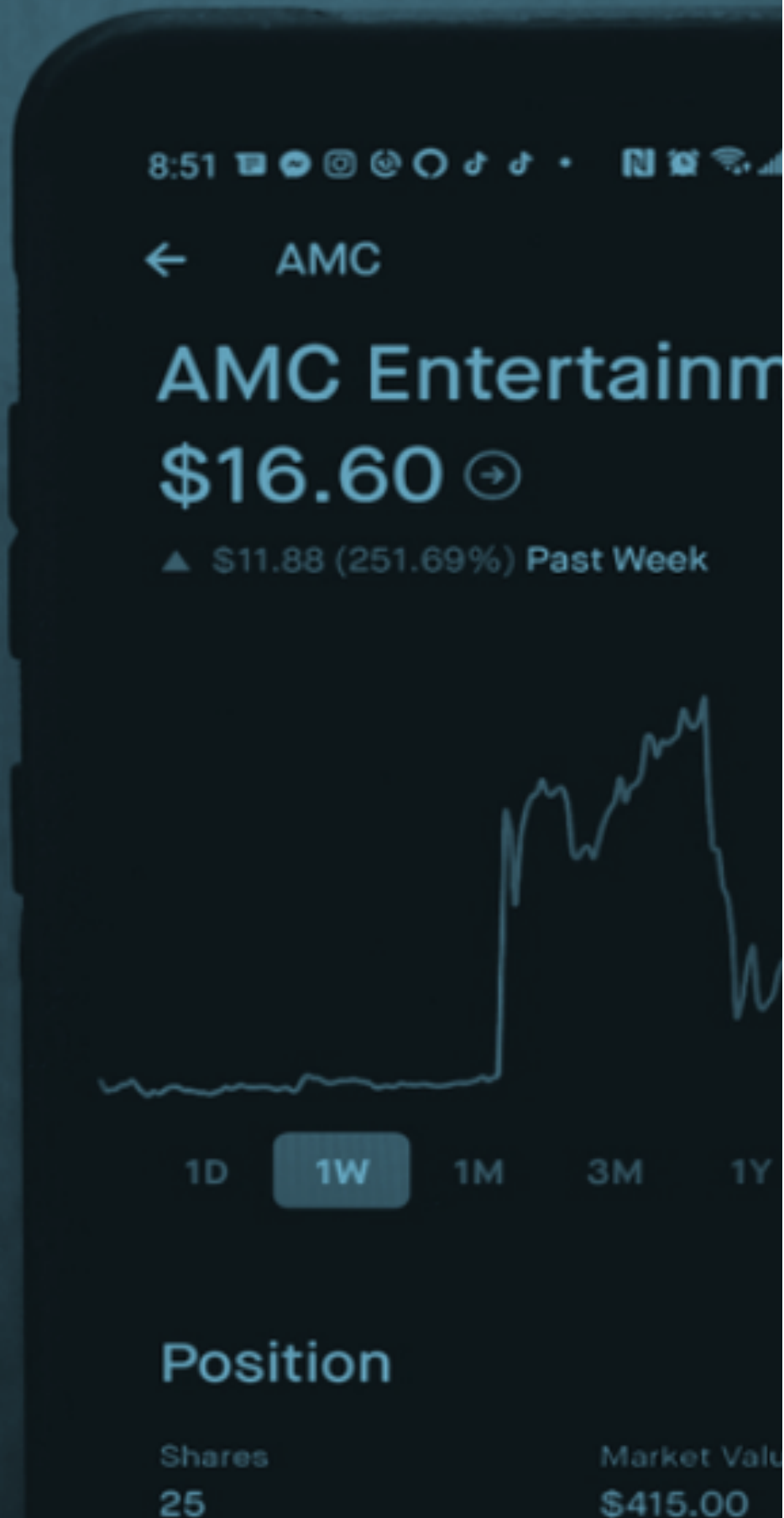
ETFs

ETNs

ETCs

ETPs

huddlestock



## ABOUT HUDDLESTOCK

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

Through its technology offering, Huddlestock offers an innovative, compliant, and data-centric WealthTech SaaS, accelerating the digital transformation, and trends of hyper-personalization and on-demand banking within the wealth management industry. Huddlestock's SaaS empowers the embedding of low-cost, efficient white-label trading and investment services, underpinning Huddlestock's mission of delivering financial inclusion by democratizing access to capital markets.

Through its world-class expert professional services business, Huddlestock delivers strategic technology solutions and process automation for the financial services industry. This range of services has propelled Huddlestock into becoming the preferred supplier of financial consultancy services and technology solutions in the Nordic region. Huddlestock Fintech AS is regulated by Bafin and was listed on Euronext Growth Market 26 November 2020, as Norway's first fintech company to be publicly traded.

For more information, please visit [www.huddlestock.com](http://www.huddlestock.com)





## Purpose and values

Our mission is to deliver financial inclusion by democratizing access to capital markets:

Our values are agility, collaboration, inclusion, ambition, innovation, and accountability.

**Technology First.**

## Our values



Agility



Collaboration



Inclusion



Ambition



Innovation



Accountability

## UN Global Compact Signatory

Huddlestock Fintech AS signed up to the UN's Ten Principles on human rights, labour, environment, and anti-corruption in 2021. Delivering on the (UN) Sustainable Development Goals is an integral part of Huddlestock's corporate strategy, organizational culture, and ethos, and we remain committed to publish our sustainability targets and first report in 2022.

***"We believe in technology as an important enabler in tackling the global challenges our world faces today. Through technology, business can create new and innovative solutions, contributing to the advancement of the Global Goals for our global and local communities in a sustainable and responsible way," says John E. Skajem, CEO, Huddlestock Fintech.***

*The United Nations Global Compact is a special initiative of the UN Secretary-General and is a call to companies everywhere to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment, and anti-corruption. It is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 60 Local Networks.*



## Norway's first listed Fintech

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



30 colleagues

5 global locations

Norway, Sweden, Denmark, Malaysia, Germany



# Delivering above targets in FY 2021

Pro-forma\* adjusted\*\* numbers

Pro-forma Revenues\*

**41.9m**

(2021 target 38 to 41m)

NOK

Pro-forma EBITDA (adj)\*/\*\*

**-5.6m**

(2021 target -3.5 to -5.5m)

NOK

Total Equity

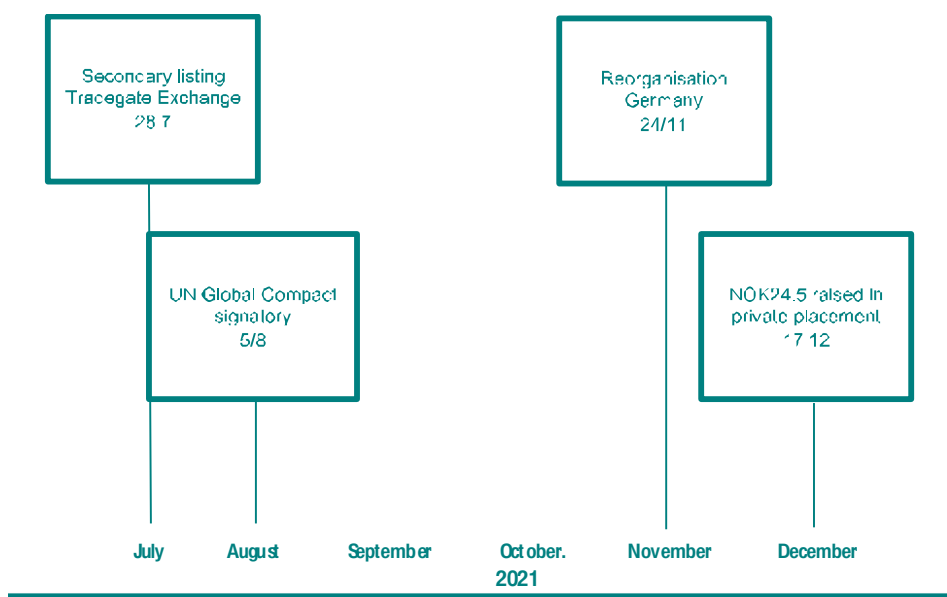
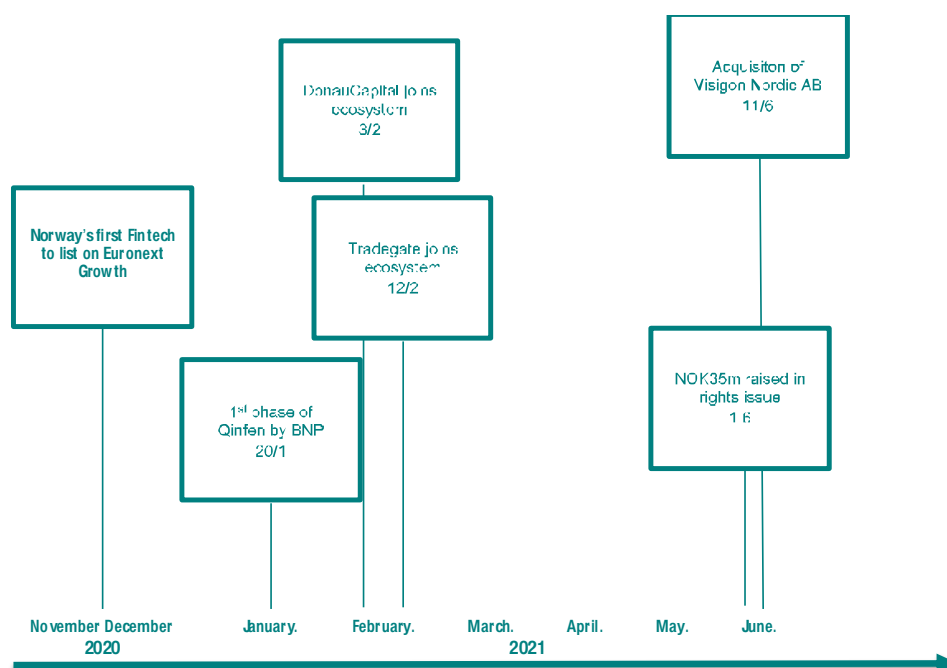
**114.3m**

NOK

\*Reported numbers include Visigon from the close of the transaction on June 11<sup>th</sup> 2021. \*\*Proforma numbers include Visigon's accounts from 1<sup>st</sup> January 2021. Adjustments are NOK2m one-off costs and NOK4.5m in goodwill depreciation linked to the acquisition of Visigon and NOK300K loss on the sale of Dovre Forvaltning.



