



hddlestock **1H 2021**

(Unaudited)

January - June

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LETTER FROM THE CEO

Motivated by our mission to open up access to global markets and provide retail investors with a greater set of investment opportunities, including access to world markets, exchange traded products and discretionary portfolios, the team at Huddlestock Fintech continues to pursue our ambition of bringing custody banking, wealth, and asset management together through cutting edge technology solutions. By providing low-cost access to online trading and a wider set of investment platforms and opportunities, we believe technology can foster both financial inclusion and opportunity.

While the global health pandemic that has ravaged the globe during the past 12-18 months, has delayed our delivery plans for Huddlestock Technology in the short term, we are confident in the delivery of our long-term goal of NOK 200m in revenues in 2024.

The acquisition of the leading Nordic expert consultancy Visigon during H1 2021 is a major milestone for Huddlestock. Since 2010, Visigon has grown into the leading player in the Nordics with significant relationships across the financial services industry. It's high standards of delivery, project management and innovation has resulted in strong multiyear relationships with the majority of Swedish and Danish banking groups and disruptor neobanks.

With our larger team of expert consultants from Visigon, we see many opportunities for growth, both at home in the Nordics and by exporting the Visigon experience globally, throughout our global footprint. The next step will be to develop a Nordic solution, introducing Huddlestock's innovative technology to the Nordic market and building on Visigon's strong footprint and reputational excellence in the local markets.

The innovative technology solutions for asset and wealth managers developed by Huddlestock continues to attract interest from wealth managers wishing to digitize their service offering, increase the time their relationship managers spend with clients, discussing potential investments and portfolio allocations, ultimately offering a 21st century hyper-personalised experience to current and future clients. With our new colleagues at Visigon, we can offer customized strategic and technical solutions across the entire value chain.

Looking beyond 2021, we are fortunate to have a Board of Directors composed of three 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), while continuing to nurture close relationships with universities through the sponsorship of master's students at NTNU and recruitment of both student workers and graduates from across the Nordic universities. Our most recent graduate from NTNU focused on automatic ESG portfolio management in his master thesis.

We recently signed the UN Global Compact charter and will be publishing our first sustainability report alongside our full year accounts, detailing how we can contribute to the delivery of the 17 UN Sustainable Development Goals.

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 wealth

John E. Skajem

Chief Executive Officer





Creating sustainable value for shareholders

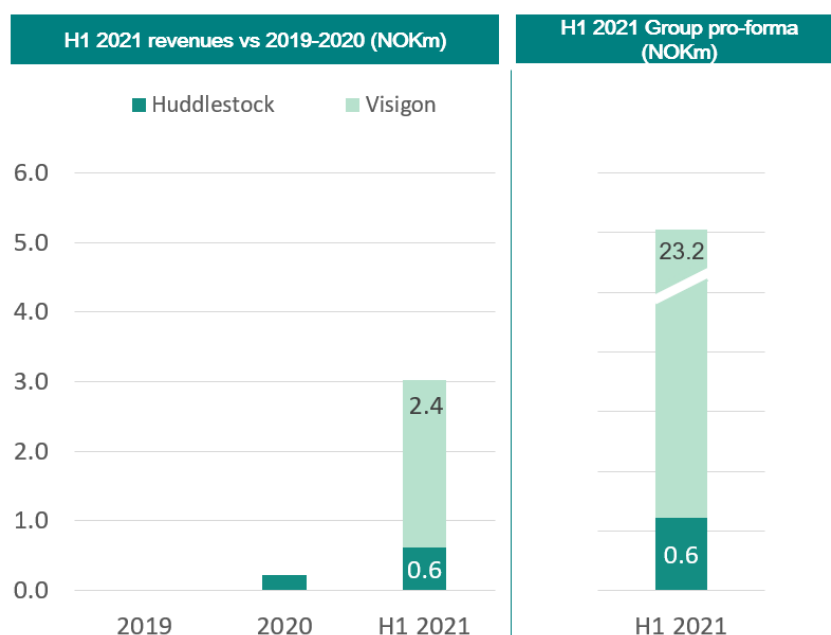
REPORT FROM THE BOARD OF DIRECTORS – 2021 HALF-YEAR FINANCIAL PERFORMANCE

The first half of 2021 was transformational for Huddlestock Fintech AS. In June, Huddlestock acquired the leading Nordic expert consultancy for financial institutions, Visigon Nordic AB. 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, will allow us 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 both the Bedrock connectivity platform for online trading and the Apex B2B solution for custody banks. During Q2, the company continued to sign up new clients; including Aledius GmbH and AVL Investment Fonds. However, as a result of lengthy periods of lock-down due to the global health pandemic in its key markets, Germany and Malaysia, the indicative project delivery timeline for a number of client contracts has been delayed.

