

Charting the Path to Profitable Growth in 2024

Huddlestock Fintech AS (“Huddlestock” or the “Company”) has demonstrated high growth of 88% throughout the full year of 2023 and expanded the Company’s focus on achieving profitable growth. The strong value proposition and expanded product offering within *Investment-as-a-Service* has resulted in increased recurring revenues and a solid pipeline of new prospects, expected to drive new deals and growth in the near future. This, combined with a positive outlook for the *Professional Service* division in 2024, justifies a high activity throughout the year 2024. Huddlestock is estimated to reach a revenue of NOK 141M in 2024, and based on an applied EV/S target multiple of 4.1x, a potential fair value of NOK 2.4 (2.9) per share is derived in a Base scenario.

Strong Growth Due to High Business Activity...

During Q4-23, Huddlestock achieved the Company’s highest recorded quarterly net revenue, amounting to NOK 25.2M (13.8), representing growth of 82% YoY and 16% QoQ. Despite the revenue increase primarily attributed to acquisitions, Huddlestock has also demonstrated organic growth through high business activity in both the Technology and Professional Service divisions. For the full year, 2023, Huddlestock demonstrates a net revenue growth of 88%, reaching approximately NOK 88M (47), with growth observed in both the *Technology* and *Professional Service* divisions.

...but Increased Operating Losses During Q4-23

The EBITDA result was NOK -8.3M (-8.3) in Q4-23, which is in line with the corresponding period of the previous year. However, compared to the previous quarter (Q3-23), both EBITDA and EBIT results deteriorated by NOK 4.3M and NOK 15.7M, respectively. In comparison to Q3-23, Huddlestock reduced personnel costs by approximately NOK 3M, while other operating expenses and depreciation and amortization came in significantly higher than the previous quarter and above our expectations. However, Analyst Group assesses that the increase in other operating expenses and depreciation and amortization is due to Leif Arnold Thomas being the new CEO, with the quarterly report being his first, and thus conducting necessary write-downs and one-time costs to clean up the balance sheet and achieve the goal of profitable growth. Therefore, Analyst Group chooses not to place too much emphasis on the increased operating losses.

We Extend the Forecast Period to 2026

Analyst Group has extended the forecast period to 2026, Huddlestock is expected to demonstrate a CAGR of 46% during the years 2023-2026, driven in part by strong new customer acquisition and expanded mandates. However, Huddlestock Solutions were divested in November, which is estimated to entail a financial impact during H1-24. In combination with slightly lower revenue than previous estimates, this has prompted us to make adjustments to our financial forecasts.

VALUATION RANGE

Bear
NOK 0.8

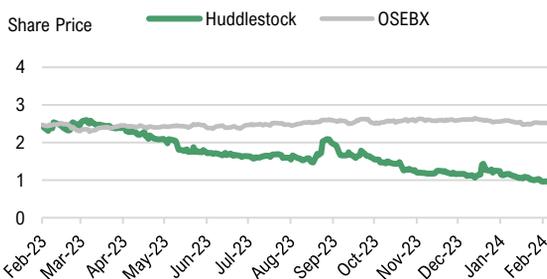
Base
NOK 2.4

Bull
NOK 3.8

KEY INFORMATION

Share Price (2024-02-29)	0.9
Shares Outstanding ¹	190,639,625
Market Cap (NOKm)	175
Net cash(-)/debt(+) (NOKm)	9.3
Enterprise Value (NOKm)	184
List	Euronext Growth Oslo
Quarterly report 1 2023	2024-05-23

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	2023	2024E	2025E	2026E
Net revenue	46.7	87.7	140.5	207.0	274.7
Total Group Revenue	46.7	87.7	140.5	207.0	274.7
Materials/subcontractors	-12.8	-3.0	-5.6	-7.9	-8.5
Personnel costs	-43.6	-75.3	-89.9	-123.2	-142.8
Other operating expenses	-5.0	-26.1	-33.7	-29.0	-33.0
EBITDA	-14.7	-16.7	11.2	47.0	90.4
EBITDA margin	-31.5%	-19.0%	8.0%	22.7%	32.9%
P/S ¹	4.2	2.3	1.4	1.0	0.7
EV/S ¹	4.4	2.4	1.5	1.0	0.8
EV/EBITDA ¹	-14.1	-12.4	18.4	4.4	2.3

¹Excluding not yet issued shares to Bricknode.

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ABOUT THE COMPANY

Huddlestock is a WealthTech and TradeTech company that develops SaaS solutions for digitizing work processes for financial companies, custody banks, asset managers and retail trading venues. 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 expert professional services business, Huddlestock delivers strategic technology solutions and process automation for the financial services industry. Huddlestock is listed on Euronext Growth Oslo since November 2022.

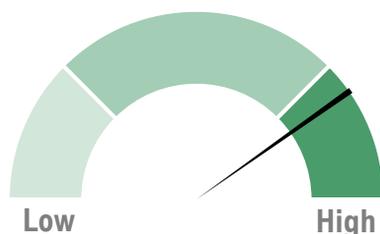
CEO AND CHAIRMAN

CEO	Leif Arnold Thomas
Chairman	Øyvind Hovland

ANALYST

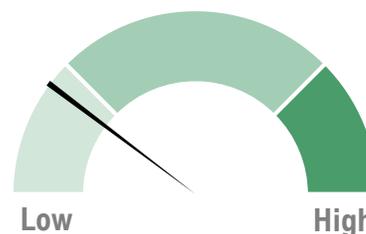
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Value Drivers



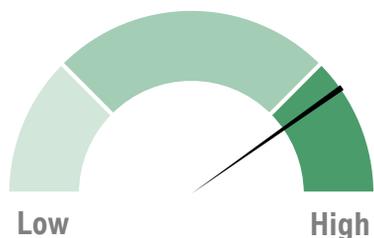
Huddlestock offers a crucial services for their clients, which results in a strong business moat. Huddlestock can grow with its clients with low sales efforts, which facilitates increased sales and operating margins going forward. Additional value drivers are the new clients in all verticals, where Huddlestock possess a strong pipeline of new prospectus especially within the technological offering, Investment-as-a-Service, and expects to expand target market with the complete end-to-end solutions.

Historical Profitability



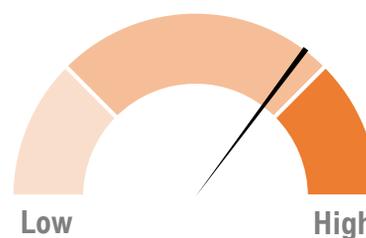
Huddlestock has been focusing on developing the Company's product portfolio, through investing in technology and develop the previous acquired firms, which has led to a negative short-term effect on the Company's profitability. Analyst Group expects that Huddlestock will scales up the client portfolio going forward, as well as prioritize profitable growth, and are estimated to reach a positive EBITDA in 2024. The grade is based solely on the historical profitability of the Company.

Management & Board



The executive team and the board of directors consist of an experienced team, who are deemed to possess the right qualifications to successfully scale up the business. Additionally, founders / major shareholders from the acquired businesses have taken positions in the new organization, with lock-up agreements typically spanning 3 years, which indicates strong incentives to create shareholder value. Leif Arnold Thomas has assumed the role of the Company's new group CEO as of February 2024. Leif Arnold Thomas has broad and extensive experience, including various management positions and many years of experience industrializing fintech companies.

Risk Profile



As of December 31st, 2023, Huddlestock's cash and cash receivables amounted to NOK 10M, while the current loans and borrowing amounted to NOK 19M. During the fourth quarter 2023, Huddlestock completed a private placement, raising NOK 17.5M in gross proceeds, by issuing approx. 14.6 million new shares. The capital raising also includes warrants, meaning that Huddlestock has the opportunity to raise an additional NOK 13.2M through the warrants by the end of 2024, consequently reducing the risk of further external capital raising in the future.

Net Revenue Growth of 88% YoY During the Full Year of 2023

NOK 25,2M
NET REVENUE
Q4-23

During the fourth quarter of 2023, Huddlestock's net revenue amounted to NOK 25.2M (13.8), representing a growth of 82% YoY. Revenues for the corresponding period of the previous year (Q4-22) were NOK 13.8M, however the YoY revenue increase is primarily attributed to Huddlestock's acquisitions of Tracs Group, Dtech, and Bricknode, which have been consolidated since Q2-23 and are thus not included in the comparison period. Therefore, the previous quarter (Q3-23) provides a more accurate comparison, despite seasonal effects within the Professional service division, as net revenues amounted to NOK 21.7M, resulting in a 16% QoQ revenue growth for the fourth quarter.

NOK 10,7M
RECURRING
REVENUES
Q4-23

Huddlestock's revenues are derived from the Company's technological offering, consisting of recurring revenues from Investment-as-a-Service, and from the Professional service division, comprising consultancy revenues from the subsidiary Visigon. During the fourth quarter, Huddlestock's revenues from the technological business division amounted to NOK 10.7M (2.7), thus growing by 294% YoY and 4% QoQ. Huddlestock's revenues from the technological offering consist of recurring revenues, such as monthly licenses, Assets under Management (AuM), and transaction fees, hence, ARR can be estimated to be close to NOK 25M. Consequently, the recurring revenues from the Technological business division accounted for 42% of the total revenues during the quarter, in line with Analyst Group's expectations.

NOK 14M
PROFESSIONAL
BUSINESS DIVISION
Q4-23

In Q4-23, revenues from the Professional business division (Visigon) amounted to NOK 14M (10.2), representing a 37% YoY increase and 67% QoQ increase. Despite the QoQ increase partly explained by seasonal effects, revenues from Visigon were the highest recorded for a quarter, indicating high utilization and activity within the Professional business division. Additionally, Huddlestock divested Huddlestock Solutions, formerly F5 IT AS, carried out through a management buyout, completed at the end of November. The divestment was aimed at maintaining Huddlestock's sharp focus on its core activity, being an Investment-as-a-Service offering, however, it still entails a financial impact, which Huddlestock managed to compensate through high activity during the quarter.

88%
NET REVENUE
GROWTH
2023

Looking at the full year 2023, Huddlestock's consolidated revenues amounted to NOK 87.7M (46.7), representing a high growth of 88%. The revenue increase is primarily attributed to acquisitions, but revenue growth has also been driven by new customers, as well as expansion among Huddlestock's existing customers within the Technology business division, and extended new mandates within the Professional service division. The full-year revenues constitute a strong performance, considering the divestment of Huddlestock Solutions in November, and are slightly below Analyst Group's earlier estimate of NOK 92.6M. The recurring revenues (Pro forma) from the Technological business division for the full year 2023 amounted to NOK 41.9M (7.4), representing an annual increase of 566%. Revenues from the Professional service division (Visigon) amounted to NOK 44.1M (37), representing an annual increase of 19%.

Demonstrates a Strong Value Proposition and Enhances Prospects Going Forward

During the fourth quarter, Huddlestock has delivered on the Company's previously communicated focus and pipeline, wherein the Company signed an agreement with Norse, who selected Huddlestock's Investment-as-a-Service for the digitalization of project financing & customer onboarding. Norse is a part of Norse Gruppen, whose main businesses include securities trading, corporate finance, fund management, and real estate. Norse has chosen Huddlestock's core broker technology to enable the digitalization of Norse's project financing and customer onboarding within the customer's Corporate Finance business. Revenues are of a recurring nature, based on a combination of license fees and basis points (BPS) of Assets under Management (AuM).

After the end of the quarter, in early January, Huddlestock announced that the Company has signed a Letter of Intent (LOI) with Germany-based AVL Finanzvermittlung Beteiligungen (AVL), which we previously commented on [here](#). The purpose of the LOI is to establish cooperation between Huddlestock and AVL to offer trading in all types of financial instruments, initially planned for the German market.