## HIGHLIGHTS IN 2021





## LETTER FROM THE CEO

In 2021, Huddlestock Fintech AS positioned itself as a leading Fintech infrastructure provider for banks and financial institutions in Europe. In 2022, the Company is embarking on the next strategic steps, accelerating growth, scaling up operations and upgrading our regulatory license. Achieving a full investment banking license will enhance the Company's client service offering as an end-to-end provider of fully embedded trading and investment services, alongside its world-class expert professional services business.

The banking sector is in a state of flux. Undergoing enormous transformational change to bring core systems in line with the requirements of the 4<sup>th</sup> industrial revolution. With multiple trillions of financial assets moving to the hands of new generations in the next years, financial advisory in all its shapes and forms will become increasingly digitized. Offering real-time, hyper-personalised and value-based experiences to existing and future clients is no longer a choice. To stay ahead of the game and continue to attract increasing share of customer wallets, managers need to act today. With our new colleagues at our expert capital markets consultancy Visigon on board, we can offer customized strategic and technical solutions across the entire value chain.

In 2021, we ramped up investment spend on our technology, organisation, and talent. We acquired the leading Nordic expert consultancy Visigon Nordic AB. Adding 20+ capital markets technology experts. A significant milestone for the company. Since inception, Visigon's expert consultants have established themselves as the leading player in the Nordics with significant multiyear relationships with most Swedish and Danish banking groups, disruptor neobanks and (innovative) platforms. We see multiple opportunities for growth, both at home in the Nordics and by exporting the Visigon experience globally, throughout our global footprint. The next steps are to build on Visigon's strong footprint and reputational excellence in the Nordic markets by introducing a customised local white-label trading solution based on Huddlestock's innovative technology.

The German market is a core focus for the group. Banks, financial platforms, and other financial intermediaries need innovative trading and investing solutions. Following the departure of the CEO of Huddlestock Systems GmbH at the end of 2021, followed by a thorough (re)assessment of Huddlestock's commercial portfolio, against both technology, profitability, and governance metrics, the process of rebuilding and growing the German operations has started. The global health pandemic, recent geopolitical events in Ukraine, and the reorganisation of our German operations delayed somewhat our delivery plans for Huddlestock Technology. An important step in the scaling up of our German operations has been the recruitment of a new and experienced management team. We are delighted that Robert Fuchsgruber agreed at the beginning of 2022 to become the



Managing Director of Huddlestock's German operations. With Robert at the helm, focused on ongoing client commitments, and in growing our footprint in our focus markets we are confident that the German market will become an important contributor to the group's profits.

A core pillar of our growth strategy is the creation of shareholder value through selective and accretive acquisitions, and we entered discussions to fully acquire the software developer F5 IT in an all-share deal. A term sheet was signed 30 March 2022. Going forward our M&A strategy will continue to stay focused on targets where we find significant synergies and which support Huddlestock's "technology first" focus.

Our employees are critical to our organisation and competition for talent is increasing. Employees with high levels of technical insight and expertise are in strong demand. Attracting the right people is key. Ensuring they stay committed to working with us for many years to come is a key focus for my management team and I am delighted that we have been able to attract so many talented employees to our organisation thus far. We are fortunate to have such an excellent team.

Working closely with the Board of Directors, we are lucky to have a board composed of serial entrepreneurs, with a strong passion for supporting new and innovative technology solutions that make a difference. This encourages us to continue to invest in research and development to grow our offering. Over the past year(s) we have enjoyed financial support from Innovation Norway and the Norwegian government's R&D support scheme (Skattefunn).

Together with our Board of Directors and our talented employees, we are ready to build a diverse and global company focused on innovation and remaining fully committed to serving our customers. Together with our global team, I look forward to the next steps of our exciting journey of delivering the Nordic spirit of inclusive growth globally.

***Huddlestock Fintech - Democratizing capital markets***

*John E Skajem*

**John E. Skajem**

**Chief Executive Officer**

## THE SHARE

**Huddlestock is a company run by the shareholders for the benefit of all shareholders.**

We are focused on creating value for our shareholders, customers, and society, while remaining an innovative and market leading fintech.

While our share has seen both all-time highs and lows during the past year, we are pleased to report that the performance has mirrored that of our closest peers in the First North Technology Index when adjusted for two capital dilutions, in June the company raised NOK 34.5 million in a rights issue for the acquisition of the Swedish expert consultancy Visigon Nordic and in December the company raised NOK 24.5 million in a private placement to extend its banking license to a full-service investment banking license. On April 26<sup>th</sup>, Huddlestock Fintech signed a Market Maker agreement with Norne Securities. The purpose of the agreement is to increase the liquidity of the shares of the company, traded on Euronext Oslo Stock Exchange, and we are pleased to report that we have seen a significant increase in the daily average liquidity since IPO.

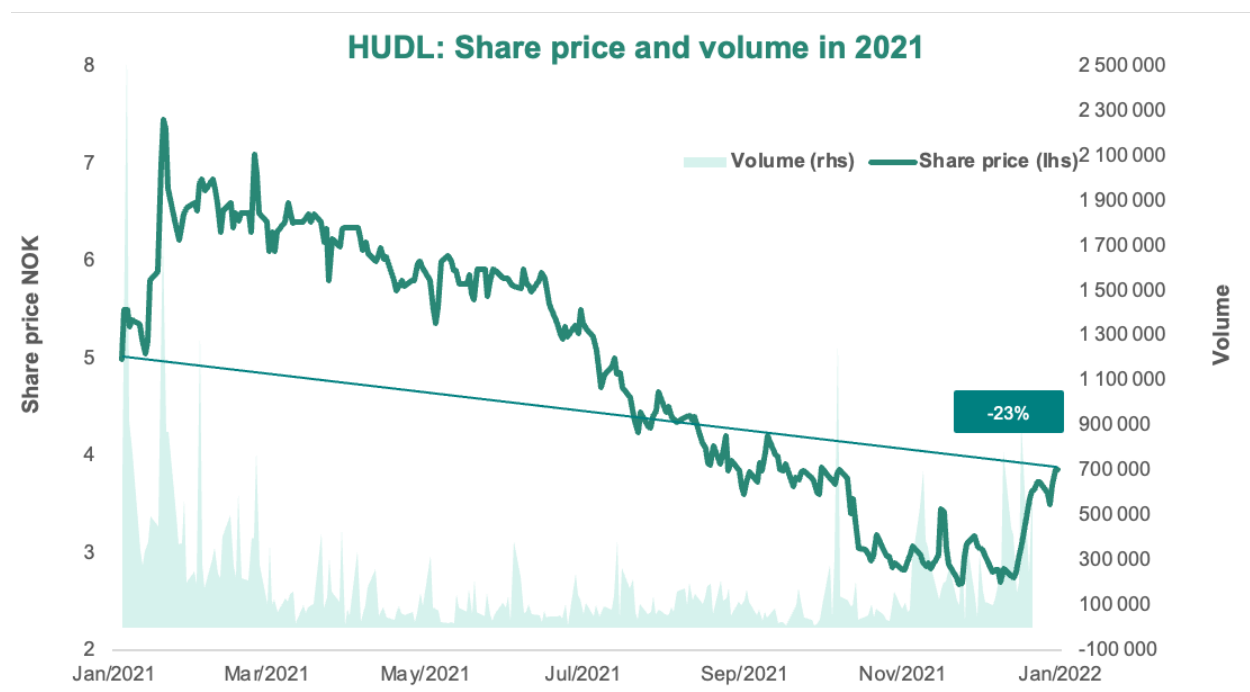
Huddlestock Fintech AS was listed on Euronext Growth Market 26 November 2020, as Norway's first fintech company to be publicly traded. On 28 July 2021, we were admitted to trading on Tradegate Exchange, Deutsche Börse's securities exchange for private investors. The secondary listing opens up ownership of the company's equity to Euro denominated investors.

Trading on Oslo Stock Exchange – Euronext Growth continues to be the primary listing venue.