Visigon continued its strong development, onboarding 2 new clients during the first half-year and extending and increasing the customer engagement with a major Swedish bank after the end of the period. Significant revenues are already committed for the second half-year.

Operating revenue for H1 2021 was NOK 3.02m, of which NOK 0.61m is attributed to Huddlestock and NOK 2.41m to Visigon. Visigon is consolidated from the closing of the transaction June 2021. Visigon reported revenues of NOK 23.23m for H1, which translates into Group pro-forma revenues of NOK 23.8m for H1.

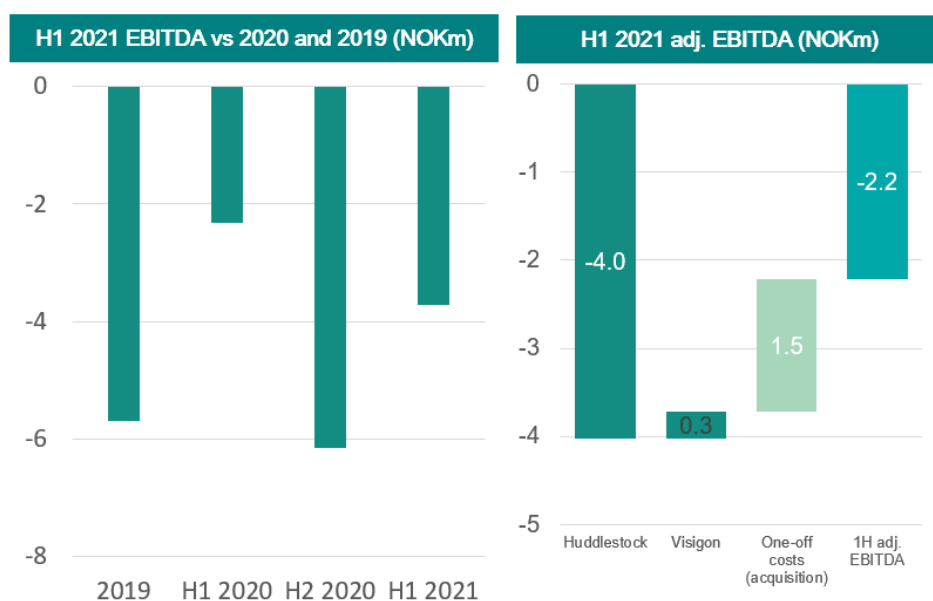


*Visigon consolidated only from June 11th, 2021, but Huddlestock alone for 2020 and 2019