Additionally, after the end of the quarter, Huddlestock has extended the agreement with the Company's existing client Garantum Wealth Management, where Garantum also expands the agreement with Huddlestock to now include fund trading.



The agreement with Norse during the quarter, along with the LOI with AVL and the extended collaboration with Garantum after the end of the quarter, confirms Huddlestock's strong value proposition and strengthens the Company's position, as well as the prospects, within Investment-as-a-Service.

Within Huddlestock's operations in the Professional business division, which consists of consultancy assignments within the financial sector through the subsidiary Visigon, Huddlestock states in the interim report that Visigon has shown strong development during the year 2023. The strong development and high activity are evident in Visigon's revenues amounting to NOK 51M, where the subsidiary also demonstrates a positive EBITDA margin of 13%. Going forward, Huddlestock also guides that the prospects within the Professional business division look stable for the year 2024, noting that Visigon's mandates in consulting are relatively long-term, which increases the visibility and stability of revenues.

STABLE OUTLOOK
FOR
PROFESSIONAL
BUSINESS DIVISION

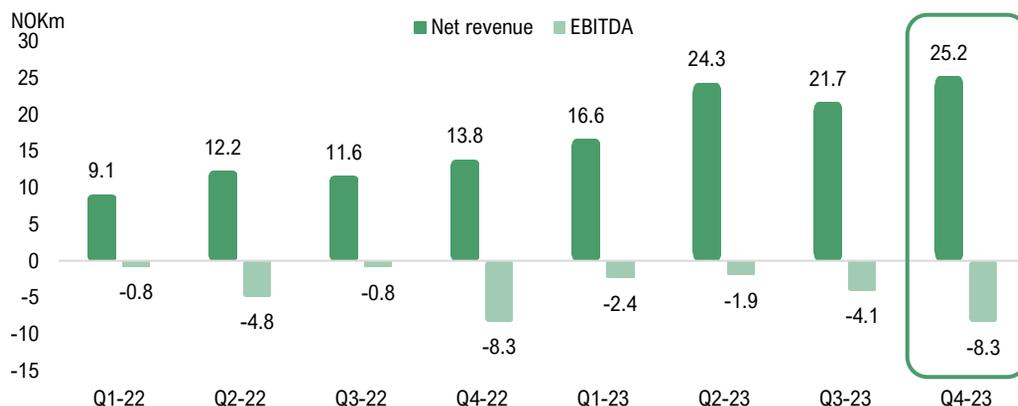
Improved EBITDA Margin of 65% YoY (Full year 2023)

During the fourth quarter of 2023, Huddlestock's total operating expenses (including cost of materials/subcontractors) amounted to NOK 33.5M (20.7), compared to the previous quarter (Q3-23) of NOK 25.7M. Breaking down Huddlestock's total operating expenses, it shows that the Company's personnel costs amounted to NOK 18.6M, representing a decrease of approximately NOK 3M compared to the previous quarter, while the Company's other operating expenses have increased by approximately NOK 12M, primarily expected to be explained by one-time costs related to the Company's acquisition activities during the year 2023. As a result, the EBITDA for the fourth quarter of 2023 amounted to NOK -8.3M (-8.3), in line with the previous year and Analyst Group's expectations.

REDUCED
PERSONNEL COSTS
QoQ

Increased EBITDA loss QoQ, but increased EBITDA margin YoY.

Net revenue and EBITDA on a quarterly basis, Q1-22 – Q4-23.

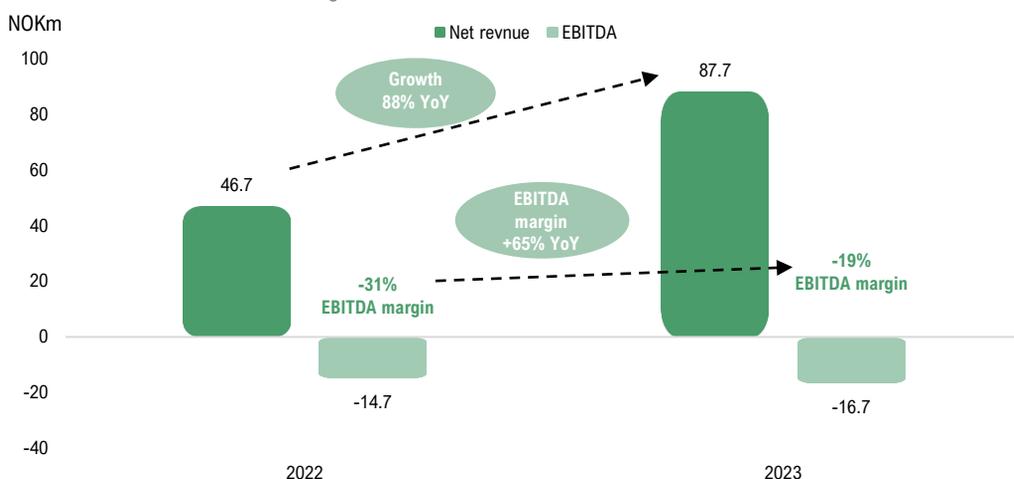


Looking at the full year of 2023, Huddlestock's total operating expenses (incl. cost of materials/subcontractors) amounted to NOK 104.5M (61), representing an increase of NOK 43M in absolute terms, explained by Huddlestock's acquisition of several companies and thus inheriting their cost structures. However, we can ascertain that Huddlestock's total cost base has increased at a lower rate than its revenues, indicating that the Company has successfully implemented cost synergies. The EBITDA result for the full year of 2023 amounted to NOK -16.7M (-14.7), corresponding to an EBITDA margin of -19%, compared to the previous year's EBITDA margin of -31%, signifying that Huddlestock has improved its EBITDA margin by approximately 65%. With a high level of acquisition activity during the year 2023, Huddlestock has acquired Goodwill, which is amortized and increases the financial item of depreciation and amortization during the year 2023. Consequently, Huddlestock's EBIT result amounts to NOK -79M (-30), where depreciation and amortization increased by NOK 48M during the year 2023 due to the amortization of developed technologies and goodwill from acquired companies.

Overall, Analyst Group believes that Huddlestock has successfully implemented cost synergies and maintained stable cost control, despite increased other operating expenses during Q4-23, evident in the fact that while Huddlestock increased the Company's revenues by 88%, the Company's cost base increased by 70% during the full year of 2023. Additionally, Analyst Group wants to emphasize that we estimate continued cost-saving measures expected to take further effect during the first half of 2024.

Improved EBITDA Margin and High Growth.

Net revenue, EBITDA and EBITDA margin, 2022 vs 2023.



Huddlestock continues to maintain a strong focus on profitable growth, estimated to be achieved by building and executing on the Company's pipeline of profitable products, increasing internal efficiency, enhancing cost control, and increasing profitable revenues in the short term. Despite the increase in total operating expenses during the fourth quarter of 2023, we can see the Company reducing personnel costs, indicating a decreased cost base adjusted for one-time costs during the quarter. During the year 2023, Huddlestock communicated both the high priority of increasing cost control and the goal of achieving a positive EBITDA and positive cash flow in 2024. As previously mentioned, Huddlestock has successfully implemented cost synergies, but Analyst Group assesses that the full effect of the cost savings has not yet been achieved and is expected to have a greater impact during 2024.

STRONG FOCUS ON POSITIVE EBITDA IN 2024

Financial Position

At the end of Q4-23, Huddlestock's cash and equivalents amounted to NOK 9.7M, compared to NOK 6.5M at the end of September (Q3-23), representing an increase in net cash and equivalents of NOK 3.2M. The increase in cash and equivalents is explained by Huddlestock successfully completing a private placement of NOK 17.5M during the quarter. The capital raise was conducted to strengthen Huddlestock's working capital and support the Company's growth opportunities in Germany, as well as expedite sales and onboarding activities related to new customers in the Nordic region. Regarding the net cash flow from operating activities from continuing operations, it amounted to NOK -16.6M for the full year of 2023, equivalent to an operational burn rate of approximately NOK 1.4M per month over the period. This operational burn rate can be compared to the first half of 2023 (Q1-Q2 2023), when the operational burn rate was approximately NOK 1.9M per month, indicating a significantly lower operational burn rate during the second half of 2023. Additionally, Huddlestock announces that one of the Company's key priorities going forward is to explore and identify long-term financing partners to support Huddlestock's strategy and to maximize execution on the Company's strong position and product offering, which also includes potential non-organic growth, i.e., further acquisition activities.

In conclusion, Huddlestock has reported a quarter, and year, with high activity and strengthened market outlooks. It is clear that Huddlestock delivers total revenues of NOK 88M, driven by both acquired and organic growth. Huddlestock has developed in line with Analyst Group's expectations for the full year 2023, demonstrating high business activity, with a new agreement with Norse during the quarter, as well as an LOI with AVL and an expanded collaboration with Garantium. Huddlestock has thereby strengthened its prospects as a B2B Investment-as-a-Service provider in the European market and also guides for stable prospects within the Professional Business Division. Additionally, Leif Arnold Thomas has assumed the role of the Company's new CEO as the Company enters the next phase, aiming for profitable growth. Depreciations and other operating expenses were higher than in previous quarters, partly expected to consist of one-time items, as the quarter marks the first with Leif Arnold Thomas as the group's new CEO. Therefore, Leif Arnold Thomas is expected to have made necessary write-downs during the quarter to clean up the balance sheet, which is common practice and viewed positively by Analyst Group in building a strong position to achieve profitable growth going forward.

NOK 10M CASH AND EQUIVALENTS AT THE END OF Q4-23

NEW GROUP CEO LEIF ARNOLD THOMAS





PROVIDES
INVESTMENT-AS-
A-SERVICE

Huddlestock Benefits From Strong Underlying Market Growth

Huddlestock's offering cater to a broad and global market segment, ranging from fintech startups to established financial institutions. By enabling financial companies to digitize their operations and democratizing access to capital markets, Huddlestock capitalizes on the growing demand in the market. The global Core Banking Software (CBS) market was valued at USD 12.5 billion in 2022, and the market is expected to grow to USD 40.7 billion by 2029, corresponding to a CAGR of 18.3%. The rising adoption of cloud-based solutions, digitalization and increased investment are the main drivers of the estimated market growth. Huddlestock provides Investment-as-a-Service and offers services within the core banking ecosystem and therefore operates in a market with a high underlying growth. Huddlestock addresses a wide range of financial companies and institutes which enables the digitalization of the financial markets. Huddlestock's position as a solution provider and business expert can benefit of the global digitalization trend without being exposed to the risks associated with individual financial companies or the volatility of the B2C market. We consider this strategic advantage to be beneficial for Huddlestock.

Selective Acquisitions Fuel Huddlestock's Investment-as-a-Service Offering and Market Presence

Huddlestock has, during the year 2022 and the early part of 2023, pursued a value creation strategy centered around selective and accretive acquisitions. This strategy involves identifying significant synergies that support Huddlestock's 'Technology first' focus. The Company has successfully completed several acquisitions, including Visigon Nordic, F5 IT, Tracs Group, Dtech, and Bricknode. Notably, F5 IT (Huddlestock Solution) was divested during H2-23 after developing a key component of Huddlestock's Investment-as-a-Service offering. Visigon Nordic is a supplier of financial consultancy services and a technology provider with multi-year relationships with most Swedish and Danish banking groups and Nordic central banks, to mention a few. Tracs Group constitute a full-service RegTech and Investor Services organization for the Investment and Wealth Management industry, licensed by the Norwegian FSA. Dtech provides solutions for portfolio management and fund order technology for the pension market and pension providers. Bricknode is a B2B-focused SaaS company offering scalable, cloud-based software comprising the complete infrastructure of a financial service operation. The integrated offering developed by Huddlestock represents a unique end-to-end solution empowering Investment-as-a-Service. Huddlestock holds a strong position with a robust product mix of technology software for the financial market, complemented by an expert professional service business. Huddlestock's pro forma revenues during the full year of 2023 amounted to NOK 96M, (45.4), corresponding to a growth of 57%.