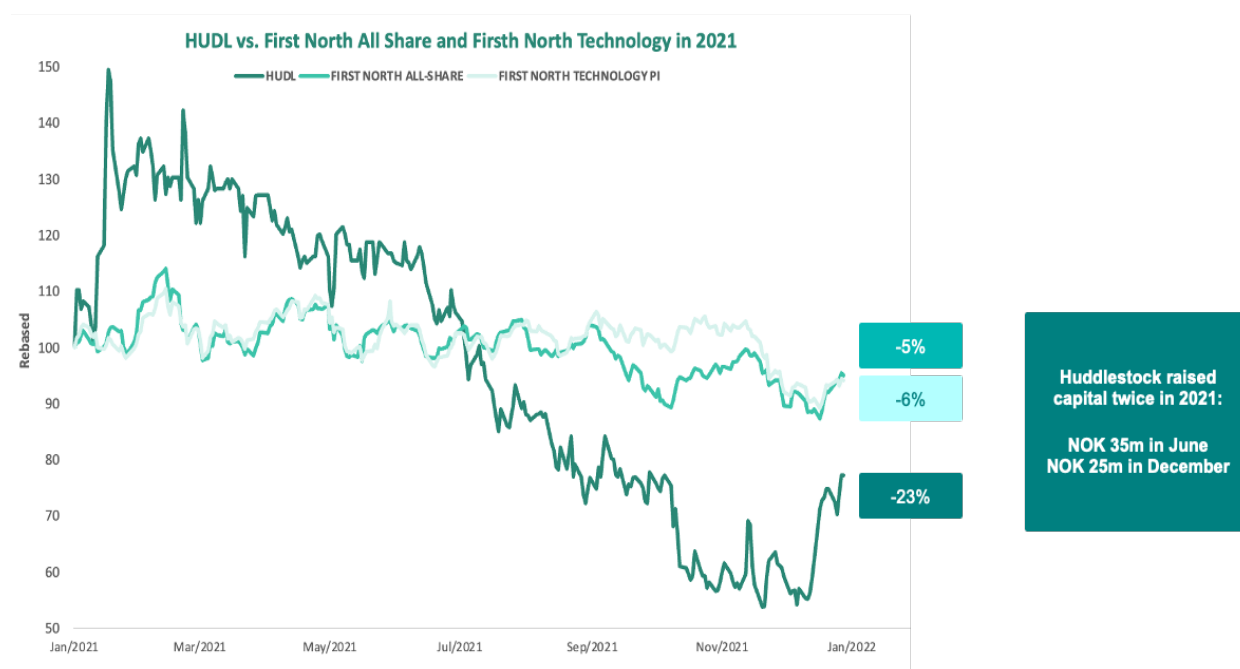
### HUDDESTOCK TOTAL RETURN – ABSOLUTE AND RELATIVE IN 2021

Huddlestock total return (%)	2021	Since HUDL IPO 26/11 2020
Annual share price return	-23%	74%
Share price at year end (NOK)	3,85	4,00
Highest closing price during the year (NOK)	8,19	4,00
Lowest closing price during the year (NOK)	2,70	2,10
Annual return OBX	25%	4%
Annual return First North All-Share	-5%	16%
Annual return First North Technology	-6%	13%

## HUDDLESTOCK SHARE PRICE AND VOLUME IN 2021



## HUDDLESTOCK SHAREPRICE VS FIRST NORTH ALL-SHARE AND FIRST NORTH TECHNOLOGY



## HUDDLESTOCK SHARE CAPITAL AND SHAREHOLDER STRUCTURE

At year-end 2021, Huddlestock's share capital was NOK 111.423 million, divided into 119 302 483 shares, each with a nominal value of NOK 0,0019.

The core shareholder group of Huddlestock's 20 largest shareholders, its founders, management, and employees, represented 65% of the total shareholders at end 2021.

1203 shareholders  
end 2021

### TOP 20 SHAREHOLDERS

Rank	Executive Shareholders	No shares	% shares
1	VISION INVEST STAVANGER (incl. Huddle Holding)	8 935 241	7,49%
2	RETROPI LIMITED	7 607 608	6,38%
3	BERKER GROUP AS	6 597 665	5,53%
4	GRUNNFJELLET AS	5 408 334	4,53%
5	SIX SIS AG	4 997 603	4,19%
6	SAAMAND AS	4 356 532	3,65%
7	GENTLE INVEST	4 286 000	3,59%
8	SAA INVEST AS	4 200 000	3,52%
9	E HOLDING AS	3 031 454	2,54%
10	STEIN HEGRE HOLDING AS	2 995 000	2,51%
11	COLIBRI INVEST AS	2 687 636	2,25%
12	NORDNET BANK AB MEGLERKONTO	2 501 764	2,10%
13	HOGNAN INVEST	2 494 512	2,09%
14	GJEDREM AS	2 406 000	2,02%
15	EASYACCOUNTING OSLO AS	2 123 077	1,78%
16	BILL INVEST AS	1 966 847	1,65%
17	ØSTLANDSKE PARKERING AS	1 923 077	1,61%
18	KT GLOBAL INVEST AS	1 923 077	1,61%
19	AVANZA BANK AB	1 825 757	1,53%
20	VALINOR AS	1 563 852	1,31%



A dramatic landscape of a deep canyon with a river at the bottom and a person on a cliff edge. The scene is captured from a high vantage point, looking down into the canyon. The river is a vibrant blue, contrasting with the grey and green of the rocky cliffs. A person is standing on the edge of a rocky outcrop in the foreground, looking down at the river. The sky is filled with soft, white clouds, and the overall atmosphere is one of awe and adventure.

Creating sustainable value for shareholders

**hddlestock**

## THE BOARD OF DIRECTORS HUDDLESTOCK FINTECH AS



**Øyvind Hovland, Chairman.**

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



**Stig R. Myrseth, Board Member\***

Stig Myrseth has a distinguished and long-standing career as a financial analyst, asset manager and founder of financial institutions among others a brokerage firm, a fund management company and a bank. He has a strong brand and reputation as one of Norway's leading financial experts.



**Ramtin Matin, Board Member\***

Ramtin Matin 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.



**Murshid Ali, Board Member.**

Murshid is a board member and co-founder of Huddlestock. He has a PhD degree in Economics, and holds a master's degree from Grenoble Ecole de Management, and a degree from NTNU. He has almost a decade of experience as an entrepreneur, primarily within the renewable energy and financial industry.

## THE EXECUTIVE TEAM



### John E. Skajem, Group CEO

John E. Skajem is the Group CEO of Huddlestock Fintech AS. 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 an MBA from the University of Chicago.



### Cecilia Luras, Chief of Strategy & Investor Relations

Cecilia is responsible for Strategy and Investor Relations. She has a strong track record from leading global investment banks and asset managers in London, Paris and Bergen. She has a Master's in Management, Politics, Economics from the University of St Andrews, an undergraduate degree from Durham University.



### Petter Midtsian, CEO Sweden

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.



### Gustav Ekeblad, CTO

Gustav is a co-founder of Visigon and has been Nordic Group CEO since 2011. He has a strong background from both the technical side as well as the consultancy side of the business and has studied Physical Engineering and Business at Uppsala University.



### Lars Stage Thomsen, CEO Denmark

Lars joined Visigon in 2017 and has been instrumental in growing the Danish business. Lars has a M.Sc degrees Economics from University of Southern Denmark. He has taken many relevant courses at Copenhagen Business School and from London School of Economics. He has also earned a CFA Charter. Lars has a broad experience from banks and financial institutions in Denmark.



### Robert Fuchsrgruber, CEO Germany

Robert 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.



### Anders Peinert, CFO

Anders is the Chief Financial Officer to the Group. Anders brings deep understanding and experience of international businesses, and comes with extensive experience from treasury, cash and liquidity management, financial strategy and M&A, capital and risk management, regulatory oversight, and compliance, from a successful career in asset management and various CFO

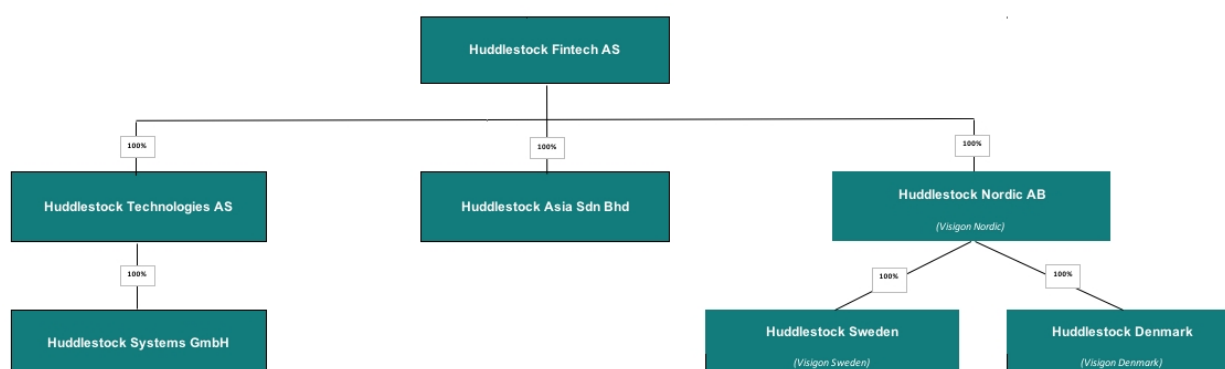
roles.

## THE ORGANISATION

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; Visigon Nordic AB and Visigon Sweden AB, Stockholm, Sweden; Visigon Denmark ApS, Copenhagen, Denmark; and Huddlestock Asia Sdn Bhd, Kuala Lumpur, Malaysia.

It has offices in Norway, Germany, Sweden, Denmark and Malaysia, respectively.







# Board of Directors Report



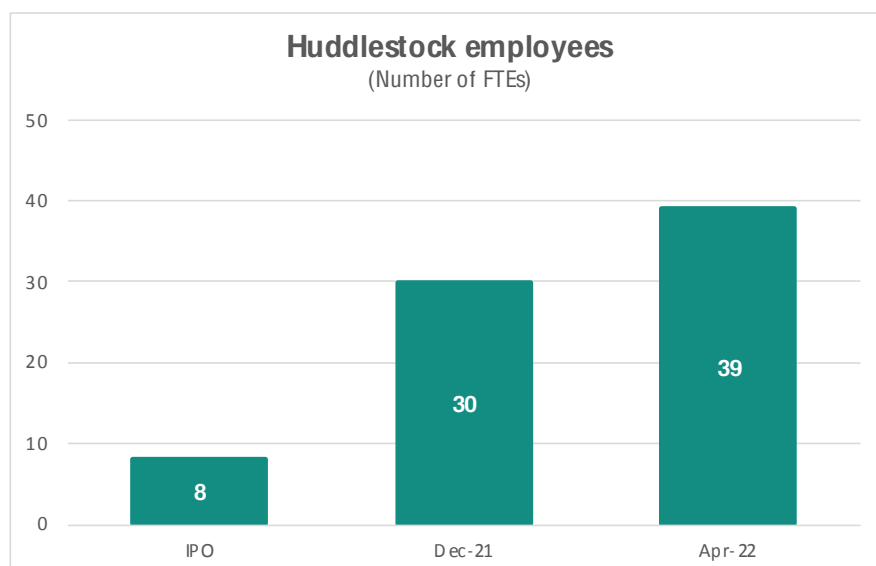
## REPORT FROM THE BOARD OF DIRECTORS – 2021 FINANCIAL PERFORMANCE

2021 was transformational year for Huddlestock Fintech AS. The year started with the launch of our collaboration with BNP Paribas, signing up several new clients and collaboration partners and continued work to complete our various technology solutions. In June Huddlestock completed the acquisition of the leading Nordic expert consultancy for financial institutions, Visigon Nordic AB, followed by a full in reorganization of the German operations during the fall. While the global health pandemic slowed down testing, implementation, and customization of contracts during 2021, it was a year of decisive investment in technology, operations, and talent.