**Pro-forma: including Visigon's accounts for full 1H21 (January-June)

New Huddlestock = Huddlestock + Visigon

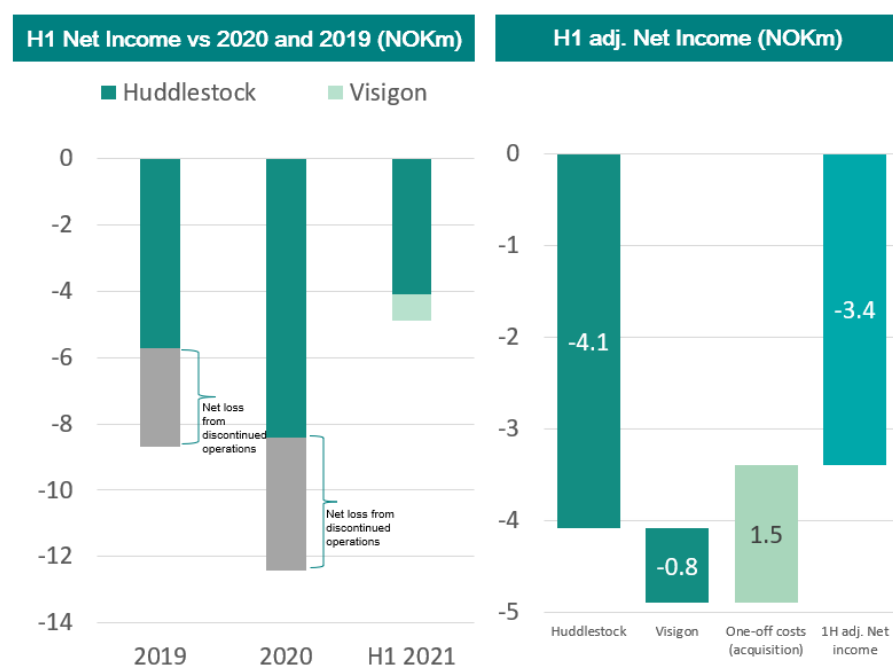
Operating expenses were NOK 8.22m for H1. This leads to an EBITDA of NOK -3.72m in H1. Adjusted for one-off costs related to the acquisition of NOK 1.5m, the adj. EBITDA was NOK -2.2m.



*W/Visigon consolidated only for 2021 but Huddlestock alone for 2020 and 2019

The expenses for the first half are linked to expenses related the acquisition of Visigon, increase in the organisational support and customization of software in conjunction with the onboarding of new contracted clients.

Net income amounted to NOK -4.87m for H1. Adjusted for one-off costs related to acquisition of NOK 1.5m, the underlying net income was NOK -3.39m.



*W/Visigon consolidated only for 2021 but Huddlestock alone for 2020 and 2019

BUSINESS OVERVIEW

Huddlestock Fintech is a WealthTech company that develops unique software as a service solution (“SaaS”) for digitizing work processes for custody banks, asset managers and retail trading venues. Its business units include two Software as a Service solutions and a consultancy business:

- Apex - an open, end-to-end solution for banks, private banks, wealth and asset managers.
- Bedrock - a unique white label trading solution for online trading venues
- Visigon – a leading expert consultancy company within capital markets.

Apex

Provides digital solutions for large custody banks, external managers, and investors through a state of-the-art B2B platform. The solution makes it possible for asset managers to manage individual accounts at scale and removes the need to pool individual investors into mutual funds in order to achieve economies of scale. The Group offers a digital solution for on boarding, client communication, reporting, order execution and portfolio management.

Bedrock

Huddlestock Fintech’s Bedrock white label solution offers aspiring online trading platforms direct market access to BNP Paribas’ and Baader Bank’s global liquidity pools. The technological solution can easily be adapted to connect with alternate liquidity pools, depending on client requirements. The Company acts as the technology middleware between their customers and global liquidity providers.

Visigon

Visigon Nordic AB is a leading financial technology company with offices in Stockholm and Copenhagen and providing development, implementation of new- or optimization of existing IT systems within the capital market.

HIGHLIGHTS IN 1H 2021 AND SUBSEQUENT EVENTS

FinTech Innovator of the Year

On April 13th, Huddlestock Fintech was awarded the “FinTech Innovator of the Year” award in the 2021 Technology Innovator Awards. The 2021 Technology Innovator Awards is the sixth annual award ceremony. The selection process is made by Corporate Vision, a monthly digital publication with the mission to deliver insightful features from across the global corporate world.

Market making agreement with Norne Securities

On April 26th, 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.

Huddlestock Fintech acquired Visigon Nordic AB

On May 5th, Huddlestock Fintech entered into an agreement to acquire the Nordic financial technology company, 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 transaction implied an enterprise value of Visigon of NOK 56 million. This implies a valuation of 1.4x on 2020 sales and 6.0x on 2020 EBITDA, which means that the transaction is forecasted to be accretive to Huddlestock. The transaction was settled through a combination of cash and Huddlestock shares, where 60% were paid in cash and 40% in shares at a price of NOK 6.00 per share. Huddlestock expects the acquisition of Visigon to help accelerate the commercialization of Huddlestock's two primary technologies, Apex and Bedrock.