57%
YoY PRO FORMA
GROWTH

Strong Value Proposition Within Investment-as-a-Service – a Strong Value Driver Going Forward

Huddlestock has significantly strengthened the Company's offering by combining the capabilities of the acquired businesses, resulting in a robust Investment-as-a-Service proposition. During H2-23, Huddlestock has secured five (5) new clients, including those in Wealth and Asset Management, Corporate Finance, as well as the Company's first Family Office utilizing Portfolio Management. These deals are estimated to contribute to increased *Annual Recurring Revenue* (ARR) throughout the year 2024. The acquisition of five new clients within the Technology Division not only validates the strong value of the Company's product offering but also serves as proof of Huddlestock's versatility within the sector, suggesting significant potential across the entire financial markets. Additionally, Huddlestock possesses a strong pipeline of new prospects, particularly in the German and Nordic markets, where new clients is expected to be strong value drivers in the future. This reaffirms the compelling value proposition that the combined companies can offer, enabling a growing ARR going forward.

STRONG PIPELINE
OF NEW
PROSPECTS

Forecast and Valuation: a Summary

Through good cost control and a continued high focus on developing the product range and strengthening Huddlestock's value proposition, the Company is expected to maintain a strong business momentum with new clients, which is expected to drive profitable growth going forward. In combination with a continued high activity within consultancy services, Huddlestock is estimated to reach a revenue of NOK 140M in 2024. Based on an EV/S multiple of 4.1x (4.1) on the 2024 forecast and adjusted for the estimated net debt, a potential net present fair value of NOK 2.4 (2.9) per share is derived, in a Base scenario, after taking a discount rate of 12% into account.¹

NOK 140M
NET REVENUE
2024E

Expanded Share Owner Base Poses a Risk of Downward Pressure

Huddlestock has carried out several acquisitions and, in particular, financed them through the issuance of shares in Huddlestock, with major shareholders entering into lock-up agreements. The acquisition of Bricknode involves the issuance of shares in three (3) tranches, which is expected to be completed during H1-24. In addition to the shares already issued, approximately 21 million shares will be issued to Bricknode's previous shareholders. Bricknode has earlier been listed on First North Stockholm, and several shareholders may view the acquisition as an exit opportunity, which poses a risk of significant selling pressure associated with the issuance of multiple shares.

¹Including not yet issued shares to Bricknode and given recent private placement. Given this the number of shares is calculated to be 206,616,460.

WHAT IS INVESTMENT-AS-A-SERVICE?

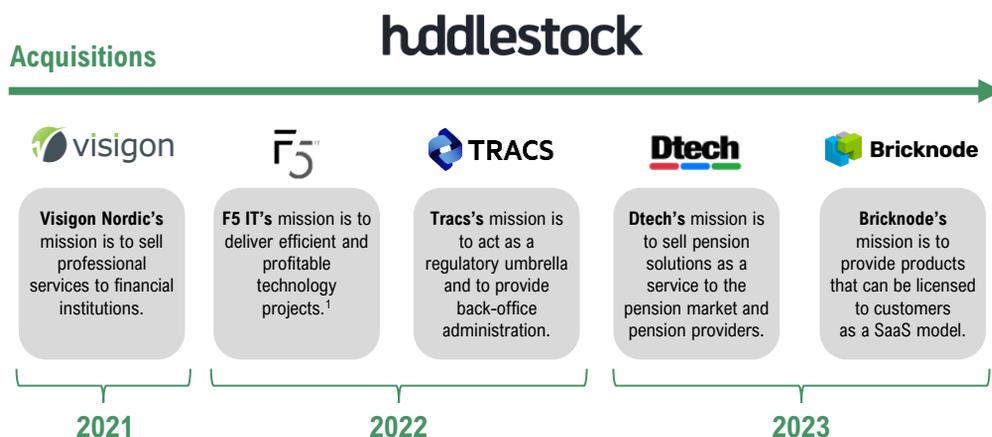
Investment-as-a-Service (IaaS) is powering unique, customisable investment products for the financial market, as fintechs, brands and banks.

Huddlestock's unique API solution connects future clients to securities brokerage and custody services with Banking-as-a-Service partners.

Huddlestock, established in 2014, is a Norway-based *Wealthtech* and *Tradetech* Company, that develops, implements and provides SaaS solutions for capital markets, treasury and wealth management industry, as well as financial institutions and financial companies. The solutions empowers *Investment-as-a-Service*, through innovative technology software solutions and expert professional services business. Huddlestock has since the IPO adopted a strategy to create value through selective and accretive acquisitions, where Huddlestock has completed acquisitions of Visigon Nordic AB, F5 IT¹, Tracs group (Trac Services AS and Trac Technology), Dtech and Bricknode Holding AB. As of today, Huddlestock offers Fintech infrastructure with innovative technology software, scalable products and professional services. Huddlestock has offices in Norway, Germany, Sweden, Denmark, Romania, United Kingdom and Malaysia.

Huddlestock has Acquired Firms to Create a Unique End-to-End Financial Solution

Huddlestock's acquired firms in a timeline between year 2021 - 2023



Source: Huddlestock

Product Portfolio and Revenue Model

Huddlestock offers technology software solutions and consulting services within the financial market, which constitute the Company's two primary business areas. In the technology business, Huddlestock is a software provider in the financial market, offering innovative, compliant, and data-centric SaaS solutions across several verticals, including Wealthtech, Tradetech, and Investment services, among others. The technology business comprises Huddlestock's own solutions as well as solutions from the acquired businesses Tracs Group, Dtech, and Bricknode, which collectively provide an end-to-end solution for the financial markets. Through Huddlestock's diverse product mix, the Company caters to a broad palette of clients, empowering them by delivering "Investment-as-a-Service". Huddlestock addresses a wide range of customers in the financial market, including asset management firms, financial institutions, family offices, fund managers, neobanks, corporate finance firms, and other financial companies. The revenue model in the technology business is based on recurring revenue from platform usage, as well as recurring revenue derived from functionality and volume, which can include metrics such as the number of trades, AUM, accounts, regulatory license or admin users, for example. The solutions are cloud based, API-integrated and connected through a wide partner network. At the same time is the platforms built through a modular approach, and therefore possess a high granularity that enables a high level of scalability. During the month of November 2023 Huddlestock completed the divestment of Huddlestock Solutions, formerly F5 IT AS, by a management buyout, which was conducted to maintain a strict focus on Investment-as-a-Service.

Within the consulting business segment, Huddlestock offers professional services through Visigon Nordic, which was acquired in 2021. Visigon Nordic provides strategic technology solutions and process automation for the financial services industry. Huddlestock's expert consultants are established as the leading player in the Nordics with significant multiyear relationships with most Swedish and Danish banking groups, disruptor neobanks and innovative platforms. The consulting business segment strengthens the technological operations by maintaining strong relationships with numerous companies within the financial sector. This creates sales opportunities and allows Huddlestock to leverage its strong human capital to further develop its own technology. The revenue model is primarily based on securing contracts / mandates for longer-term projects with major financial institutions / banks and/or financial companies, providing good visibility into the level of activity within the consulting business.

Eco Partners²



Clients Visigon²



¹ F5 IT AS (Huddlestock Solution) was divested in H2-23.

² Example of Eco Partners and clients Visigon



huddlestock Investment-as-a-Service

Clients Germany

Tomorrow*

Clients Huddlestock¹

EAST CAPITAL TBC CAPITAL
SIGMASTOCKS Alwy

Clients Dtech

davi
PENSJON

API

Huddlestock's investment API allows customers to integrate trading and investing services into their user journey. Customers can also easily expand these capabilities by integrating third-party services and solutions that they already rely on.

WHITE LABEL INVESTMENT APPS

Huddlestock offers a seamless end-user experience with its white-label trading and investment apps. Enables modern customer experiences and supports self-directed, automated investments, and hybrid advisory services.

MULTI-ASSET INVESTING

Huddlestock offers multi-asset investing to end-customers across stocks, mutual funds, exchange-traded funds, bonds, commodities, certificates, warrants, and more. Customers can customize their investment offering.

INVESTMENT MANAGEMENT SYSTEM

Huddlestock's powerful investment management system controls every stage of the investment journey, from trade execution to post-trade processing.

CUSTODY SERVICES

Huddlestock custody services provide safekeeping for the customers' end-users' assets via a nominee account.

REGULATORY UMBRELLA

It enables customers to operate under Huddlestock's EU regulatory umbrella, which is an alternative to applying for and acquiring an investment license.

Huddlestock's main products are listed above. Through Huddlestock's wide range of products, the Company empowers customers to offer modern investment and trading services. Huddlestock's product range includes investment API, white label investment apps, multi asset investing, investment management system, custody system and regulatory umbrella. From the core products, Huddlestock can offer various layers of services to clients, such as tailor-made solutions, features, and/or integrations. Additionally, Huddlestock can provide back-office operations. This, combined with Huddlestock's industry expertise, creates a robust end-to-end solution within Investment-as-a-Service and contributes to a strong value proposition and moats, where Huddlestock enables customers to increase revenues, go to market fast, and future-proof their technology.

Strategic Outlook

Huddlestock has identified several strategic opportunities that constitute its main priorities for the year 2024.



¹Example of clients Huddlestock

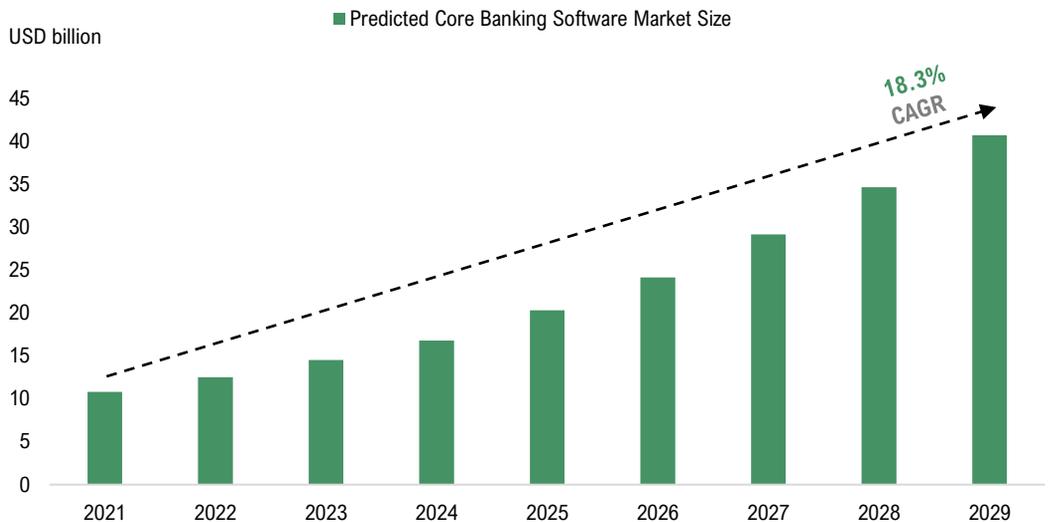
RISING ADOPTION OF CLOUD-BASED SOLUTIONS

The Global Core Banking Software Market is Expected to Grow Fast

The global Core Banking Software (CBS) market was valued at USD 12.5 billion in 2022, and the market is expected to grow to USD 40.7 billion by 2029, corresponding to a CAGR of 18.3%. The rising adoption of cloud-based solutions, and increased investments by key players in fintech technologies are driving factors of the estimated market growth. Despite Huddlestock addressing only certain segments within the overall CBS market, the market demonstrates strong underlying market growth for Huddlestock.