During 2021, the company ramped up investment spend. The combination of Huddlestock's modern, scalable, and secure wealth tech SaaS solution and Visigon's world class expert consultants delivering strategic technology solutions and process automation for the financial services industry, allows it to deliver customized strategic and technical solutions across the entire value chain. With its suite of ground-breaking technology solutions for digitizing processes for wealth managers, custody banks and trading venues, Huddlestock has a strong pipeline of projects for its Bedrock SaaS white label trading solution.

The integration of the Visigon teams allowed for stronger investments in our Nordic operations. Establishing a strong Nordic base is not only part of our DNA but essential for doing business in the region. The reorganization of the German operations and decision to extend our regulatory license to a full investment banking license, solidifies the company's client service offering as an end-to-end provider of fully embedded trading and investment services, alongside our world-class expert professional services business.

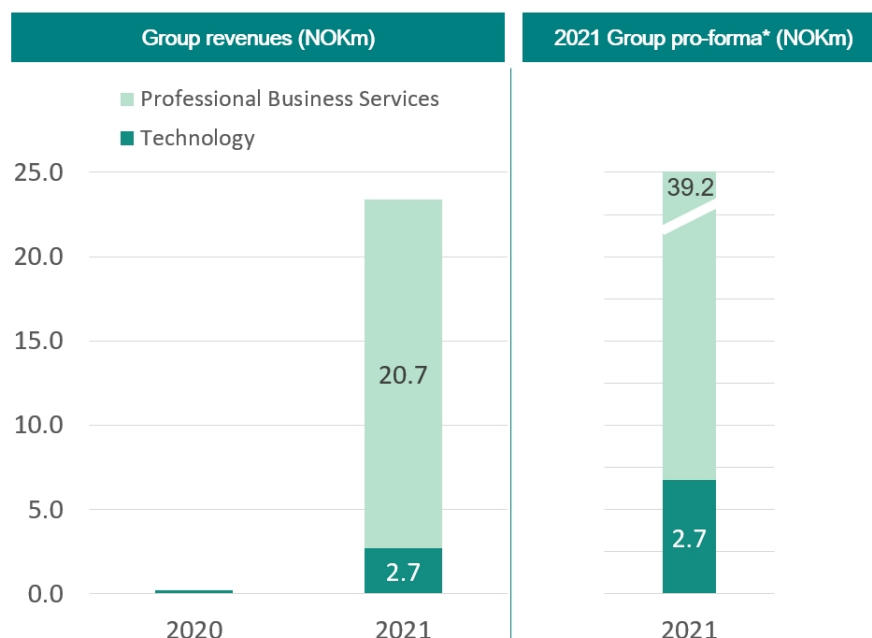
A key priority for the company is to remain an attractive employer. 2021 was an important year for our teams. We started the year with only two full time employees. Through the acquisition of Visigon we added 20+ capital markets technology expert consultants. We added 5 more colleagues in 2021. At the publication of this report, we count 39 team members. It has been an important part of our development to have quality professionals serve our clients and to operate the company based on best practice.



Huddlestock Fintech was awarded the "FinTech Innovator of the Year" award in the 2021 Technology Innovator Awards.

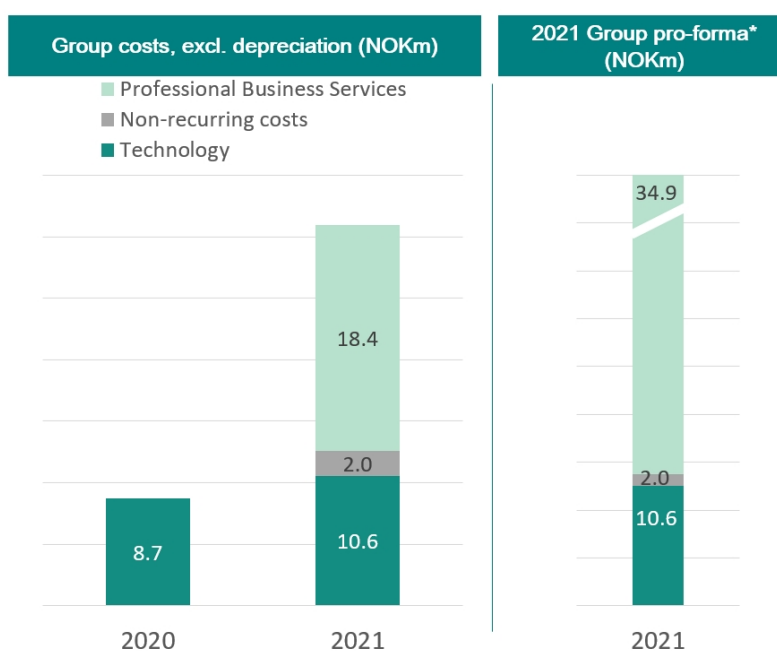
## Operations in 2021

Group revenue for 2021 was NOK 23.4 million (pro-forma at NOK 41.9 million), of which NOK 2.7 million is attributed to Technology and NOK 20.7 million to Professional business services. Visigon is consolidated from the closing of the transaction June 2021, while full year 2021 revenues for the consulting division were at NOK 39.2 million.



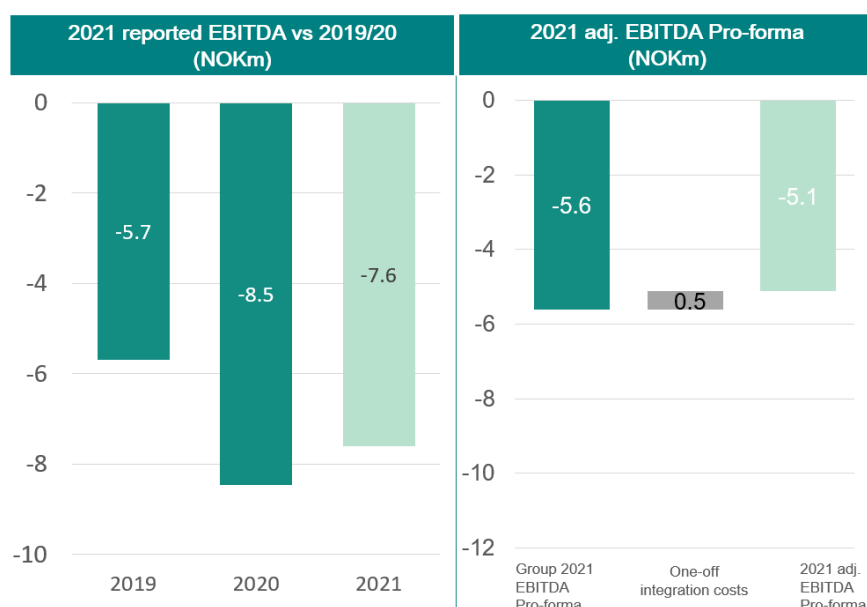
Sources: Huddlestock Fintech AS; Bloomberg; VPS Issuer Services.

Group operating expenses were NOK 30.9 million (excl. depreciation) for 2021, of which NOK 10.6 million were attributable to Technology operations, NOK 18.4 million to Professional business services and the company had NOK 2 million as non-recurring costs related to the acquisition of Visigon. Pro-forma costs for full 2021 were at NOK 47.5 million (excl. depreciation).



Visigon consolidated only from June 11<sup>th</sup>, 2021.  
 New Huddlestock = Huddlestock + Visigon  
 \*Pro-forma: including Visigon's accounts for full 2021 (January-December)

This led to an EBITDA of NOK -7.6 million in 2021. Adjusted for one-off costs related to the acquisition of NOK 2m, the adj. EBITDA was NOK -5.6 million for full 2021. Group pro-forma adj. EBITDA stood at NOK -5.6 million for 2021 and adjusted for non-recurring costs at NOK -5.1 million.



The expenses are investments to accelerate growth and scale up the German and Nordic operations, upgrading the regulatory license, increasing the organisational support and customization of software in conjunction with the onboarding of new contracted clients.

#### Funding, liquidity, and balance sheet.

Huddlestock Fintech has successfully completed several private placements in the last 12 months to support its growth plans and M&A activity. The company and the Group consider the liquidity to be manageable due to cash in accounts of NOK 16.2m as of end-2021. The company has taken the necessary steps to cut costs during 2021 so that the company does not incur unnecessarily large, fixed operating and development costs.

#### The company's priorities for 2022 include:

- Prioritize profitable growth and recurring revenues
- Creation of a Nordic white label solution
- Scale up Nordic operations. Add talent
- Prepare and scale German operations for growth
- Extend German banking license
- Strategic acquisitions

## HIGHLIGHTS IN 2021 AND SUBSEQUENT EVENTS

### Huddlestock Fintech acquired Visigon Nordic AB

Visigon Nordic AB, established in 2010 by three entrepreneurs, is a leading financial technology company with offices in Stockholm and Copenhagen. The company has since inception grown into becoming the preferred supplier of financial consultancy services and technology providers in the Nordic region, with a wide range of Nordic financial services companies as their clients.

