

## Strategic Expansion and Recurring Revenue Surge

Huddlestock Fintech AS ("Huddlestock" or the "Company") has demonstrated a high business pace during the third quarter, continuing to execute on the Company's stated strategy of achieving profitable growth. The strengthened offering within the *Investment-as-a-Service* has contributed to increased recurring revenues and a robust pipeline of new prospects, which, in combination with a strong value proposition, is expected to contribute to new deals and growth going forward. This, combined with a strong outlook for the *Professional Financial* division in 2024, justifies a high activity throughout the year 2024. Huddlestock is estimated to reach a revenue of NOK 172M in 2024, and based on an applied EV/S target multiple of 4.1x, a potential fair value of NOK 2.9 (3.2) per share is derived in a Base scenario.

### High Revenue Growth YoY

During the third quarter of 2023, the net revenue amounted to NOK 21.7M (11.6), corresponding to a growth of 87% YoY. The revenue increase is partly explained by Huddlestock's acquisitions, but also new customers and mandates within both the Technology and Professional Service division. Compared to the net revenue previous quarter (Q2-23), which amounted to NOK 24.3M, represents a decrease of 11%, attributed to seasonal effects within the Professional Service division. Looking at the first nine months of 2023 (Q1-Q3), consolidated revenue amounted to NOK 62.6M (32.9), corresponding to a growth of approximately 90%.

### Heading Towards a Positive EBITDA in year 2024

Huddlestock's EBITDA result amounted to NOK -4.1M (-0.8) during Q3-23, indicating an increased EBITDA loss of NOK -3.0M YoY. Looking at 9M 2023 (Q1-Q3), the consolidated EBITDA result amounted to NOK -8.4M (-6.4), corresponding to an EBITDA margin of -13.4% (-19.6%), representing an improvement in EBITDA margin of 32% YoY. Huddlestock has thus delivered on its stated strategy towards profitable growth and is expected to maintain a strong focus on achieving a positive EBITDA result for the full year 2024.

### Updated Valuation Range

After the quarter's end, Huddlestock has successfully completed a private placement, which has strengthened the working capital, which enables Huddlestock to execute on the Company's growth opportunities. In addition, Huddlestock has conducted a divestment of Huddlestock Solutions to establish a strict focus on the Company's technological offering, *Investment-as-a-Service*. Despite a stable quarter, which was in line with our expectations, this entails a financial impact, prompting us to make slight adjustments to our financial forecasts. Furthermore, the capital raising has brought in new capital along with an increased number of shares, which, in combination with the above, results in an updated valuation range in all three scenarios. However, there has been a slight multiple expansion within the Peer group, which has consequently affected our valuation in all three scenarios.

### VALUATION RANGE

**Bear**  
NOK 1.1

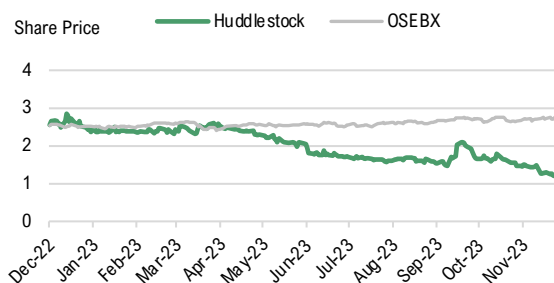
**Base**  
NOK 2.9

**Bull**  
NOK 4.4

### KEY INFORMATION

Share Price (2023-12-05)	1.2
Shares Outstanding <sup>1</sup>	184,477,549
Market Cap (NOKm)	217
Net cash(-)/debt(+) (NOKm)	0.8
Enterprise Value (NOKm)	218
List	Euronext Growth Oslo
Quarterly report 4 2023	2024-02-22

### SHARE PRICE DEVELOPMENT



### OWNERS (SOURCE: INTERIM REPORT)

Nordnet Bank AB	10.9%
Njord Group AS	7.3%
SAA Invest	5.9%
Vision Invest Stavanger AS	4.9%
Bank Julius Bär & Co	4.2%

Estimates (NOKm)	2022	2023E	2024E	2025E
Net revenue	46.7	92.6	171.7	256.6
<b>Total Group Revenue</b>	<b>46.7</b>	<b>92.6</b>	<b>171.7</b>	<b>256.6</b>
Materials/subcontractors	-12.8	-5.6	-14.6	-23.1
Personnel costs	-43.6	-80.6	-116.8	-152.7
Other operating expenses	-5.0	-16.7	-25.8	-35.9
<b>EBITDA</b>	<b>-14.7</b>	<b>-10.2</b>	<b>14.6</b>	<b>44.9</b>
EBITDA margin	-31.5%	-11.0%	8.5%	17.5%
P/S <sup>1</sup>	4.6	2.3	1.3	0.8
EV/S <sup>1</sup>	4.6	2.3	1.3	0.8
EV/EBITDA <sup>1</sup>	-14.7	-21.3	14.8	4.8

<sup>1</sup>Excluding not yet issued shares to Bricknode.

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