The Global Core Banking Software Market Is Expected to Grow With a CAGR of 18,3 %

Predicted Global Core Banking Software Market Size, 2021 – 2029E



Source: Fortune Business Insights

AFFLUENT SEGMENT HOLDS USD 27 TRILLION IN WEALTH

Affluent Segment Constitutes as a Growth Opportunity

According to the World Wealth Report 2023 by Capgemini, affluent individuals with investable assets of USD 250K - 1M represent a growth opportunity. The affluent segment currently holds nearly USD 27 trillion in wealth and encompasses a large population base. The report reveals that only 18% of this segment is satisfied with their current wealth management service provider, making them ripe for the taking if offered a better experience. This segment is rapidly expanding and requires assistance with financial literacy, easy financial planning, and tools that facilitate a collaborative experience with their advisor.

New business models and technologies solutions, therefore, present significant growth opportunities within the affluent segment. Examples of these models and technologies may include:

- Leveraging the existing wealth management setup while accelerating digital transformation from front to back to unlock relationship manager productivity, develop AI-driven digital tools, and orchestrate an omnichannel experience.
- Developing a Wealth-as-a-Service (WaaS) proposition to deliver wealth services to affluents using third-party channels, such as retail banks and independent advisors. WaaS can streamline the delivery of cost-effective services and enable personalized offerings.
- Building a dedicated platform for wealth services and other value-added offerings to reach the affluent segment, enhanced with self-service tools to improve customer engagement.

Huddlestock, with its technological offering and business service experts, enables firms to significantly reduce the cost of service and expand personalization from commoditized modular offerings to tailored products that resonate with the aspirations of the affluent segment. This can create a more loyal client base with high lifetime value for Huddlestock's customers. Huddlestock possesses a strong position to shape the future of wealth management and address this significant growth opportunity.

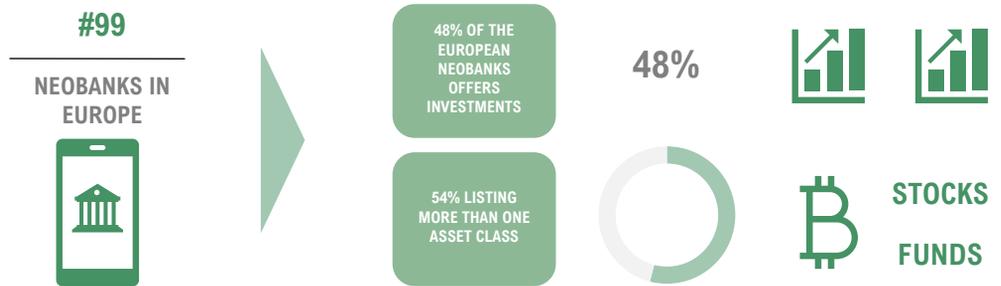


Huddlestock Enables Investing for Neobanks and Online Banks

Neobanks/online banks are fintech companies that offer banking services digitally, through apps, software and other technologies, in order to streamline, democratize and personalize mobile and online banking. Neobanks have successfully disrupted the financial sector and are transforming the whole banking industry. The business model of the neobanks often relies on the basic banking functions and products, such as savings accounts, lending and money transfers. But lately, neobanks have expanded their offerings by including higher-margin services such as investment accounts, credit cards, insurances and mortgages. This creates an opportunity for neobanks to create better user experience with a higher profitability. For example, the U.K. based neobank Revolut have lately added stock trading and investment accounts to their offering, with DriveWealth as a carrying broker for Revolut's brokerage services. In Europe there are approximately 99 neobanks, with Lunar, Revolut and Tide Bank being the more well-established ones. According to a study conducted by Bricknode, it was found that only 48% of 61 surveyed B2C European neobanks offered investment accounts to their customer, with 54% listing more than one asset class (e.g. funds and stocks). Huddlestock empowers clients by delivering *Investment-as-a-Service*, e.g. through white label trading API, and has direct access to the capital markets, with over 60,000 financial instruments, such as Equities, Bonds, Commodities, Funds, ETFs, Certificates and Options.

Only 48% of European Neobanks Offers Investments

Illustration over European neobanks



Source: Huddlestock and Neobanks.app

Digitalization of Asset Management Has Lagged Behind

According to EFAMA (European Fund and Asset Management Association) has digitalization revolutionized many industries, while the asset management sector is lagging behind. EFAMA's report 2022 shows that the total assets under management in Europe reached EUR 32.2 trillion at the end of 2021, compared to EUR 28.5 trillion at the end of 2020, corresponding to an increase of 12.9%. Digital transformation has been disrupting the financial industry, but there is still a long way to go for asset management. One of three major trends and opportunities within asset management is digitalization of middle- and back-office systems. By implementing next generation automation, robotics and machine learning enables enhance process efficiencies, reduce manual frictions, and enable more straight-through processing. Digital technologies, like Huddlestock's solutions and platforms, will enable asset managers to capture value across the value chain, as for example the cost reduce is estimated by EFAMA for middle- and back-office to 20-30%. As well as a report from McKinsey illuminates that a fully scalable and API supported software with full cloud architecture within asset management benefits of lower costs in supporting functions and increases sales effectiveness. Accelerate digital transformation in Asset Management is essential to minimize operational risk and delaying digital changes, transformations or new technologies contributes to risk as becoming uncompetitive, additional costs for regulatory compliance and deterioration of the quality of services, for examples. The operational risk in Asset Management of delaying digital changes is illustrated on the next side.

COST REDUCE OF MIDDLE AND BACK-OFFICE BY 20-30%



Accelerating Digital Transformation in Asset Management to Minimize Operating Risks

Examples of the biggest risks of delaying digitalization changes in Asset Management



Source: Temenos

Potential within Corporate Finance

In December 2022 Huddlestock signed the new customer Vator Securities, who is also Huddlestock’s first client within the corporate finance segment and can therefore be seen as a proof of Huddlestock’s wide range of use, and also imply a greater potential within the corporate finance segment, where other corporate finance and Project Finance firms can be supported by Huddlestock’s solutions, such as Bricknode Broker. Huddlestock supports the operations needs of asset managers, fintech, banks, neobanks, and also corporate finance firms through Vator. Corporate finance firms often offers services such as IPOs, Mergers and Acquisitions, raising capital, right issues and private placements. Vator chose Bricknode Broker in order to digitalize their processes and streamline their share issue operations. According to the Swedish Finansinspektionen, approx. 100 firms has a license to act as a securities company in Sweden, which is required to offer the services that corporate finance firms often do. Even though some of these companies are not corporate finance firms, it gives an indication of the number of firms that Huddlestock can address and help digitalize within just the Swedish market.

~100
CORPORATE
FINANCE FIRMS
TO ADDRESS

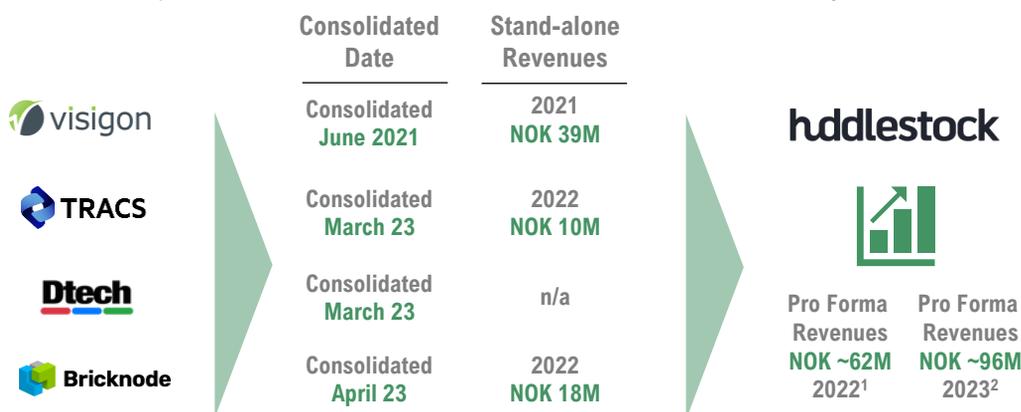


Revenue Forecast 2024-2026

Huddlestock’s consolidated net revenues amounted to NOK 46.7M (23.4) during the full year 2022, corresponding to a growth of 100%. The consolidated net revenue consists of revenues from the consulting services and recurring revenues (ARR) from the technology business. Since the acquisition of Visigon Nordic AB, which was acquired and consolidated in the financial statements in June 2021, revenues from consulting services have constituted the largest portion of Huddlestock’s total revenues. For the full year 2022, revenues from consulting services accounted for approximately 84% of the total revenues (NOK 39.5M), with recurring revenues accounting for approximately 16% of total revenues (NOK 7.4M), compared to a share of 87% for consulting services and 13% for recurring revenues in the full year 2021. During 2022, recurring revenues (ARR) from technology business grew by 174% Y-Y to NOK 7.4M, while consolidated total revenues grew by 100%. Huddlestock announced the acquisitions of Tracs group, which, however, were not consolidated in the financial statements for the year 2022. Therefore, on a pro forma basis for the full year 2022, the revenues amounted to NOK 61.6M, and in 2023, the acquisitions of Dtech and Bricknode were announced, which, when included, pro forma revenues for the full year 2023 are estimated by Analyst Group to be approximately NOK 96M.

Increased Pro Forma Revenues

Huddlestock’s acquired firms, consolidated dates, stand-alone revenues and Pro forma revenues year 2021 - 2022



Source: Huddlestock

In the full year 2023, Huddlestock’s consolidated revenues amounted to NOK 87.7M (46.7), representing a high growth of 88%. The most commonly used financial metric for SaaS businesses is the Annual Recurring Revenue (ARR) since it is an accurate metric for future cash flows, as it illustrates the obtained fees every year for the life of a subscription. For Huddlestock the recurring revenues is referred to as Technology revenues, i.e., technology related revenues for Huddlestock, which were further strengthened during Q4-23 to NOK 10.7M, indicating an ARR above NOK 40M. Pro forma revenues during the full year 2023 is estimated to amount to NOK 97M (62), corresponding to a proforma growth of 57%. Considering the pro forma recurring revenues which amounted to NOK 41.2M during the year 2023, accounting for 43% of the total pro forma revenues. As previously mentioned, Huddlestock acquired Dtech and Bricknode, which was announced during Q1-23. The acquisition of Dtech was completed late March 2023, and at the same time, Huddlestock received approval from the Norwegian FSA to acquire Trac Services and Tracs Technology, which entailed that the acquisition was completed on 31st of March 2023. The acquisition of Bricknode was announced in the middle of March 2023 and was completed on 4th of April 2023. The completion of the acquisitions means that all companies are consolidated during the second quarter of 2023.

43 %
RECURRING
REVENUE OF
TOTAL REVENUES

Increased Revenues, Both Consolidated and Pro Forma

Net revenue year 2021-2023 and estimated Pro forma revenues year 2022 and 2023



Source: Huddlestock and Analyst Group

¹Pro forma numbers includes Visigon, consolidated June 11th 2021.
²Pro forma numbers are estimated by Analyst Group and includes Tracs group, Dtech and Bricknode.