The combination of Huddlestock and Visigon is the perfect symphony for delivering cutting edge digital solutions and direct market access to asset managers, custody banks, and trading platforms around the world. Visigon has team of 20+ highly skilled capital markets and technical software consultants with excellent track record in consultancy services for the financial services industry. The company offers a wide range of services including business analysis, software design, development, and project management. The transaction firmly establishes Huddlestock's Nordic footprint, complementary technological solutions and provides an expert platform for global growth.

#### **Huddlestock x Visigon: Creating sustainable value for shareholders:**

- Significant potential to roll-out consultancy services across Huddlestock's existing

The transaction implied an enterprise value of Visigon of NOK 56 million implying a valuation of 1.4x on 2020 sales and 6.0x on 2020 EBITDA. The transaction was settled through a combination of cash and Huddlestock shares, where 60% was paid in cash and 40% in shares at a price of NOK 6.00 per share. Huddlestock expects the acquisition of Visigon to create substantial shareholder value. It is forecasted to be financially accretive to Huddlestock and is expected to help accelerate the commercialization of

Huddlestock's two primary technologies, Apex and Bedrock. Significant potential to roll-out Huddlestock's technological solutions

at a much greater pace

#### **Case study: Denmark's Export Credit Agency (EKF)**

##### **Working with our partners to deliver and host a full suite of treasury management services.**

Huddlestock Fintech AS through its leading fintech technology consultancy Visigon, and in partnership with Adenza (formerly known as Calypso), entered into a collaboration with EKF, Denmark's Export Credit Agency, to deliver and host a full suite of treasury management services.

In close collaboration with Adenza, Huddlestock's expert fintech consultancy Visigon won the tender to implement a cross-asset, front-to-back and fully integrated treasury platform based on Adenza's Calypso for the Danish Export Credit Agency, EKF. EKF is now fully live with its new treasury platform, and the last project delivery in the beginning of June 2021.

The platform provides EKF with real-time information on critical banking and trading activities to make informed decisions about funding, liquidity, and risk management across asset classes, including FX, FXD, MM, Interest Rate Derivatives (IRD) and Fixed Income. The system enables EKF to optimize their balance sheet, automate workflows and realize operational efficiencies.

During the summer months the integration of the 20 plus new colleagues from the newly acquired Visigon began. While Q2 was somewhat impacted by the summer holidays and a one-off NOK 1.5 million integration charge was booked in Q2, subsequent months have confirmed a strong pick up in the consulting business and its consultants were completely sold out; existing clients extended and added new tasks to ongoing projects; new clients were added. The consulting business is fully booked for Q1 2022 and fully booked for Q2 2022.

#### Reorganising Germany.

In November 2021, Huddlestock terminated the contract with its German CEO. This has caused delays in some of our commercial offerings but allowed Huddlestock to focus and prioritize the most profitable and largest projects in its pipeline. These projects are game-changing in nature and will be delivered in the near future. As a result, less profitable projects have been put on halt, or terminated. This includes, Aledius and MakeImpact, where the former German CEO also has an ownership stake. Last year Huddlestock launched the first stage of the Qinfen platform together with DAB BNP (Apex). The phase two roll-out would create an all-in-one marketplace for asset managers but has been put on pause due to internal organizational issues at DAB BNP. Due to this, Pecunia, the first fund onboarded Apex, has chosen not to proceed as a client. These developments do not affect growth, product delivery or the estimated revenue development from products the coming year.

#### Accelerating growth to deliver end-to-end services.

In 2022, the company is embarking on its next strategic step, accelerating growth, scaling up operations and upgrading its regulatory license. A full Investment Banking license, regulated throughout Europe, will position the company uniquely as one of a few Fintech's providing end-to-end solutions for trading and investment infrastructure. The company will be able to onboard more end clients, much faster, more efficient, and hold client assets in the company's own custody. It will give the company full control of our proprietary ecosystem and geographical expansion plans. This is a big step up for a European Fintech and will increase the company's margins significantly in the medium to long-term.

#### Capital raise to acquire Visigon Nordic AB in June 2021.

In connection with the acquisition of Visigon Nordic AB, Huddlestock completed a capital raise with gross proceeds amounting to NOK 34,771,836 and 5,795,306 newly issued Huddlestock ordinary shares. The subscription price was NOK 6.00 per share. After these transactions, the new share capital of Huddlestock Fintech AS is NOK 226,674,7177 comprising 119,302,483 shares, each with a nominal value of NOK 0.0019.

#### Private placement supports scale up and extension of regulatory license in December 2021.

To support the company's growth plans to scale up its German and Nordic operations, and achieve a full investment banking license, the Board of Directors of Huddlestock Fintech AS completed a private placement for the subscription of 9.440.465 newly issued Huddlestock ordinary. The Private Placement was underwritten by a guaranteed consortium of investors for NOK 15.000.000. As consideration for the guarantee, the consortium has been issued one unregistered warrant per share subscribed to in the Private Placement free of charge, valid for a duration of 12 months and with a strike price of NOK 3,50 per share. The gross proceeds amount to NOK 24.545.207. The subscription price was NOK 2.60 per share.

The gross proceeds of approximately NOK 25 million provides Huddlestock with adequate funds to accelerate growth and scale up its German and Nordic operations, proceed with the application of a full investment banking license in Germany, and sufficient working capital, liquidity, and growth capital for the foreseeable future.

#### Change in Huddlestock treasury shares.

A consequence of the agreed organisational change in our German operations was the return of 10,666,873 shares in Huddlestock Fintech AS by former CEO of Huddlestock Systems. The shares are kept in treasury with the intention to use them towards future shareholders as payment for acquisitions and potential investments in talent and technology. At the time of this report, some shares have been used for investment in talent.



### Sale of Dovre Forvaltning UAB

The sale of Dovre Forvaltning UAB to DTSocialize Holding was completed in 2021.

### Stig Myrseth joins the Board of Directors.

In December, the company announced that Stig Myrseth would join the Board of Directors of Huddlestock Fintech AS. Following a distinguished and long-standing career as a financial analyst and fund manager with his own weekly feature column on personal investments for more than a decade in the leading Norwegian financial newspaper Finansavisen, Stig founded the ECB regulated Fjord Bank, and the Norwegian full-service brokerage firm, Orion Securities, which is now part of Norne Securities. He later co-founded the blockchain infrastructure group gateway.fm and was Huddlestock Fintech's CEO until 2020. He currently acts as an advisor to the private equity group SPEAR Capital and sits on the investment committees of Drangslund Kapital and Pensum Asset Management.

After more than three years as a board member, Per Øyvind Berge retired from the Board of Directors, effective December 10th 2021.

### Events after the reporting period

Our teams are relentlessly focused on growing our business; we remain completely sold out within our consulting business and have, since the beginning of the year, expanded our team with 4 new hires to meet increased demand from existing clients. We are also seeing increased demand for our capital markets expertise from new potential clients; in February 2022, our leading fintech consultancy business won a first mandate with Danish fintech company Lunar.

The ongoing war in Ukraine has somewhat affected the roll-out of our technology. We are monitoring the situation for both direct and indirect consequences, as well as any increased cyber risks, and are working closely with our local partners. At the time of this report, our partners are unharmed and continue to operate, though in challenging conditions. Huddlestock Fintech and its daughter companies have no direct investments in Ukraine. While the situation, if prolonged for an extended period, would somewhat affect the implementation timelines and ongoing deliveries for existing client commitments, we continue to see high demand for our SaaS white label trading solution. We remain focused on implementing existing client contracts and have, since the beginning of the year, signed agreements with a leading Nordic investor news site counting more than 25.000 users, and a Northern European investment club of sophisticated retail traders, to launch a retail trading offer by implementing Huddlestock's Bedrock Software-as-a-Service solution.

M&A remains a core part of Huddlestock's strategy, and at the end of March, a term sheet was signed with the intention to acquire 100% of F5 IT, a software developer focused on customised application and integration solutions within Fintech, PropTech and IoT, for a total consideration of NOK 32m paid in Huddlestock Fintech shares and in two tranches of NOK 20m and NOK 12m. The latter payment is tied to F5 IT meeting mutually agreed performance targets and agreed paid over a period of three years in equal instalments. The company is highly complementary with existing Huddlestock operations, will further the company's onshoring strategy, and accelerate our plan to become a leading Fintech in Europe.

Signatures



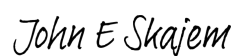
**Øyvind Hovland**

Chairman of the Board



**Murshid Hugberg-Ali**

Board member



**John Egil Skajem**

CEO

Stavanger, May 5, 2021

The Board of Directors of Huddlestock

## Risks

### Regulatory risk

The Company is subject to financial services laws, regulations and administrative actions and policies. Changes in supervision and regulation in Germany, Norway and in the European Union ("EU")/the EEA could materially affect the Company's business, its products, and services and/or the value of its assets. Areas where changes could have a material adverse effect include, but are not limited to (i) changes in monetary, interest rate and other policies, (ii) general changes in government and regulatory policies or regimes which may significantly influence investor decisions or increase the costs of doing business (iii) changes in competition and pricing environments, (iv) increased financial reporting requirements and (v) changes in regulations affecting the Company's structure of operations, in particular any changes to wealth management regulations restricting or introducing new requirements.

### Risk of failure or inadequacy in IT systems

The Company relies heavily on the uninterrupted operation of its IT systems for the efficient running of its business and operations. In addition, the Company will depend on a few third-party providers for the supply of important IT services. The Company's ability to conduct its business may be adversely affected by a disruption in the infrastructure that supports the business of the Company.

### Technology

The introduction of new technologies, digitalisation and changing consumer behaviours in the wealth tech sector opens opportunities for new business models leading to structural changes and increased industry dynamics. Failure to respond to and meet the demands developing in the marketplace could have a negative impact on customer relationships, value chain position and service offerings.

### Objectives and strategy

The Company and the Group are exposed to financial risk in very limited areas. The current strategy does not include the use of financial instruments, but this is subject of ongoing assessment by the administration and the board. The Company and the Group have conducted extensive research and developed a suite of unique licensed software as a service-solutions for banks, asset managers and retail trading venues.