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 consolidates Huddlestock's Nordic footprint, complementary technological solutions and provides an expert platform for global growth. Creating sustainable value for shareholders through:

- Significant potential to roll out consultancy services across Huddlestock's existing footprint
- Significant potential to roll out Huddlestock's technological solutions at a much greater pace and with greater global reach
- Improve cash flow from joint operations with solid positive net profit.
- Scalable, profitable and capital-light business

Capital raise completed

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. 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.

Huddlestock onboards AVL Investment Fonds to the Bedrock platform

On May 20th, Huddlestock Fintech entered into a letter of intent to build and launch a low-cost trading platform for AVL Investment fonds, utilizing Huddlestock's innovative Bedrock API solution. AVL, established in 1997, is one of the largest investment fund discounters in Germany. AVL Investment fonds has EUR 1.85 billion (approximately NOK 20 billion) in assets under management, and more than 175,000 client accounts. Powered by Huddlestock's Bedrock Software-as-a-Service solution, AVL is aiming to become one of the leading online trading brokers in Europe.

Aledius GmbH and Huddlestock Systems GmbH announce cooperation

On May 27th, Huddlestock Fintech entered into an agreement with the German fund manager Aledius GmbH, through its fully-owned subsidiary Huddlestock Systems GmbH. Aledius is a privately-owned asset manager that invests in public securities, currency and commodity markets using mathematically driven investment strategies. Aledius quantitative portfolio strategies have delivered superior returns for its investors since inception. For Aledius, Huddlestock will provide a full financial portfolio management license and trading infrastructure through the Bedrock solution, allowing Aledius to develop and grow its quantitative market solutions. The partnership will also allow Huddlestock to offer Aledius investment solutions to its own client base, with the potential to offer add-on bespoke technology and asset management solutions. Aledius has become a tied-agent through the use of Huddlestock Systems GmbH's regulatory umbrella.

Secondary listing on Tradegate Exchange

Huddlestock Fintech was 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

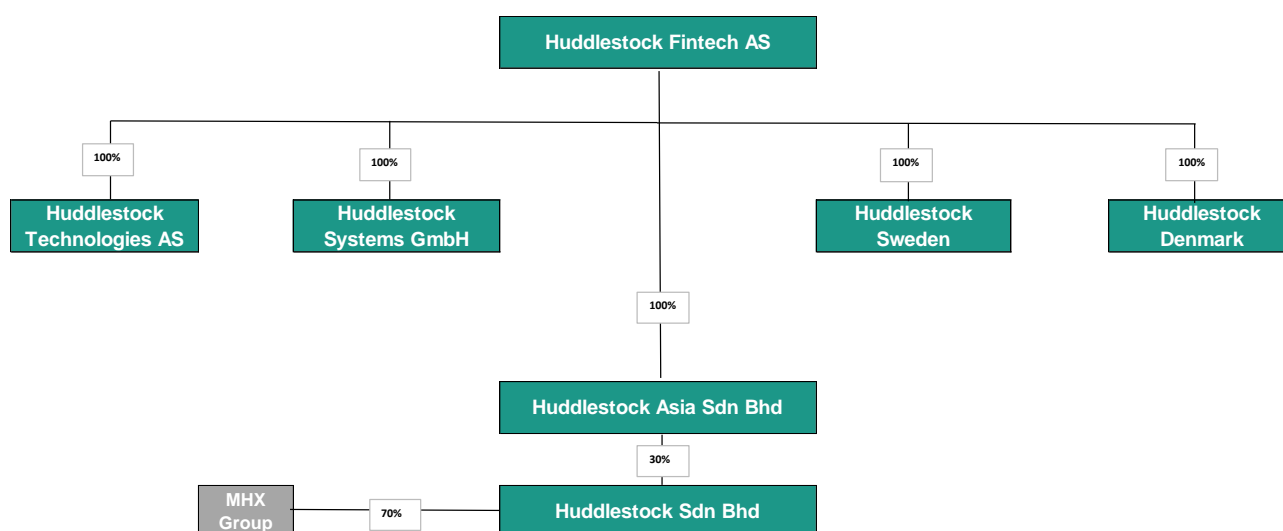
denominated investors. Trading on Oslo Stock Exchange – Euronext Growth will continue to be the company's primary listing venue.