NEW CUSTOMERS CONTRIBUTE TO INCREASED ARR

Huddlestock has gained five (5) new clients since the acquired firms was consolidated, which consists for example of Garantum Wealth Management, Norse and Tind Asset Management, as well as the Company's first Family Office to use Portfolio Management, and a Swedish asset management firm that has selected Bricknode Broker. The fact that Huddlestock has already secured five new clients within the Technology business validates the value of the Company's integrated product portfolio and can be seen as a proof of Huddlestock's wide range of use within the sector, which is also aligned with the Company's key priorities for 2023-2024 to execute and win clients with the existing products available, indicating a high rising ARR. Furthermore, Huddlestock has stated that the company has a strong pipeline of new prospects within Investment-as-a-Service, with significant opportunities in the German, Norwegian, and Swedish markets. Despite high business activity in the recent quarters and Huddlestock already signing five new clients across various segments, Analyst Group assesses that Huddlestock has a good opportunity to continue securing new deals. By combining and strengthening the Company's offering within Investment-as-a-Service and maintaining a strong market presence, we anticipate high business activity in the future, despite sales having a generally long sales cycle nature. Additionally, it should be noted that the Company's existing customers and recently signed ones typically scale up their usage of Huddlestock's products, explained by the modular and scalable offering, indicating growth within these customers and a Net Revenue Retention (NRR) exceeding 100%. One (1) new customer to Huddlestock Investment-as-a-Service implies ARR between NOK 0.4 – 2.5M, depending on functions and volume. Within Huddlestock Technology services, which includes services and products within Investment-as-a-Service, is the revenue model based on recurring revenues, and dependent on functions and volume. The volume-based fee is, for exempel, dependent on factors such as the number of accounts, assets on the platform or assets under management (AUM), number of trades, and/or numbers of admin-users, and therefore, Huddlestock can grow with their clients as well.

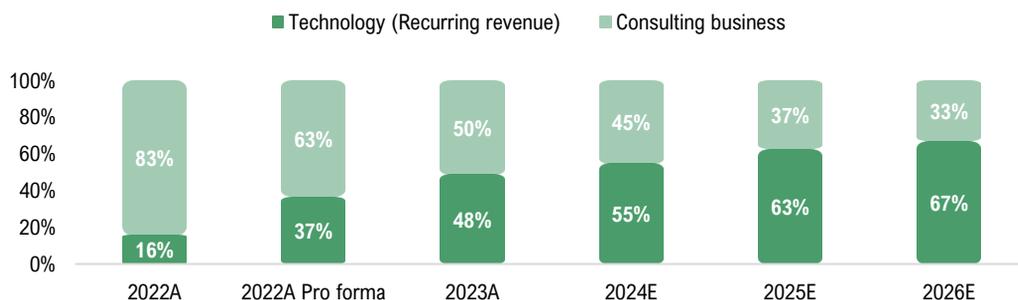
3-18 MONTHS SALES CYCLES

Within the Technology business the relationship is often long because it constitutes as business-critical services and constitutes as foundational technologies for customers, which contributes to a high Total Contract Value (TCV). The high TCV and ARR explains why future revenues can be seen with a high degree of certainty. But at the same time, it also means that the sales cycles are long, which can be attributed to the fact that switching or selecting a software provider for financial services involves a thorough evaluation process. It constitutes significant business decisions and can be business-critical, considering the areas of use and complexity of the systems involved. Sales cycles are estimated to be 3-18 months, which is why having a substantial sales pipeline is crucial for scaling up the number of deals. Huddlestock has a strong sales pipeline with several prospects, and the newly combined product mix allows Huddlestock to execute on sales synergies, such as cross-selling and engage with all of the Company's prospects, which has also been confirmed by the new signed client which is utilizing several parts of the new Company. Beyond that, Huddlestock has stated that by the acquisition of Bricknode the revenue side has been identified to amount to approx. NOK 25M in increased customer revenues through the delivery of an improved onboarding process and a significantly shortened time to market approach. Analyst Group therefore assesses that Huddlestock has a good opportunity to continuing on delivering new deals, despite the long sales cycles. New clients within all verticals, and growth among Huddlestock's already existing clients, are driving factors for the overall growth going forward, which will contribute to increased ARR and that the share of recurring revenues gradually will constitute a larger portion of Huddlestock's total revenues.

INCREASED RECURRING REVENUES

Recurring Revenue From Technology Expects To Constitute a Large Portion Of the Total Revenues.

Net revenue distribution year 2022-2025E and pro forma revenues year 2022 and 2023E.



Source: Analyst Group's Estimates

Huddlestock's consultancy service contains of the acquired firm Visigon Nordic, and was earlier also complemented by the acquired firm F5 IT, where the professional services is specialized into technology projects to financial institutions and financial companies, both also projects within the Huddlestock Group. However, it's worth noting that F5 IT primarily focused on in-house projects and played a crucial role in developing key components for the Technology offering. During the month of November 2023 Huddlestock completed the divestment of Huddlestock Solutions, formerly F5 IT, which is estimated to have an impact in the beginning of 2024. The revenues from the Consultancy business amounted to approx. NOK 51M during the full year 2023.

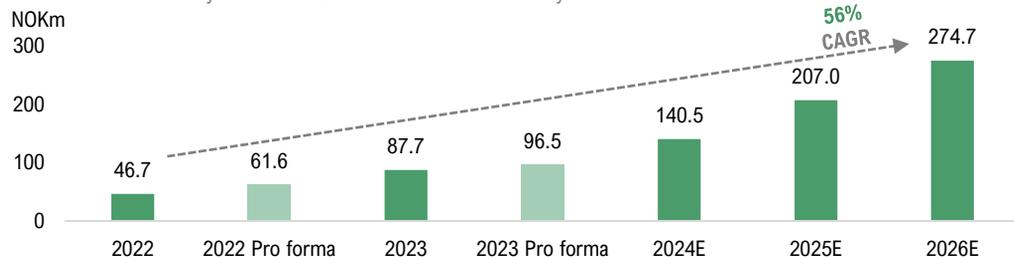
**LONG-TERM
CONTRACT OF
NOK ~20M**

The last communicated agreement within the consultancy service consisted of a long-term contract with a Northern European central bank with an estimated value of DKK 13M, corresponding to approximately NOK 20M, over four (4) years, which is a strong validation of the high standard of the consultancy service. Huddlestock has stated that the consulting business has added more products to serve the banking industry, while maintaining good visibility throughout the year 2024 with existing and new customer contracts, despite the slightly weaker macroeconomic outlook. The consulting business also serves a wide range of customers in the financial market, creating good opportunities to integrate Huddlestock's technology with clients and/or engage consultants with new customers in the technology business, for example implementation of Huddlestock's software. As a result, Huddlestock is expected to generate additional revenue synergies as the group expands. The consulting business of Huddlestock is expected to grow at a CAGR of approximately 23% during the period 2022-2026, reaching NOK 90M by year 2026.

By combining and coordinating the acquired businesses and products, Huddlestock will be able to expand the addressable market with a complete end-to-end solution, win clients in all verticals, while accelerating revenues from upselling opportunities within the combined customer base. Given derived forecasts within the technology business and the consulting business, Huddlestock is expected to demonstrate a total CAGR of 56% during the period of 2022-2026, reaching NOK 275M in revenues by the year 2026.

Revenues are Estimated to Reach NOK 275M by Year 2026.

Estimated net revenue year 2022-2026 and Pro forma revenues year 2022 and 2023.



Source: Analyst Group's Estimates

Estimated Costs 2024-2026

Huddlestock's consolidated total cost base amounts to NOK 104M (61) during the full year 2023, including materials / subcontractors, other operating costs and staffing costs. The largest cost item for Huddlestock its personnel, which amounts to NOK 72.8M LTM and NOK 43.6M in the full year 2022. The total cost base has increased rapidly since 2021, due to upscaling the organization, by including acquisitions and continuing investments in Huddlestock's technology, adding personnel to consultancy services, as well as upgrading regulatory licenses, increasing the organizational support and customization of software. Huddlestock has outlined a cost reduction plan and an additional cost reduction plan, enabled in part by cost synergies among the acquired operations and built upon the previously communicated cost synergy initiatives, which is expected to be executed throughout the year 2024.

**COST SYNERGIES
DURING THE
YEAR 2024**

Huddlestock Have Identified Several Cost Synergies.

Cost reduction program and additional cost reduction program, annual cost synergies.

Type of Cost Synergies	Effects From	NOKm
Terminate Market Making	H2-23	0.3
Additional reduction of office cost	H1-24	0.3
Reduction of Ukraine Tech Team further	H2-23	1.2
Cancel additional company admin expenses	H2-23	0.8
Streamline organisation	H1-24	5.2
Annual savings		7.8

Source: Huddlestock

Despite the expectation for Huddlestock to continue investing in its technology to remain at the forefront of the market and scale up sales, the Company possesses a scalable business model with an estimated low Customer Acquisition Cost (CAC) and an Average Cost of Service (ACS). This, combined with the fact that the Company is a software provider, creates good conditions for efficiently scaling up the number of customers and services without incurring significant costs. However, in the consulting business, the operations are not as scalable as in the technology business, as more and larger mandates require more consultants. Through the acquisitions, the Company possesses a robust organization where resources can be coordinated internally, and Huddlestock can leverage experts internally and externally, which is expected to contribute to a more streamlined organization. Huddlestock has guided that the Company is expected to achieve a positive EBITDA result for the full year of 2024.

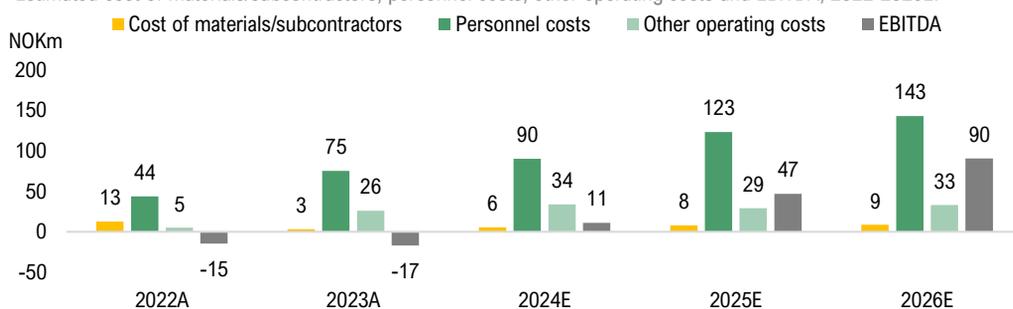
Huddlestock's increased focus on profitability is estimated to be achieved through increased internal efficiency, development and creation of profitable products and strong cost control. Huddlestock's largest cost item is personnel expenses, amounting to NOK 75M for the full year 2023, compared to NOK 44M in the previous year. Huddlestock's business area in the business service division, which consists of consulting assignments, drives the cost item in line with activity levels, but it should also be noted that Huddlestock has acquired businesses and therefore has a larger cost structure in terms of personnel, including developers and experts. Other operating expenses represent a smaller cost item in relation to revenue and amounted to NOK 26M (5) in 2023. Other operating expenses increased significantly during the full year 2023, which can particularly be attributed to Q4-23, when the cost item amounted to NOK 15M. Other operating expenses increased by approximately NOK 12M QoQ, primarily expected to be explained by one-time costs related to the Company's acquisition.