### Market risk

The Company and the Group have no equity market investments. Negative equity markets could affect the company's share price adversely and as such temporarily increase the company's cost of capital. The Company and the Group have foreign exchange exposures, mainly through normal international business to Euro, Swedish Kronor, and Danish Kroner, which is considered manageable.

The Company and the Group have debt of NOK 3.867, respectively NOK 6.283. The Company has a revolving overdraft facility of NOK4.000. Increases in interest rates will affect the Company. Should this be prolonged and substantially permanently higher, this could affect the Company's profitability.

With regards to other market risks, there is the possibility of increased competition for winning clients. However, this is viewed as a normal business operating environment and the risk is viewed as low due to the significant number of potential clients and the secular growth in the Company's target market.

In order to quantify the risk of not achieving the company plans and goals, we view this as low to medium risk. There are always risks in achieving plans, however the company has good visibility for existing contracts and with the view of our pipeline going forward. There are always risks in achieving plans, however, the company has good visibility for existing contracts and with a positive view of our pipeline going forward.

### **Credit risk**

The risk of losses on receivables is considered low. To date, the Company and the Group has not incurred significant losses on receivables.

### **Liquidity risk**

The Company and the Group considers the liquidity to be manageable due to cash in accounts and budget for 2022. For variable costs, the company has the option to efficiently scale up or down as required and on an opportunistic basis. The company has also proven to have favourable possibilities to efficiently raise equity and debt funding and establishing ongoing lending facilities in the form of short- and long-term bank loans, revolving credit lines and overdraft facilities.

### **Environmental reporting**

The activities of the Company and the Group do not cause environmental damages at the time of the writing of this report.

### **Strategy risk**

The Company faces risks associated with the implementation of its strategy. For the majority of its business, risks would be considered normal business risk. For some parts of the current business, the company has limited operating history and implementation of the strategy requires management to make complex judgments, including anticipating customer needs across a range of offered products, anticipating competitor activity and the likely direction of macroeconomic assumptions.

### **Risk that capital in the future may not be available on attractive terms, or at all**

It cannot be ruled out that the Company may need to obtain additional capital in the future. Such capital, whether in the form of subordinated debt, hybrid capital or additional equity, may not be available on attractive terms, or at all. Further, any such development may expose the Company to additional costs and liabilities and require it to change the manner in which it conducts its business or otherwise have a material adverse effect on the Company's financial position, results of operations and/or prospects. Since the beginning of the year, global equity markets have been volatile. Higher levels of inflation have resulted in Central Bank action raising interest rates across most developed markets. Forward markets increasingly reflecting the more hawkish attitude to interest rates taken by Central Banks and the impact on global equity markets has been one of rotation away from investment into growth stocks, with monies prioritizing investment in value stocks. This has resulted in stock market losses for investors invested in growth stocks, and could result in lower appetite for stocks with a growth profile in the future. Negative equity markets and a negative perception of growth stocks as an asset class, could affect the company's share price adversely, and as such temporarily increase the company's cost of capital.

### **Environment, gender equality and employee matters**

As of 31 December 2021 the Company and Group had 30 permanent employees, twenty-seven men and three women. The work environment in the Company is considered good. No serious injuries, work-related wear / strain injuries or property damage was recorded during 2021. There has been no sick leave in 2021. The Board of Directors (the "Board") consists of two men. The Board has not found it necessary to take special measures with regards to gender equality.

## Forward-looking statements

Matters discussed in this report may constitute forward-looking statements. The forward-looking statements in this report are based on various assumptions, including without limitation, management's examination of future operating trends and other information or expectations available from the third parties. The company believes that these assumptions were reasonable when made, but the assumptions are inherently subject to significant uncertainties, which are difficult to predict and might prove to be beyond the company's control. As a result, no representation or warranty is given as to the completeness or accuracy of any forward-looking statement contained in this report or the accuracy of any of the underlying assumptions.





# **Audited Annual Accounts 2021**

## CONSOLIDATED INCOME STATEMENT (AUDITED)

Consolidated income statement (in NOK)	Note	2021 Audited	2021 Pro-forma	2020
<b>Operating income</b>				
Other operating income	2	23,363,188	41,890,188	225,000
<b>Total operating income</b>		<b>23,363,188</b>	<b>41,890,188</b>	<b>225,000</b>
<i>Operating expenses</i>				
Cost of materials/subcontractors		2,931,122	7,427,122	
Personnel costs	4,5	17,406,300	26,986,300	432,000
Depreciation and amortisation	6	10,594,597	10,594,597	
Other operating expenses	5	10,626,087	13,095,087	8,267,000
<b>Total operating expenses</b>		<b>41,558,105</b>	<b>58,103,105</b>	<b>8,699,000</b>
<b>EBITDA</b>		<b>-7,600,320</b>	<b>-5,618,320</b>	<b>-8,474,000</b>
<b>EBIT</b>		<b>-18,194,917</b>	<b>-16,212,917</b>	<b>-8,474,000</b>
<i>Financial income</i>				
Interest income		0	2,000	9,000
Other financial income		221,357	221,357	142,000
<b>Total financial income</b>		<b>221,357</b>	<b>223,357</b>	<b>151,000</b>
<i>Financial expenses</i>				
Interest expenses		2,022,537	2,022,537	39,000
Other financial expenses		201,370	201,370	33,000
<b>Total financial expenses</b>		<b>2,223,907</b>	<b>2,223,907</b>	<b>72,000</b>
<b>Net financial items</b>		<b>-2,002,550</b>	<b>-2,000,550</b>	<b>79,000</b>
Net profit (loss) from discontinued operations	12	-84,778	-84,778	-4,033,000
<b>Profit (loss) before tax</b>		<b>-20,282,245</b>	<b>-18,298,245</b>	<b>-12,428,000</b>
Income tax	9	656,653	656,653	0
<b>Net profit (loss)</b>		<b>-19,625,592</b>	<b>-17,641,592</b>	<b>-12,428,000</b>

\* Visigon accounts included for 9M 2021 only from June 11, 2021

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (AUDITED)**

Consolidated Financial position (in NOK)	Note	2021	2020
<b>ASSETS</b>			
<b>Intangible assets</b>			
Research and development	6	23,333,391	19,308,254
Goodwill		42,473,747	-
Technology		2,650,000	-
Customer contracts and relationships		22,314,424	-
Licenses	6	32,182,204	45,952,204
<b>Total intangible assets</b>		<b>122,953,766</b>	<b>65,260,458</b>
<b>Fixed assets</b>			
Property, plant & equipment		0	0
<b>Total fixed assets</b>		<b>0</b>	<b>0</b>
<b>Total non-current assets</b>		<b>122,953,766</b>	<b>65,260,458</b>
<b>Receivables</b>			
Trade receivables	7	8,854,063	0
Other short-term receivables		9,433,022	762,438
<b>Total receivables</b>		<b>18,287,085</b>	<b>762,438</b>
Bank deposits, cash and cash equivalents	8	16,222,128	2,958,433
Net assets discontinued operations	12	0	2,232,823
<b>Total current assets</b>		<b>34,509,213</b>	<b>5,191,256</b>
<b>Total assets</b>		<b>157,462,979</b>	<b>71,214,151</b>

Consolidated Financial position (in NOK)	Note	2021	2020
<b>EQUITY</b>			
<b>Paid-in capital</b>			
Share capital	11	244,612	208,371
Own shares		-20,457	0
Share capital - not registered			
Share premium		114,085,130	66,964,874
Share premium- not registered			
<b>Total paid-in capital</b>		<b>114,309,285</b>	<b>67,173,245</b>
<b>Retained earnings</b>			
Other equity		0	0
<b>Total retained earnings</b>		<b>0</b>	<b>0</b>
Non-controlling interest			0
<b>Total equity</b>	10	<b>114,309,285</b>	<b>67,173,435</b>
<b>LIABILITIES</b>			
<b>Other long-term liabilities</b>			
Liabilities at financial institutions	13	6,283,333	0
Deferred tax		5,492,173	0
<b>Short-term liabilities</b>			
Accounts payable		2,829,085	1,205,892
Payroll taxes, VAT etc.		2,832,639	168,992
Liabilities at financial institutions	13	216,667	
Other short-term liabilities	14	25,497,280	2,455,232
<b>Total short-term liabilities</b>		<b>31,375,670</b>	<b>3,830,116</b>
Net liabilities discontinued operations	12	0	210,600
<b>Total liabilities</b>		<b>43,151,177</b>	<b>4,040,716</b>
<b>Total equity and liabilities</b>		<b>157,462,979</b>	<b>71,214,151</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS (AUDITED)

Consolidated statement of cash flows (in NOK)	Note	2021	2020
<b>Cash flows from operating activities</b>			
Profit (loss) before tax		-20,282,245	-12,427,633
Depreciation and amortisation		10,594,597	4,032,934
Net result discontinued operations		84,778	0
Changes to accounts receivable		-2,490,783	551,847
Changes to accounts payable		-1,595,942	348,967
Changes to other accruals and prepayments		6,853,009	679,341
<b>Net cash flow from operating activities from continuing operations</b>		<b>-6,836,586</b>	<b>-6,814,544</b>
<b>Net cash flow from operating activities from discontinued operations</b>	12	<b>0</b>	<b>-474,949</b>
<b>Cash flows from investment activities</b>			
Additions intangible assets	6	-5,014,282	-3,519,332
Aquisition of subsidiaries, net of cash acquired	15	-30,927,835	0
Transaction cost	15	-2,623,527	0
Short term loan		0	-2,169,303
Received government grants	3	0	0
<b>Net cash flow from investment activities from continuing operations</b>		<b>-38,565,643</b>	<b>-5,688,635</b>
<b>Net cash flow from investing activities from discontinued operations</b>	12	<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Proceeds from capital increase	10	54,165,925	6,784,968
Cost of capital increase	10	-2,000,000	0
Loans obtained	13	6,500,000	0
<b>Net cash flow from financing activities from continuing operations</b>		<b>58,665,925</b>	<b>6,784,968</b>
<b>Net cash flow from financing activities from discontinued operations</b>	12	<b>-2,184,660</b>	<b>0</b>
Net changes to cash and cash equivalents from continuing operations		13,263,695	-5,718,211
Net changes to cash from discontinued operations		-2,184,660	-474,949
<b>Continued operations</b>			
Bank deposits, cash and cash equivalents per 1.1.		2,958,433	8,676,644
<b>Bank deposits, cash and cash equivalents per 31.12.</b>	9	<b>16,222,128</b>	<b>2,958,433</b>
- Hereof restricted bank deposits		142,856	68,000



## NOTES TO THE CONDENSED FINANCIAL INFORMATION

### 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) for smaller Companies and NRS 8. The financial statements have been prepared on a going concern basis.