UN Global Compact Signatory

Huddlestock Fintech AS (OSE: HUDL) became a part of the UN Global Compact, 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. 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.

New Group structure

In addition to the parent entity, Huddlestock Fintech AS, the group includes the subsidiaries Huddlestock Technology AS, Huddlestock Systems GmbH, Dovre Forvaltning UAB, Visigon Nordic AB, Visigon Sweden AB, Visigon Denmark ApS and Huddlestock Asia. It has offices in Norway, Germany, Lithuania, Sweden and Denmark and Asia respectively.



Dovre Forvaltning UAB

The Group entered into a Share Purchase Agreement with Opera Financial Technologies Limited on 22 September 2020 regarding the sale and purchase of all issued shares in Dovre Forvaltning UAB. Opera Financial Technologies Limited never received an approval from the Central Bank of Lithuania, so the transaction was agreed terminated. Huddlestock Fintech AS has subsequently entered into a new SPA with another buyer, which is expected to close at the end of September. Huddlestock has received the first payment and will receive the second, and final, payment, at the end of September. The transaction is no longer pending regulatory approval.

Huddlestock Fintech AS and Huddlestock Technologies AS is based in Norway, Huddlestock Systems GmbH is based in Germany, Huddlestock Asia SDN BHD in Malaysia and Dovre Forvaltning UAB is based in Lithuania. The Group has developed a suite of unique software as a service-solutions for banks, asset managers and retail trading venues.

The Company's head office is located at Forus in Stavanger municipality, Norway.

New structure of the Management

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.

Peter van Kleef (CEO of Germany)



Peter van Kleef is co-founder of Huddlestock Systems GmbH which developed Huddlestock's B2B platform for BNP Paribas. Peter has extensive experience in the asset management industry having initiated and supervised numerous large scale projects in the asset management and banking industry.

Nith Vegaya (CEO APAC)



Nith is responsible for the business development and expansion in APAC. He holds a degree in B.Com (Accounting and Information Systems) from the University of New South Wales, Australia. He has worked in the Australian banking system and has spent 15 years in South East Asia founding startups and working in technology companies.

Cecilia Luras (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 Masters in Management, Politics, Economics from the University of St Andrews, an undergraduate degree in Economics from Durham University.

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 several M.Sc degrees including Finance and Applied Economics from CBS, Economics from University of Southern Denmark and from London School of Economics. Lars has a broad experience from banks and financial institutions in Denmark.

Said Aspen (CIO)



Said Aspen is Co-founder of Visigon and graduated with a Master of Science – Computer Engineering, from University of Linköping. Said has been occupied with Technical solutions, implementations within the financial sector most of his carrier.

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.

THE BOARD OF DIRECTORS

Øyvind Hovland (Chairman)



Øyvind Hovland is a serial entrepreneur with more than 20 years of experience in starting and developing 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.

Murshid Mikael Ali (Board Member)



Murshid Mikael Ali is an executive director and co-founder of Huddlestock. He is PhD candidate in Economics, and holds a master's degree from Grenoble Ecole de Management, and a degree from NTHU. He has almost a decade of experience as an entrepreneur, primarily in within the energy and financial industry.

Per Øyvind Berge (Board Member)



Per Øyvind Berge is an investor and entrepreneur in Norway, founder of PXO, Quickflange along with other companies. He has more than 20 years' experience from developing businesses and building companies in various industries. He holds a bachelor's degree in financial management from BI Business school.

Risks

Objectives and strategy

The Company and the Group is 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 has conducted extensive research and developed into technology solutions and has developed a suite of unique software as a service-solutions for banks, asset managers and retail trading venues. It has a strong portfolio of licenses for these technology solutions.

Market risk

The Company and the Group have no equity market investments, so it is not exposed to changes in equity markets. The Company and the Group have some minor foreign exchange exposures, mainly through normal international business, which is considered to be of no significance. With regards to other market risks, there is the possibility of stronger competition for winning clients, however, this risk is viewed as normal for business operations and low due to the significant number of potential clients. 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.

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 2021. The company is structured with low fixed cost and with short term contracts. For variable costs, the company has the ability to efficiently scale up or down as it sees the opportunities. The company has also proven to have favourable possibilities to raise efficient funds both as equity and/or loans.