Huddlestock's EBITDA result amounted to NOK -16,7M (14,7) during the full year of 2023, corresponding to an EBITDA margin of -19%, compared to the previous year's EBITDA margin of -31%. Given that Huddlestock scales up revenues through acquiring new clients, expanding the target market with a complete end-to-end solution, and leveraging upselling opportunities among the combined customer base, in combination with the Company's continued execution of cost synergies, Analyst Group estimates that Huddlestock will achieve a positive EBITDA result for the full year 2024, performing an EBITDA margin of approximately 8%.

**POSITIVE EBITDA
FOR THE FULL
YEAR 2024**

The Costs are Estimated to Decrease in Terms of Percentage to Sales.

Estimated cost of materials/subcontractors, personnel costs, other operating costs and EBITDA, 2022-2026E.



Forecast, Base scenario (NOKm)	2022	2023	2024E	2025E	2026E
Net revenue	46.7	87.7	140.5	207.0	274.7
Other operating income	0.0	0.0	0.0	0.0	0.0
Total Group Revenue	46.7	87.7	140.5	207.0	274.7
Cost of materials/subcontractors	-12.8	-3.0	-5.6	-7.9	-8.5
Personnel costs	-43.6	-75.3	-89.9	-123.2	-142.8
Other operating costs	-5.0	-26.1	-33.7	-29.0	-33.0
EBITDA	-14.7	-16.7	11.2	47.0	90.4
EBITDA margin	-31%	-19%	8%	23%	33%
Depreciation and amortization	-18.4	-62.8	-51.5	-41.2	-28.8
EBIT	-33.1	-79.5	-40.2	5.8	61.5
Ebit margin	-71%	-91%	-29%	3%	22%

The valuation of Huddlestock is based on a relative valuation where Huddlestock is compared to a peer group with a similar business model and addressable market. Due to Huddlestock's unique end-to-end solutions and product portfolio, it is challenging to find directly comparable businesses within the Nordic markets. Additionally, it should be noted that Huddlestock was the first publicly listed fintech company in Norway, further highlighting the absence of companies within the same market in Norway. Therefore, a slightly larger selection group has been used, despite that the companies differ in size in terms of market cap and sales, as well as geographic market and degree of maturity, there are still several similarities between the companies and Huddlestock, regarding business model, growth outlook, product offering, margins and addressable market. Huddlestock provides a cloud-based software to the financial sector, with full operational service support and a leading financial professional service business and thus also classified as a B2B SaaS-company. Hence, Huddlestock can be compared with other financial software providers with B2B SaaS offers and/or consultancy services, such as nCino, Q2, SimCorp, Temenos, Alkami Technology, Niiio Finance Group, MeridianLink Inc and Broadridge Financial Solutions.



nCino Inc., is a B2B software-as-a-service company and is a global provider of cloud banking and digital solutions for the global financial services industry. The Company enhances banks and credit unions with the technology they need to meet client expectations and regulatory requirements. The Company serves financial institution customers of all sizes, including global financial institutions, enterprise banks, regional banks, community banks, credit unions and specialty lenders.

Market Cap (MUSD)
3,378

List: Nasdaq GS



Q2 Holdings, Inc. is a provider of secure, cloud-based digital solutions. The Company sells its solutions to financial institutions, alternative finance and leasing companies (Alt-FIs), and financial technology companies (FinTechs). The Company's solutions enable its customers to deliver robust suites of digital banking, lending, leasing, and banking as a service (BaaS) services.

Market Cap (MUSD)
2,755

List: NYSE



SimCorp A/S is a Denmark-based company engaged in the development and marketing of software solutions to the financial industry. The Company's product, SimCorp Dimension, is a customizable, modular investment management software solution for professional investment managers, which supports all elements of the investment management process. In May 2023 Deutsche Börse AG offer a public takeover offer to acquire all in SimCorp A/S at a price of DKK 735 per share. Public offer corresponds to a Company value: EUR 3,870M or DKK 29,768M.

Market Cap (MDKK)
29,768

List: Large Cap
Copenhagen



Temenos AG is a Switzerland-based company engaged in the development and marketing of banking software systems. The Company develops, markets, and sells integrated banking software systems to banking and other financial institutions worldwide. The company provides for example Temenos Transact, a banking solution that offers banking software, and data and analytics.

Market Cap (MUSD)
4,873

List: SIX Swiss
Exchange



Alkami Technology is a B2B software-as-a-service company and offers cloud-based digital banking solutions in the United States. The company's Alkami Platform allows financial institutions to onboard and engage new users, accelerate revenues, and enhance operational efficiency, with the support of a proprietary, cloud-based, and multi-tenant architecture.

Market Cap (MUSD)
2,458

List: NASDAQ GS



Niiio Finance Group provides cloud-based software-as-a-service solutions for banks and financial service providers. The company offers ESG/sustainability, portfolio management, wealth management, risk management, order and execution management, advisory and financial planning, robo-advisory, client onboarding, client portal, analytics, client reporting, and billing solutions, as well as CRM for ongoing client management.

Market Cap (MEUR)
20

List: Xetra



MeridianLink Inc. a software and services company, provides software solutions for banks, credit unions, mortgage lenders, specialty lending providers, and consumer reporting agencies in the United States. The company offers MeridianLink One, a multi-product platform that can be tailored to meet the needs of customers as they digitally transform their organizations and adapt to changing business and consumer demands.

Market Cap (MUSD)
1,502

List: NYSE



Broadridge Financial Solutions provides technology-driven solutions for the financial services industry. The company's Investor Communication Solutions segment processes and distributes proxy materials to investors in equity securities and mutual funds, as well as facilitates related vote processing services; and distributes regulatory reports, class action, and corporate action/reorganization event information, as well as tax reporting solutions.

Market Cap (MUSD)
23,719

List: NYSE

Key Metrics (NOKm)	nCino ¹	Q2 ¹	SimCorp ²	Temenos ¹	Alkami ¹	Niiio Finance ¹	Meridianlink ¹	Broadridge ¹	Average	Median	Huddlestock
Market Cap	35,488	28,938	45,517	58,161	25,826	237	15,783	249,174	57,390	32,213	175
Enterprise	35,110	31,321	45,495	66,012	26,098	0	19,234	286,971	63,780	33,215	184
Gross Margin	59%	47%	60%	67%	53%	37%	69%	30%	53%	56%	92%
EBITDA Margin	-2%	-6%	27%	33%	-26%	-29%	18%	23%	5%	8%	-19%
Solvency	81%	37%	n.a.	24%	67%	55%	53%	24%	50%	54%	56%
Net Debt/EBITDA	0.2	16.7	n.a.	2.0	1.3	-1.0	4.7	3.5	3.4	1.7	-0.1
Debt Ratio	0.4	1.7	n.a.	3.1	0.5	0.8	0.9	3.2	1.4	0.9	0.8
Sales Growth Y-Y	49%	13%	13%	-2%	34%	203%	8%	14%	42%	14%	100%
Sales Growth CAGR (2022A-2025E)	16%	10%	8%	7%	26%	2%	8%	7%	11%	8%	64%
EBITDA Margin 2023	14%	12%	n.a.	40%	-2%	-18%	36%	23%	16%	18%	-19%

Base Scenario

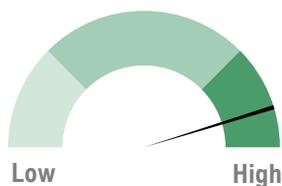
The derived fair value per share is based on a relative methodology where Huddlestock is compared to a peer group that provides financial software solutions. Huddlestock are in a rapid sales growth phase and are estimated to have a high sustainable growth going forward, which motivates the valuation to be based on sales.

Huddlestock has a relatively short financial history and has acquired several businesses in recent years. Through these acquisitions and successful coordination of operations, Huddlestock is expected to execute significant revenue synergies, while the combined offering will constitute a unique product portfolio in the market. Given successful coordination and an expanded target market through a complete end-to-end solution, as well as continued organic growth, Huddlestock is estimated to demonstrate strong growth in the coming years. However, compared to the peer group, Huddlestock is significantly smaller than the average and is in a much earlier stage, which justifies a valuation discount compared to the peer group. On the other hand, Huddlestock possesses a better capital structure than the average and median of the peer group, despite acquiring several companies, which is explained by the financing primarily being conducted through share issuances, which also entails a risk for existing shareholders with dilution and potential underlying selling pressure on the stock price. Additionally, it should be noted that the acquired firms enables Huddlestock to leverage the operational benefit from inherent in its business model to a greater extent, which is estimated to result in cost synergies and improved margins. Analyst Group assumes that Huddlestock's focus going forward will primarily be on coordinating the acquired operations and products, as well as executing on the opportunities it possesses, hence a decrease in acquisition activity is anticipated. This, combined with the Company achieving a positive EBITDA result in the year 2024, is expected to further reduce financial risk in the future.

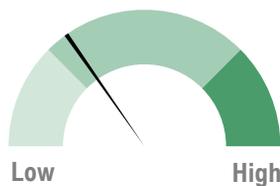
Huddlestock in Relation to Peers, According to Analyst Group.

Weighted assessment based on financial history and estimates

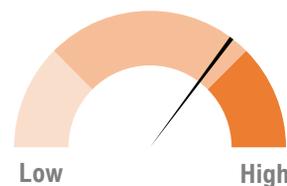
Revenue Growth



Profitability



Risk



Analyst Group's Estimates

¹USD/NOK: 10.5, EUR/NOK: 11.4, DKK/NOK: 1.5. 2024-02-29

²Based on the acquisition offer and the latest reported figures

Company ¹	P/S			EV/S			EV/EBITDA		
	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E
nCino	7.1	6.2	5.3	7.0	6.1	5.3	51.1	39.7	7.1
Q2	4.4	4.0	3.6	4.8	4.3	3.9	35.8	25.2	4.4
Simcorp	7.1	6.6	6.1	7.0	6.5	6.0	26.2	28.2	7.1
Temenos	4.9	4.5	4.2	5.5	5.2	4.8	13.9	13.2	4.9
Alkami Technology	9.5	7.4	6.0	9.6	7.5	6.0	neg.	117.5	9.5
Niiio Finace Group	2.4	2.3	2.0	2.6	2.4	2.2	neg.	neg.	2.4
Meridianlink Inc	4.9	4.6	4.2	6.0	5.6	5.1	16.7	14.6	4.9
Broadridge Financial Solutions	3.9	3.6	3.4	4.5	4.2	3.9	19.4	17.6	3.9
High	9.5	7.4	6.1	9.6	7.5	6.0	51.1	117.5	44.9
75th Percentile	7.1	6.5	5.8	7.0	6.4	5.8	39.6	39.7	27.3
Average	5.5	4.9	4.3	5.9	5.2	4.6	27.2	36.6	22.6
Median	4.9	4.6	4.2	5.8	5.4	4.9	22.8	25.2	21.1
25th Percentile	4.0	3.7	3.5	4.6	4.2	3.9	16.0	14.6	13.7
Low	2.4	2.3	2.0	2.6	2.4	2.2	13.9	13.2	11.9
Huddlestock	2.3	1.4	1.0	2.4	1.5	1.0	neg.	18.4	4.4

The peer group is valued at a median EV/S multiple of 5.8x LTM (average 5.9x), which is higher than Huddlestock's LTM valuation and in line with the latest analysis update. Additionally, it should be noted that Huddlestock is estimated to grow at a much faster rate than the average of the peer group, resulting in a comparison of forward EV/S multiple based on 2024 estimates. However, the current market climate poses a challenge, characterized by lower risk appetite, along with an increased risk premium, particularly for growth companies, where Huddlestock is not yet profitable. At the same time, it should be emphasized that Huddlestock has expanded its focus on cost control and profitable growth. The median EV/S multiple is estimated to be 5.2x (average 5.4x), while Huddlestock is valued at 1.4x, according to Analyst Group's estimates for 2024. We believe that Huddlestock is undervalued at current levels and that, given its unique positioning as a B2B software provider of financial solutions, higher expected growth, and scalable business model, Analyst Group believes that the current valuation gap (1.4x – 5.2x) is too large.