The Company listed on Euronext Growth as of November 2020 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 Systems GmbH, Munich, Germany; Visigon Nordic AB and Visigon Sweden AB, Stockholm, Sweden; Visigon Denmark ApS, Copenhagen, Denmark; and Huddlestock Asia Sdn Bhd, Kuala Lumpur, Malaysia. It has offices in Norway, Germany, Sweden, Denmark, and Malaysia, respectively.

#### **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 include next year's instalments.

#### **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 at 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 rate differences are recognized directly against equity.

**NOTE 2 – REVENUES****Significant accounting policies**

Revenues in 2020/2021 is services provided and is recognized when the service is rendered.

<b>Revenues by nature</b>		
(amounts in NOK 1000)	<b>2021</b>	<b>2020</b>
Other revenue	23,363	225
<b>Total</b>	<b>23,363</b>	<b>225</b>

<b>Revenues by country</b>	
(amounts in NOK 1000)	<b>2021</b>
Norway	76
Sweden	11,887
Denmark	10,024
Malaysia	103
Germany	1,273
<b>Total</b>	<b>23,363</b>

**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 recognized in the income statement over the same period as the associated costs. Grants that compensate the group for the cost of an asset are recognized as a reduction in the carrying value of the related asset and recognized as reduced depreciation over the useful life of the asset.

**SkatteFUNN**

The current Skattefunn-project is approved from 2019 to 2021 and relates to the development of a platform that makes investment in the share- and blockchain market understandable and available to the public. Internally, the project is named "Marketplace for Investing" (MiF).

<b>December 31, 2021</b>		
	<b>Licenses</b>	<b>Research and development</b>
Development cost	33,036	33,199
Received government grants	-854	-9,865
<b>Carrying value 31.12</b>	<b>32,182</b>	<b>23,333</b>

**NOTE 4 – PERSONNEL COSTS****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 schemes are expensed over the period in which the employees earn the right to the deposit. Personnel costs related to research and development projects are capitalized to the extent that the conditions for this are met.

<b>Specification of personnel costs</b>		
(amounts in NOK 1000)	<b>2021</b>	<b>2020</b>
Wages	11,645	407
Pension contributions	696	0
Social security tax	2,454	24
Capitalised development costs	0	0
Other personnel costs	2,611	0
<b>Total</b>	<b>17,406</b>	<b>432</b>

<b>Number of employees</b>		
(average FTE for the period)	<b>2021</b>	<b>2020</b>
Norway	2	0
Sweden	9	0
Denmark	6	0
Germany	2	2
Malaysia	1	1
Lithuania	3	5

**NOTE 5 – REMUNERATION OF MANAGEMENT**

The Group CEO has an annual salary of NOK 1,45 million. He is not entitled to severance pay and has no loans from the Company.

The Board of Directors have not been paid any regular fees.

<b>Specification of auditors remuneration</b>		
(amounts in NOK 1000)	<b>2021</b>	<b>2020</b>
Statutory audit fee	298	321
Other certification services	12	84
Tax advisory services	0	48
Other non-auditing services	209	219
<b>Total</b>	<b>519</b>	<b>672</b>

**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.

**Capitalised development costs**

For the year 2021, the Company invested further resources and funding into the technology. Huddlestock is a “technology first” company and spends much of the resources on the development and creating enchantments. In order to stay with the developments in the market and continue to have a leading role, Huddlestock prioritizes to continue to develop our platform. The platforms have been designed for “multi tenants” and easy implementation. Scalability is of essence with quick roll out, which the company has achieved.

Both Apex and Bedrock solutions have now been completed and the company are mostly focusing on tailor making the solutions to custom fit our contracted clients.

For 2021, the most significant project for the Company has been the completion of the Bedrock platform. This work has now been completed and is in full implementation with several customers. Furthermore, the Company continues to finalise the wealth management platform APEX, which was originally developed for BNP Paribas DAB. Qinfen is a digital platform where fund managers can offer their clients strategies and several other services in one place. Qinfen is based on Huddlestock Technology.

**Licences**

The Group, through its parent Company, holds licenses that are licensed perpetual from Blue Ocean. The licenses are for the use of the technology Apex and Bedrock.

Specification (amounts in NOK 1000)	Research and develop- ment assets	Licenses	Technology	Goodwill	Customer contracts and relations
Cost 01.01.	19,308	45,952	0	0	0
Additions	4,025	0	3,000	45,105	29,928
Disposals	0	-13,770	0	0	0
<b>Cost 31.12.</b>	<b>23,333</b>	<b>32,182</b>	<b>3,000</b>	<b>45,105</b>	<b>29,928</b>
Accumulated depreciation 01.01.	0	0	0	0	0
Depreciations and amortisation for the year	0	0	350	2,631	7,613
Disposals	0	0	0	0	0
<b>Accumulated depreciation 31.12.</b>	<b>0</b>	<b>0</b>	<b>350</b>	<b>2,631</b>	<b>7,613</b>
<b>Book value 31.12.</b>	<b>23,333</b>	<b>32,182</b>	<b>2,650</b>	<b>42,474</b>	<b>22,314</b>

\*At December 31, 2021 the intangible asset is not ready for its intended use. When ready for its intended use, Management will assess the amortisation plan for the intangible assets.



**NOTE 7 – TRADE AND OTHER RECEIVABLES****Significant accounting policies**

Trade and other receivables are recognized 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.

<b>Specification of trade receivables</b>		
(amounts in NOK 1000)	<b>2021</b>	<b>2020</b>
Trade receivables at face value	8,854	0
Provision for expected credit losses	0	0
<b>Net trade receivables</b>	<b>8,854</b>	<b>12</b>

**NOTE 8 – BANK DEPOSITS, OVERDRAFT FACILITY AND RESTRICTED CASH****Significant accounting policies**

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

<b>Restricted cash</b>		
(amounts in NOK 1000)	<b>2021</b>	<b>2020</b>
Payroll tax account	143	68

**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 carry forward 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.

<b>Specification of income tax expense</b>		
(amounts in NOK 1000)	<b>2021</b>	<b>2020</b>
Tax payable	-1,095	0
Change in deferred tax	1,752	0
<b>Income tax expense</b>	<b>657</b>	<b>0</b>

Reconciliation of tax expense with tax calculated at nominal rate		
(amounts in NOK 1000)	2021	2020
Result before tax	-20,282	-12,428
Tax at nominal rate (22 %)	-4,462	-2,734
Permanent differences	2,331	0
Effect of different tax rates	0	0
Change in deferred tax not recognised	2,131	2,734
<b>Income tax expense</b>	<b>-0</b>	<b>0</b>

Specification of deferred tax			
(amounts in NOK 1000)	2021	2020	Change
Fixed assets	0	0	0
Intangible assets	5,492	0	-5,492
Receivables	0	0	0
Deferred government grants	0	0	0
Net deferred tax on temporary differences	5,492	0	-5,492
Tax loss carryforward	-7,012	-5,281	1,731
<b>Total deferred tax</b>	<b>-1,520</b>	<b>-5,281</b>	<b>-3,761</b>
<b>Deferred tax recognised</b>	<b>5,492</b>	<b>0</b>	<b>0</b>

## NOTE 10 – EQUITY

Specification of equity					
(amounts in NOK 1000)	Share capital	Own shares	Share premium	Other equity	Sum
Equity as per 31.12.2020	208	0	66,965	0	67,173
Net profit (loss)	0	0	0	-22,460	-19,626
Purchase of own shares	0	-20	-13,350	0	-13,370
Currency translation differences	0	0	0	-194	-214
Contribution in kind	8	0	26,122	0	26,130
Capital increase	10	0	56,190	0	56,218
Costs associated with capital increase	0	0	-2,000		-2,000
Reclassification			-19,839	22,654	0
<b>Equity as per 31.12.2021</b>	<b>245</b>	<b>-20</b>	<b>114,085</b>	<b>0</b>	<b>114,309</b>

As of 31 December 2021, NOK 17 000 of the share capital and NOK 24 527 of the share premium was paid in, but not registered. The capital increase was registered on 25 March 2022. Of the total amount, NOK 2.052 million was paid in January / February.

The Company has acquired own shares to an extent higher than the power of attorney from the General Assembly. As such, the Board of Directors did not act in Compliance with the Norwegian Limited Companies Act. The Board of Director's are seeking to correct the issue and has used part of the shares as consideration in the transaction described in note 16. In addition, the Board of Director's are seeking to increase the Power of Attorney in the General Assembly.

The Company has entered into a loan agreement in total of NOK 10.2 million to fund the acquisition of its own shares. The transaction is not in accordance with the Norwegian Limited Companies Act § 9-5, ref. § 8-7. The Company has entered into a repayment agreement where the receivable should be repaid within 3 months from the signing of the financial statements. As of year-end, NOK 5.1 million was paid out under the loan agreement and are included as part of short-term receivables.

## NOTE 11 – SHARE CAPITAL AND SHAREHOLDER INFORMATION

### Share capital

The parent entity, Huddlestock Fintech AS, has 119 302 483 shares outstanding, each with a nominal value of NOK 0,0019. All shares have equal voting and dividend rights.