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.

Øyvind Hovland

Chairman of the Board

Murshid Hugberg-Ali

Board member

Per Øyvind Berge

Board member

John Egil Skajem

CEO

Stavanger, August 25, 2021

The Board of Directors of Huddlestock

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

Consolidated income statement (in NOK)	Note	1H21	2020	2019
Operating income				
Other operating income	2	3,024,974	225,000	0
Total operating income		3,024,974	225,000	0
<i>Operating expenses</i>				
Cost of materials/subcontractors		615,891		
Personnel costs	4, 5	3,521,984	432,000	703,862
Other operating expenses	5	2,603,759	8,267,000	4,999,764
Depreciation and amortisation	6	1,497,705		
Total operating expenses		8,239,339	8,699,000	5,703,626
Operating profit (loss)		-5,214,366	-8,474,000	-5,703,626
<i>Financial income</i>				
Interest income		0	9,000	743
Other financial income		163,401	142,000	2,073
Total financial income		163,401	151,000	2,816
<i>Financial expenses</i>				
Interest expenses		0	39,000	11,427
Other financial expenses		94,088	33,000	5,215
Total financial expenses		94,088	72,000	16,642
Net financial items		69,314	79,000	-13,826
Net profit (loss) from discontinued operations	12	0	-4,033,000	-2,954,913
Profit (loss) before tax		-5,145,052	-12,428,000	-8,672,366
Income tax	9	-250,987	0	0
Net profit (loss)		-4,894,066	-12,428,000	-8,672,366

* Visigon accounts included for 1H21 only from June 11, 2021

CONSOLIDATED INCOME STATEMENT SHEET (PRO-FORMA, UNAUDITED)

Consolidated income statement (in NOK)	1H21	1H21 Pro-forma
Operating income		
Other operating income	3,024,974	23,846,360
Total operating income	3,024,974	23,846,360
<i>Operating expenses</i>		
Cost of materials/subcontractors	615,891	5,931,999
Personnel costs	3,521,984	13,524,092
Other operating expenses	2,603,759	5,486,032
Depreciation and amortisation	1,497,705	1,497,705
Total operating expenses	8,239,339	26,439,829
Operating profit (loss)	-5,214,366	-2,593,468
<i>Financial income</i>		
Interest income	0	0
Other financial income	163,401	193,437
Total financial income	163,401	193,437
<i>Financial expenses</i>		
Interest expenses	0	0
Other financial expenses	94,088	165,448
Total financial expenses	94,088	165,448
Net financial items	69,314	27,989
Net profit (loss) from discontinued operations	0	0
Profit (loss) before tax	-5,145,052	-2,565,480
Income tax	-250,987	-250,987
Net profit (loss)	-4,894,066	-2,314,493

* Pro-forma: including Visigon's accounts for full 1H21 (January-June). Unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Consolidated Financial position (in NOK)	Note	1H21	2020	2019
ASSETS				
Intangible assets				
Research and development	6	21,072,380	19,308,254	15,788,922
Goodwill	6,14	42,465,984	-	-
Technology	6,14	2,958,319	-	-
Customer contracts and relationships	6,14	28,921,594	-	-
Licenses	6	45,952,204	45,952,204	5,458,621
Total intangible assets		141,370,480	65,260,458	21,247,543
Fixed assets				
Property, plant & equipment		0	0	692,459
Total fixed assets		0	0	692,459
Total non-current assets		141,370,480	65,260,458	21,940,002
Receivables				
Trade receivables	7	11,344,846	0	1,340,188
Other short-term receivables		2,827,980	762,438	1,369,722
Total receivables		14,172,826	762,438	2,709,910
Bank deposits, cash and cash equivalents	8	10,273,032	2,958,433	11,336,252
Net assets discontinued operations	12	2,232,823	2,232,823	-2,232,823
Total current assets		12,505,855	5,191,256	9,103,429
Total assets		168,049,162	71,214,151	33,753,341
Equity				
Paid-in capital				
Share capital	11	226,675	208,371	143,087
Own shares		0	0	-190
Share premium		117,911,674	66,964,874	7,940,178
Share premium- not registered				17,232,159
Total paid-in capital		118,138,349	67,173,245	25,315,234
Retained earnings				
Other equity		0	0	6,962,306
Total retained earnings		0	0	6,962,306
Non-controlling interest		0	0	290,423
Total equity	10	118,138,349	67,173,435	32,567,963
Liabilities				
Other long-term liabilities				
Liabilities at financial institutions		2,500,000	0	0
Deferred tax	9	7,013,581	0	0
Short-term liabilities				
Accounts payable		1,233,143	1,205,892	856,925
Payroll taxes, VAT etc.		7,800,987	168,992	86,526
Other short-term liabilities	13	31,152,503	2,455,232	2,665,690
Total short-term liabilities		40,186,633	3,830,116	3,609,141
Net liabilities discontinued operations	12	210,600	210,600	0
Total liabilities		49,910,813	4,040,716	3,609,141
Total equity and liabilities		168,049,162	71,214,151	36,177,104