In addition, it should be noted that through its acquired businesses, Huddlestock will be able to offer a unique solution in the market, enabling Investment-as-a-Service, where the combined offering can expand the market and increase the Company's Net Revenue Retention (NRR) through a modular product offering, combined customer base and a broader product portfolio. As mentioned earlier, it is challenging to find directly comparable businesses in the Nordic markets and there are only a few players in the global market with a similar offering. Some of the leading players in the market today include DriveWealth, Wealth Kernal, and FNZ, which provide various types of B2B investment platforms through SaaS models. For example, the UK-based neobank Revolut has relatively recently added stock trading and investment accounts to its offering, with DriveWealth as a carrying broker for Revolut's brokerage services. However, it should be noted that these players and Huddlestock operate in different niches within Investment-as-a-Service with slightly varying offerings and addressable client groups, and while they are privately held. The interest in these companies are high, and several funding rounds have been conducted in the past, although the transaction details are generally not disclosed, making it difficult to determine exact valuation multiples. Nevertheless, this demonstrates the strong interest in the business model.

Given this, also considering the current challenging market climate of increased risk aversion for in particular fast-growing companies that are not yet profitable, Analyst Group believes that an EV/S multiple of 4.1x on the estimated revenue of NOK 140m in 2024 is justified. This results in an enterprise value of NOK 570M, which, adjusted for the net debt and not yet issued shares to Bricknode's shareholders², yields a potential present market value of NOK 561M, or NOK 2.4 per share in a Base scenario, after taking a discount rate of 12% and the recent completed private placement into account.

NOK 2.4
PER SHARE IN
BASE SCENARIO

¹Collected market data from TIKR.
²Including not yet issued shares to Bricknode, in the calculation the number of shares is calculated to be 206,616,460.

Bull Scenario

The following is a selection of potential value drivers in a Bull scenario:

- Huddlestock wins clients at a faster pace than expected, driven by successful execution of the Company's pipeline of prospects and expansion into new target markets with the complete end-to-end solution.
- Huddlestock successfully realizes cost and revenue synergies, leading to a streamlined organization and margin expansion.
- Huddlestock's consulting business secures larger mandates from new and existing clients, further strengthening the market position.

Given above, Huddlestock is estimated to grow and perform a CAGR of 76% (2022-2026E), reaching a net revenue of NOK 198M in 2024 and NOK 312M in 2025.¹ As the Company performs better, a higher target multiple is motivated. By applying an EV/S target multiple of 4.5x, a potential present value per share of NOK 3.8 is motivated in a Bull scenario, after taking a discount rate of 12% into account.²

NOK 3.8
PER SHARE IN
BULL SCENARIO

Bear Scenario

The following is a selection of potential factors in a Bear scenario:

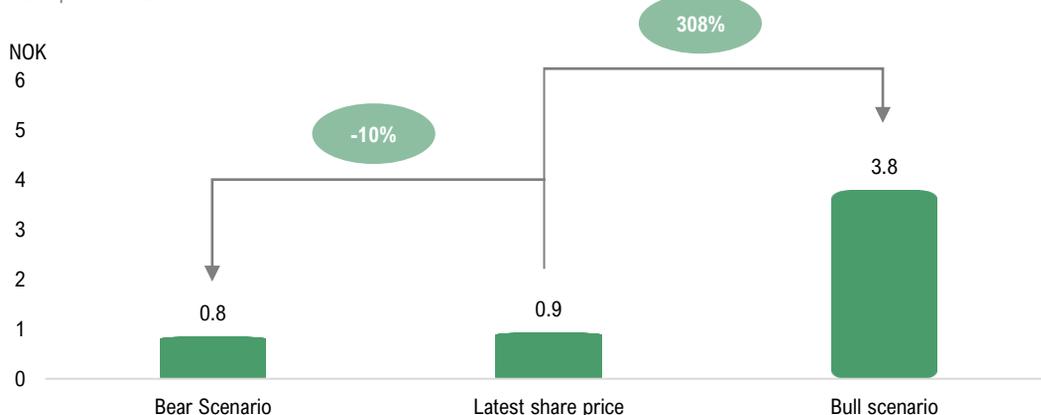
- The coordination of acquired firms and product portfolio takes longer than expected, resulting in Huddlestock's offering being less competitive and impeding the Company's ability to attract new clients.
- Huddlestock fails to streamline the organization, and the identified cost synergies are not achieved to the same extent as estimated, making it challenging for Huddlestock to achieve a positive EBITDA in the near term.
- Huddlestock's consulting business struggles to find qualified workforce, resulting in difficulties to scale up the operations.

Given above factors, Huddlestock is estimated to grow slower and perform a CAGR of 39% (2022-2026E), reaching a net revenue of NOK 111M in 2024 and NOK 149M in 2025.¹ As the Company performs worse and faces a negative EBITDA result and higher need of external capital, a lower target multiple is motivated. By applying an EV/S target multiple of 1.8x, a potential present value per share of NOK 0.9 is motivated in a Bear scenario, after taking a discount rate of 12% into account.²

NOK 0.8
PER SHARE IN
BEAR SCENARIO

Illustration of Potential Valuation In a Bull and Bear Scenario.

Value per share Bull and Bear scenario.



Source: Analyst Group's Estimate

¹Refer to Appendix page 23-24 for forecasts in the Bull and Bear scenarios.

²Including not yet issued shares to Bricknode and given recent private placement, in the calculation the number of shares is calculated to be 206,616,460.



Øyvind Hovland, Chairman

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



Morten Flørenæss, Board member

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



Ramtin Matin, Board member

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



Jan Sigurd Vigmostad, Board member

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



Leif Arnold Thomas, Chief Executive Officer

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



Morten Bernhardsen, Chief Financial Officer

Anders is the Chief Financial Officer of the Group. Morten has extensive experience from the financial services sector and international, listed companies. He started his career at Gjensidige and has since held central positions with Sector Asset Management, Bulk Infrastructure Group and Navamedic. Morten most recently held a position as CFO at Midelfart Capital AS and Pescara AS.



Petter Midtsian, Chief Consulting Officer

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



John E. Skajem, Chief Investor Relations and Corporate Development

John Egil is Chief Investor Relation and Corporate Development in 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 MBA work from the University of Chicago.



Daniel Risberg, Chief Product Officer

Daniel has extensive experience in product development in several roles. His years in international organizations and projects have provided broad knowledge in the FinTech industry. He has a master's degree in Information Systems and a bachelor's degree in International Business from University of Uppsala.



Stefan Hillebrand, Chief Technical Officer

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



Erik Hagelin, Chief Strategy Officer and Board Member

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



Inger Sofie Korbøl, Chief Investor Services

Inger Sofie is the Chief Investor Services as CEO, Head of compliance and the responsible manager for Tracs Services AS. Following a long career in real estate and the financial industry working with settlement and unit holder registry, Inger Sofie has gained a thorough insight and understanding for the securities trading and custodian services. She holds the licences from the Norwegian FSA.

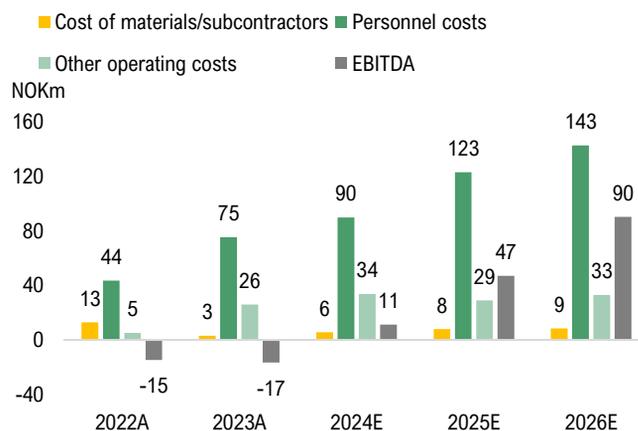
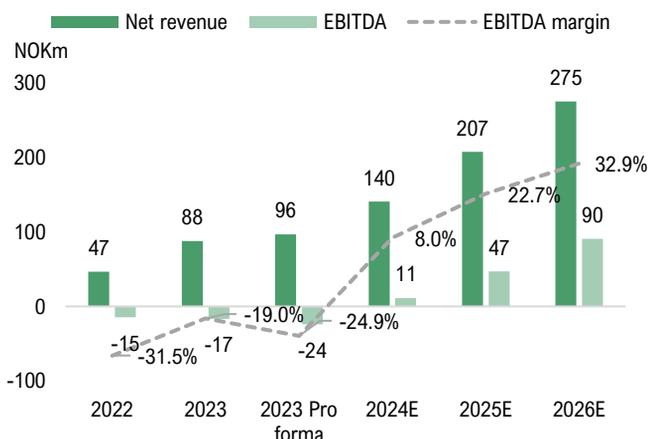
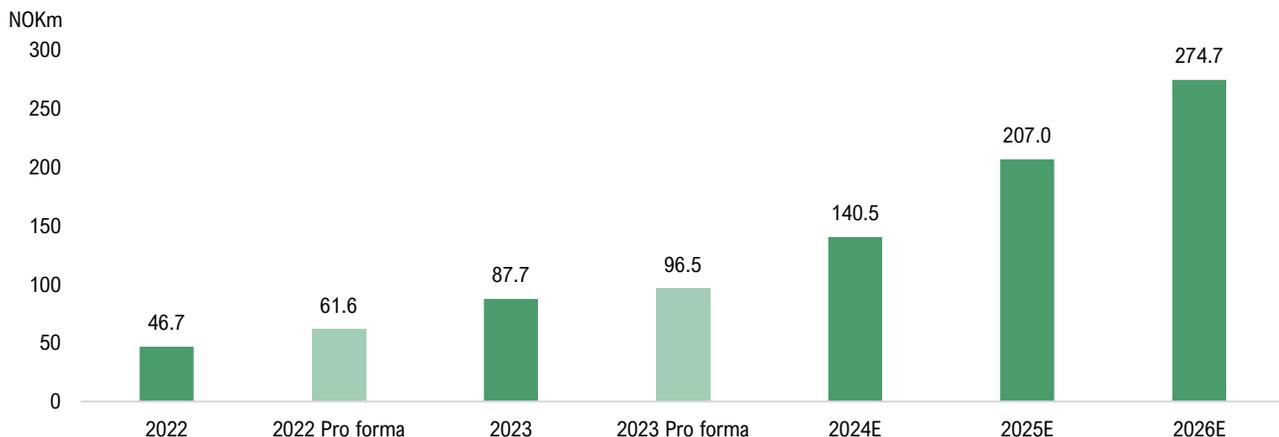


Robert Fuchsgruber, Chief Commercial Officer

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.