Significant shareholders	Shares	Ownership
Vision Invest Stavanger AS	8,286,715	6.9%
Retropi Limited	7,607,608	6.4%
Berker Group AS	6,597,665	5.5%
Grunnfjellet AS	5,408,334	4.5%
<b>Total (shareholders holding &gt; 4.5%)</b>	<b>27,900,322</b>	<b>42.8%</b>
Other shareholders	91,402,161	57.2%
<b>Total</b>	<b>119,302,483</b>	<b>100.0%</b>

### Shareholders associated with leading roles

Related party transactions	Representative	Role	Transactions during 2021*
Berker Group AS	Murshid Hugberg-Ali	Board member	0
Vision Invest Stavanger AS	Øyvind Hovland	Chairman of the Board	853
Orion Oslo AS	John E. Skajem	CEO	274

\* Included in other operating cost

John E. Skajem is Chairman of the board of Lerke Gård AS (previously Orion Oslo AS)

**NOTE 12 – DISCONTINUED OPERATIONS**

The Group entered into a Share Purchase Agreement with Opera Financial Technologies Limited on 22 September 2020, regarding sale and purchase of all issued shares in Dovre Forvaltning UAB. The transaction was dependent on approval from Bank of Lithuania. Opera Financial Technologies Limited never received an approval, so the deal was cancelled at the 'long stop date'. Thereafter did the Group enter into a new sales agreement with DTSocialize Holding. All the proceeds from the sale have been received.

<b>The net asset position in the Group accounts is derived as the following</b>		
(amounts in NOK 1000)	<b>2021</b>	<b>2020</b>
Fixed assets	0	15
Trade receivables	0	0
Other receivables	0	33
Cash and cash equivalents	0	2,185
Public duties payable	0	0
<b>Net asset positions</b>	<b>0</b>	<b>2,233</b>

**NOTE 13 – LOANS AND BORROWINGS****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.

<b>Loans and borrowings, December 31, 2021</b>					
(amounts in NOK 1000)	<b>Limit</b>	<b>Drawn amount 31.12</b>	<b>Due within one year</b>	<b>Due between 2-5 yrs</b>	<b>Due thereafter</b>
Long term loan	4,000	4,000	200	3,800	0
Long term loan Innovasjon Norge	2,500	2,500	375	2,125	
Overdraft facility	4,000	0	0	0	0
<b>Total</b>	<b>10,500</b>	<b>6,500</b>	<b>575</b>	<b>5,925</b>	<b>0</b>

<b>The following assets are pledged as security</b>	
(amounts in NOK 1000)	<b>2021</b>
Trade receivables	8,854
<b>Total</b>	<b>8,854</b>

The long-term loan has a covenant that the drawn amount should not exceed 70 % of the trade receivables. As of 31.12.2021 the Group is in compliance with its loan covenants.



**NOTE 14 – 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.

<b>Provisions and other short-term liabilities</b>		
(amounts in NOK 1000)	<b>2021</b>	<b>2020</b>
Accrued holiday pay	1,751	23
Other short-term liabilities	23,746	2,432
<b>Income tax expense</b>	<b>25,497</b>	<b>2,455</b>

**NOTE 15 – BUSINESS COMBINATION****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 two technology solutions, Apex (Custody) and Bedrock (Connectivity). Apex is a software as a service-solution that links custody services with asset managers and individual investors. Bedrock provides a white label solution that is primarily a product for financial services firms wanting to add low cost-efficient trading and investing services to their client web and app offerings.

Through its world-class expert consultancy division - Visigon, Huddlestock delivers strategic 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.

<b>Transaction details of Visigon</b>	
Cash consideration	34,653
Share exchange	23,031
Transaction cost	2,624
<b>Transaction price</b>	<b>60,307</b>

	11/06/2021
Identified intangible assets	32,928
Other fixed and current assets	13,424
Cash and cash equivalents	3,725
<b>Total assets</b>	<b>50,076</b>
Deferred tax	7,244
Other short term liabilities	25,230
<b>Total liabilities</b>	<b>32,474</b>
<b>Total identifiable net assets acquired</b>	<b>17,602</b>

#### *Measurement of fair values*

The valuations techniques used for measuring the fair value of acquired assets were as follows

#### **Developed technology**

Fair value of acquired technology has been calculated based on a reproduction cost from an analysis of the relevant cost components used in developing

#### **Customer relationships**

Fair value of customer relationships is calculated by using the excess earnings method, takes into account the rate of customer attrition, revenue growth, and increase in estimated operating margins. The calculations are based on discussion with management, management estimates and long-term growth rates.

#### **Order backlog**

Fair value of order backlog has been calculated using the firm contracts as of the acquisition date with an estimated margin.

#### **Other**

For remaining assets and liabilities fair values are assumed to equal book values.

#### **Goodwill**

Goodwill arising from acquisitions have been recognised as follows

Transaction price	60,307
Fair value of identifiable net assets	15,203
<b>Goodwill</b>	<b>45,105</b>

Goodwill reflects economies of scale, geographic presentence, Huddlestock's established market position and potential for continuous growth.

#### **NOTE 16 – EVENTS AFTER THE REPORTING PERIOD AND EFFECT OF COVID-19**

Our teams are relentlessly focused on growing our business; we remain completely sold out within our consulting business and have, since the beginning of the year, expanded our team with 4 new hires to meet increased demand from existing clients. We are also seeing increased demand for our capital markets expertise from new potential clients; in February 2022, our leading fintech consultancy business won a mandate with Danish fintech company Lunar.

The ongoing war in Ukraine has somewhat affected the roll-out of our technology. We are monitoring the situation for both direct and indirect consequences, as well as any increased cyber risks, and are working closely with our local partner. At the time of this report, our partners are unharmed and continue to operate under suboptimal conditions. Huddlestock Fintech and its daughter companies have no direct investments in Ukraine. While the situation, if prolonged for an extended period, would somewhat affect the implementation timelines and ongoing deliveries for existing client commitments, we continue to see high demand for our SaaS white label trading solution. Since the beginning of the year we have signed agreements with a leading Nordic investor news site counting more than 25.000 users, and a Northern European investment club of sophisticated retail traders, to launch a retail trading offer by implementing/based on Huddlestock's Bedrock Software-as-a-Service solution.

M&A remains a core part of Huddlestock's strategy, and at the end of March, a term sheet was signed with the intention to acquire 100% of F5 IT, a software developer focused on customised application and integration solutions within Fintech, Proptech and IoT, for a total consideration of NOK 32m paid in Huddlestock Fintech shares, to be paid in two tranches of NOK 20m and NOK 12m. The latter payment is tied to mutually agreed performance targets and agreed paid over a period of three years in 3 instalments. The company is highly complementary with existing Huddlestock operations, will further the company onshoring strategy, and accelerate our plan to become a leading Fintech in Europe.

Revenues were lower in 2021 than expected with Covid-19 playing a key role. Regardless of this, the Huddlestock Group is well capitalised and will have capital going forward. The company is also experiencing strong interest in its products and technology. The company has taken the necessary steps to cut costs during 2021 so that the company does not incur unnecessarily large, fixed operating and development costs. Furthermore, the company has sufficient liquidity to manage without income in the next 12 months and the Board has no qualms about presenting the annual accounts under the assumption of continued operations.



To the General Meeting of Huddlestock Fintech AS

## Independent Auditor's Report

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### Opinion

We have audited the financial statements of Huddlestock Fintech AS, which comprise:

- The financial statements of the parent company Huddlestock Fintech AS (the Company), which comprise the statement of financial position as at 31 December 2021, 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 consolidated statement of financial position as at 31 December 2021, the consolidated 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 2021, 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 financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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.

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### 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 laws and regulations 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.

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### 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 information in the other information accompanying the financial statements.

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PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger

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Independent Auditor's Report - Huddlestock Fintech AS



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.

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#### 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.

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#### 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/revisionsberetninger>

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#### Other Matters

The Company has purchased own shares above the limits set out in the power of attorney from the general assembly. In addition, the Company has financed a purchase of its own shares. The purchase was not done in accordance with the Norwegian Limited Companies Act § 9-5, ref. § 8-7. Reference is made to note 9 in the parent Company's financial statement for further description.

Stavanger, 5 May 2022  
**PricewaterhouseCoopers AS**

Roy Henrik Heggelund  
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

## Revisjonsberetning

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### Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Heggelund, Roy Henrik	BANKID_MOBILE	2022-05-05 14:48



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**Financial Calendar 2022**

Quarterly results	Other events
Q1: 12 May 2022	AGM: 12 May 2022
Q2: 18 August 2022	
Q3: 10 November 2022	
Q4: 9 February 2023	

**Annual General Meeting**

The Annual General Meeting of Huddlestock Fintech AS will be held digitally on 12 May 2022 at 14:00. Information on how to register attendance and items on the agenda can be found at <https://www.huddlestock.com/agm/>

Shareholders registered as owners in Huddlestock Fintech AS with the Norwegian Central Securities Depository (VPS) may opt to receive annual reports and the notice of the Annual General Meeting electronically. For more information about Investor Account Services, please contact your VPS registrar. Shareholders wishing to receive a hardcopy of the annual report may contact the company secretary in writing. The address is The Company Secretary, Huddlestock Fintech AS, Gamle Forusveien 53b, 4031 Stavanger, Norway

**Cautionary statement and information on estimation uncertainty**

This report contains statements regarding future prospects of Huddlestock Fintech, including estimates, strategies and objectives. The risks and uncertainties inherent in all forward looking statements can lead to actual developments and profits differing materially from what has been expressed or implied.

**Key Contacts****CEO****John E. Skajem**[jes@huddlestock.com](mailto:jes@huddlestock.com)**Director of Strategy and Investor Relations****Cecilia Luras**[col@huddlestock.com](mailto:col@huddlestock.com)



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