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

Consolidated statement of cash flows (in NOK)	Note	1H21
Cash flows from operating activities		
Profit (loss) before tax		-5,145
Depreciation and amortisation		1,498
Net result discontinued operations		0
Changes to accounts receivable		2,412
Changes to accounts payable		27
Changes to other accruals and prepayments		11,665
Net cash flow from operating activities from continuing operations		10,457
Net cash flow from operating activities from discontinued operations	12	0
Cash flows from investment activities		
Purchase of intangible assets	6	-1,764
Purchase of subsidiary, net of cash acquired	14	-30,928
Transaction cost		-2,624
Net cash flow from investment activities from continuing operations		-35,315
Net cash flow from investing activities from discontinued operations	12	0
Cash flows from financing activities		
Proceeds from capital increase	10	31,673
Cost of capital increase		-2,000
Long-term loan		2,500
Net cash flow from financing activities from continuing operations		32,173
Net cash flow from financing activities from discontinued operations	12	0
Net changes to cash and cash equivalents from continuing operations		7,315
Net changes to cash from discontinued operations		0
Continued operations		
Bank deposits, cash and cash equivalents per 1.1.		2,958
Bank deposits, cash and cash equivalents per 30.06.	9	10,273
- Hereof restricted bank deposits		625
Discontinued operations		
Bank deposits, cash and cash equivalents per 1.1.		2,185
Bank deposits, cash and cash equivalents per 30.06.	9	2,185
- Hereof restricted bank deposits		0

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 the going concern basis.

The Company is 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

In addition to the parent entity, Huddlestock Fintech AS, the group also includes the subsidiaries Huddlestock Technology AS, Huddlestock Systems GmbH, Dovre Forvaltning UAB, Visigon Nordic AB, Visigon Sweden AB, Visigon Denmark ApS and Huddlestock Asia, which is based in Norway, Germany, Lithuania, Sweden and Denmark and Asia respectively. The consolidated financial statements show these units as one single economic entity.

Early spring of 2020 the group decided that its intention was to exit the Lithuanian business and initiated an active program to locate a buyer for its Lithuanian subsidiary, Dovre Forvaltning UAB. After the company was made dormant in 2020, a buyer emerged, and the parties agreed to terms. Due to significant delays and hurdles to the regulatory approval from the Central Bank of Lithuania for the new owner, it was decided to terminate the sale process with the specific buyer. A new buyer has subsequently been found and the first tranche of payment has been made. The sale is no longer pending regulatory approval. The transaction is expected to close at the end of September 2021.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately in the statement of profit or loss.

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

Classification of items in the statement of financial position

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

Foreign currency translation

The functional currency of the parent entity is NOK. For consolidation purposes, the results and financial position of all the Group's entities that have a functional currency other than NOK are translated 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 is services provided, and is recognized when the service is rendered.

Revenues by nature	
(amounts in NOK 1000)	1.1. - 30.06.2021
Other revenue	3,025
Total	3,025
Revenues by country	
(amounts in NOK 1000)	1.1. - 30.06.2021
Norway	-
Sweden	1,638
Denmark	774
Malaysia	104
Germany	509
Total	3,025

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 for the public. Internally, the project is named "Marketplace for Investing" (MiF).

	30/06/2021
Development cost	46,806
Received government grants	-854
Carrying value 30.06	45,952

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 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.