Base Scenario (NOKm)	2022	2023	2023 Pro forma ¹	2024E	2025E	2026E
Net revenues	46.7	87.7	96.5	140.5	207.0	274.7
Other operating income	0,0	0,0	0,0	0,0	0,0	0,0
Total Group revenue	46.7	87.7	96.5	140.5	207.0	274.7
Cost of materials/subcontractors	-12.8	-3.0	-12.6	-5.6	-7.9	-8.5
Personnel costs	-43.6	-75.3	-85.0	-89.9	-123.2	-142.8
Other operating expenses	-5.0	-26.1	-22.9	-33.7	-29.0	-33.0
EBITDA	-14.7	-16.7	-24.0	11.2	47.0	90.4
EBITDA margin	-31%	-19%	-25%	8%	23%	33%
Depreciation / Amortization	-18.4	-62.8	-59.4	-51.5	-41.2	-28.8
EBIT	-33.1	-79.5	-83.4	-40.2	5.8	61.5
EBIT margin	-71%	-91%	-86%	-29%	3%	22%

Key Metrics	2022	2023	2023 Pro forma ¹	2024E	2025E	2026E
P/S	3.9	2.1	1.9	1.3	0.9	0.7
EV/S	4.1	2.2	2.0	1.4	0.9	0.7
EV/EBIDA	-13.1	-11.5	-8.0	17.1	4.1	2.1
EV/EBIT	-5.8	-2.4	-2.3	-4.8	33.1	3.1

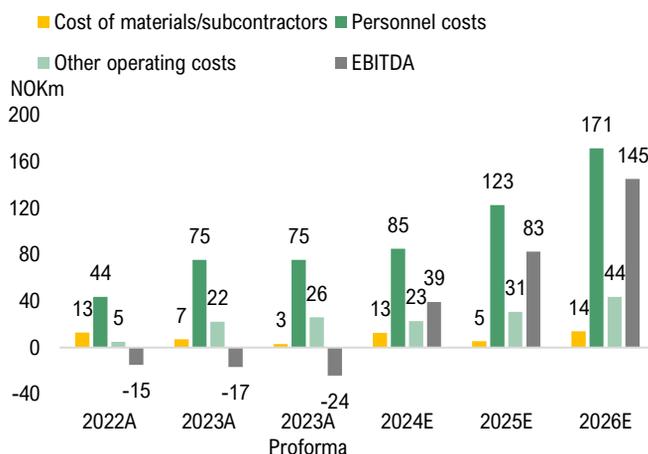
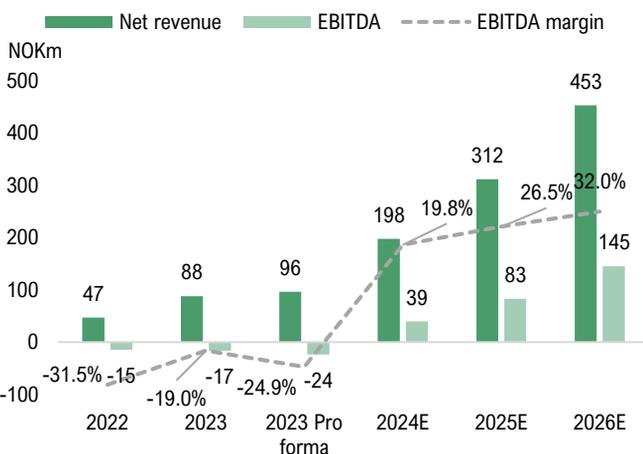
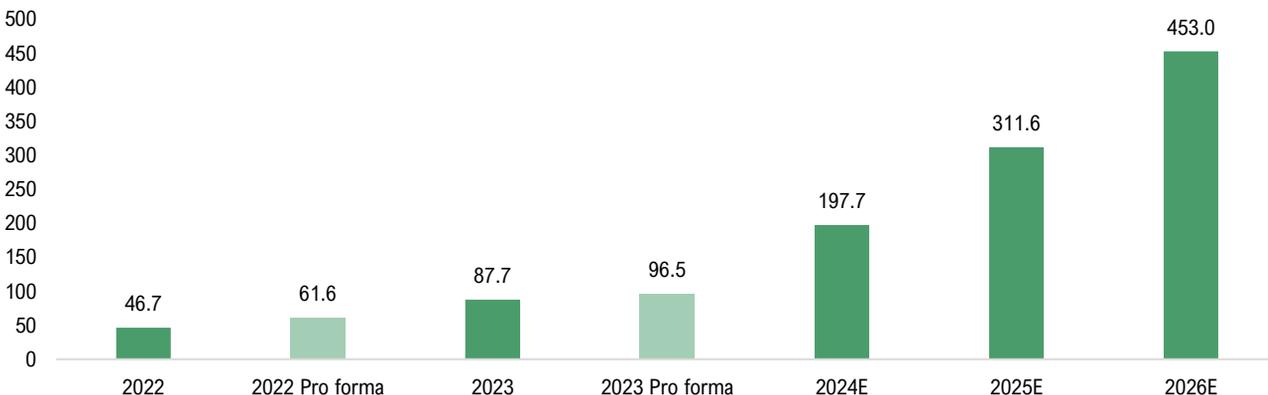


¹The 2023 Pro forma is estimated by Analyst Group and constitutes a calculation, thus the actual outcome may vary.

Bull Scenario (NOKm)	2022	2023	2023 Pro forma ¹	2024E	2025E	2026E
Net revenues	46.7	87.7	96.5	197.7	311.6	453.0
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Total Group revenue	46.7	87.7	96.5	197.7	311.6	453.0
Cost of materials/subcontractors	-12.8	-3.0	-12.6	-5.3	-14.0	-27.2
Personnel costs	-43.6	-75.3	-85.0	-122.6	-171.4	-222.0
Other operating expenses	-5.0	-26.1	-22.9	-30.6	-43.6	-58.9
EBITDA	-14.7	-16.7	-24.0	39.1	82.6	145.0
EBITDA margin	-31%	-19%	-25%	20%	27%	32%
Depreciation / Amortization	-18.4	-62.8	-59.4	-51.5	-41.2	-41.2
EBIT	-33.1	-79.5	-83.4	-12.3	41.4	103.8
EBIT margin	-71%	-91%	-86%	-6%	13%	23%

Key Metrics	2022	2023	2023 Pro forma ¹	2024E	2025E	2026E
P/S	4.2	2.3	2.1	1.0	0.6	0.4
EV/S	4.4	2.4	2.1	1.0	0.7	0.5
EV/EBIDA	-14.1	-12.4	-8.6	5.3	2.5	1.4
EV/EBIT	-6.3	-2.6	-2.5	-16.8	5.0	2.0

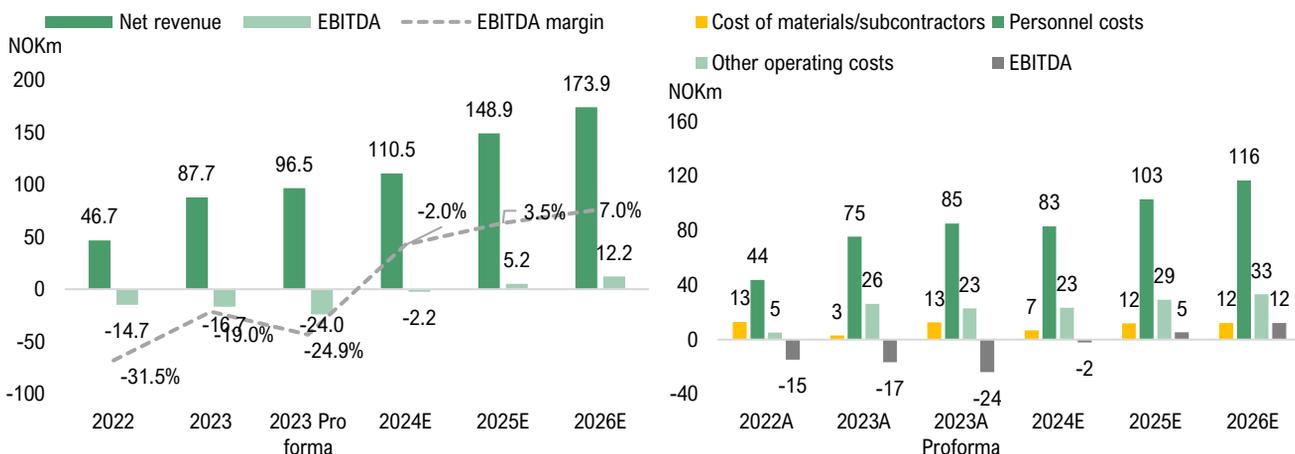
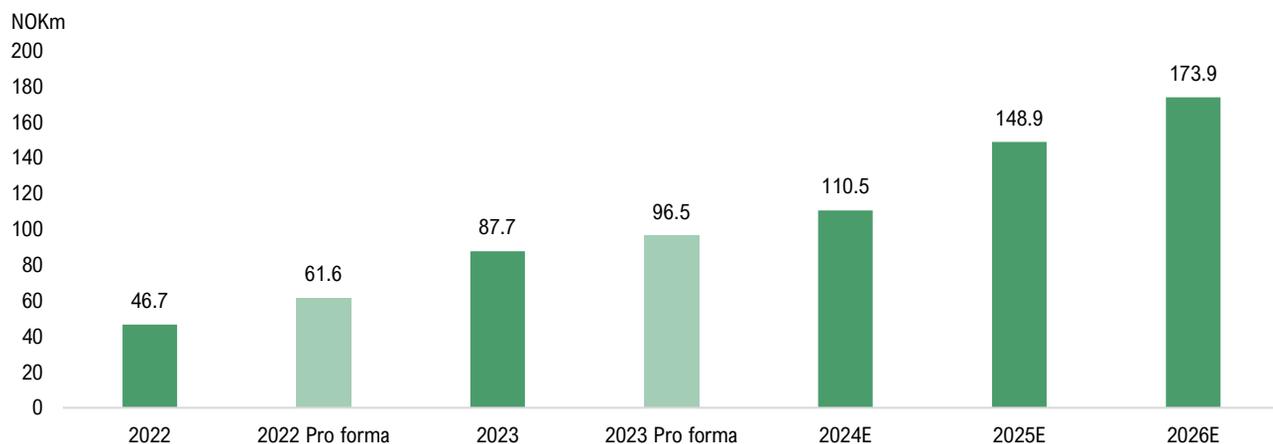
NOKm



¹The 2023 Pro forma is estimated by Analyst Group and constitutes a calculation, thus the actual outcome may vary.

Bear Scenario (NOKm)	2022	2023	2023 Pro forma ¹	2024E	2025E	2026E
Net revenues	46.7	87.7	96.5	110.5	148.9	173.9
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Total Group revenue	46.7	87.7	96.5	110.5	148.9	173.9
Cost of materials/subcontractors	-12.8	-3.0	-12.6	-6.6	-11.9	-12.2
Personnel costs	-43.6	-75.3	-85.0	-82.9	-102.8	-116.5
Other operating expenses	-5.0	-26.1	-22.9	-23.2	-29.0	-33.0
EBITDA	-14.7	-16.7	-24.0	-2.2	5.2	12.2
EBITDA margin	-31%	-19%	-25%	-2%	4%	7%
Depreciation / Amortization	-18.4	-62.8	-59.4	-51.5	-41.2	-41.2
EBIT	-33.1	-79.5	-83.4	-53.7	-36.0	-29.0
EBIT margin	-71%	-91%	-86%	-49%	-24%	-17%

Key Metrics	2022	2023	2023 Pro forma ¹	2024E	2025E	2026E
P/S	4.2	2.3	2.1	1.8	1.3	1.1
EV/S	4.4	2.4	2.1	1.9	1.4	1.2
EV/EBIDA	-14.1	-12.4	-8.6	-93.8	39.8	17.0
EV/EBIT	-6.3	-2.6	-2.5	-3.9	-5.8	-7.1



¹The 2023 Pro forma is estimated by Analyst Group and constitutes a calculation, thus the actual outcome may vary.

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Other

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The parts that the Company has been able to influence are the parts that are purely factual and objective.

The analyst does not own shares in the Company.

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