Specification of personnel costs	
(amounts in NOK 1000)	1.1. - 30.06.2021
Wages	2,145
Pension contributions	176
Social security tax	497
Capitalised development costs	0
Other personnel costs	704
Total	3,522

Number of employees	
(average FTE for the period)	30/06/2021
Norway	3
Sweden	11
Denmark	7
Germany	1
Malaysia	1

Note 5 – Remuneration of management

The Group CEO has an annual salary of 1,2 m NOK. 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.

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 half year period 2021, the Group invested further resources and funding into our technology.

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.

The most significant project the Group has is the Qinfen platform and the company have developed for BNP Paribas. Qinfen is a digital platform where fund managers can offer their clients strategies and several other services in one place. Qinfen is based on the Huddlestock platform. This product is subsequently complete and was taken into use from 20 January 2021.

Since early 2020, the Group have been developing a technical end to end solution for a German news provider. The technical solution was finished in 2020, however the client decided to use another custody provider and therefore the project was not implemented. The client has now decided on their custody provider and they have gone live with them in January 2021.

The technical products have subsequently been completed and we are now foreseeing only implementation adjustments for each new client.

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 development assets	Licenses	Goodwill	Order backlog	Customer relationships	Technology
Cost 01.01.	19,308	45,952	0	0	0	0
Additions	1,764	0	42,705	1,890	28,037	3,000
Currency translation difference	0	0	117	84	0	8
Disposals	0	0	0	0	0	0
Cost 30.06.	21,072	45,952	42,822	1,974	28,037	3,008
Accumulated depreciation 01.01.	0	0	0	0	0	0
Amortisation for the period	0	0	357	143	948	50
Disposals	0	0	0	0	0	0
Accumulated depreciation 30.06.	0	0	357	143	948	50
Book value 30.06.	21,072	45,952	42,466	1,831	27,090	2,958

*At June 30, 2021 the R&D and licenses were not ready for their intended use. When ready for their intended use, Management will assess the amortization 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.

Specification of trade receivables (amounts in NOK 1000)	
	30/06/2021
Trade receivables at face value	11,345
Provision for expected credit losses	0
Net trade receivables	11,345

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.

Restricted cash	
(amounts in NOK 1000)	30/06/2021
Payroll tax account	625

Note 9 – Income tax**Significant accounting policies**

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

Basis for recognition of deferred tax asset

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

Specification of income tax expense	
(amounts in NOK 1000)	1.1. - 30.06.2021
Tax payable	0
Change in deferred tax	-251
Income tax expense	-251

Reconciliation of tax expense with tax calculated at nominal rate	
(amounts in NOK 1000)	1.1. - 30.06.2021
Result before tax	-5,145
Tax at nominal rate (22 %)	-1,132
Permanent differences	95
Effect of different tax rates	0
Change in deferred tax not recognised	818
Income tax expense	-219

Specification of deferred tax			
(amounts in NOK 1000)	30/06/2021	31/12/2020	Change
Fixed assets	0	0	0
Receivables	0	0	0
Intangible assets	7,014	0	7,014
Net deferred tax on temporary differences	7,014	0	7,014
Tax loss carryforward	-6,099	-5,281	818
Total deferred tax	915	-5,281	7,831
Deferred tax recognised	7,014	0	0

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	-4,872	-4,894
Currency translation differences	0	0	0	49	56
Reclassification	0	0	-4,837	4,823	0
Contribution in kind	8	0	26,122	0	26,130
Capital increase	10	0	31,663	0	31,673
Costs associated with capital increase	0	0	-2,000		-2,000
Equity as per 30.06.2021	227	0	117,912	0	118,138

Note 11 – Share capital and shareholder information

Share capital

The parent entity, Huddlestock Fintech AS, has 115 464 035 shares outstanding, each with a nominal value of NOK 0,0019. All shares have equal voting and dividend rights.

Significant shareholders		
	Shares	Ownership
Euroclear Bank S.A./N.V.	21,333,748	18.5 %
Vision Invest Stavanger AS	8,166,715	7.1 %
Retropi Limited	7,607,608	6.6 %
Berker Group AS	6,887,189	6.0 %
Grunnfjellet AS	5,408,334	4.7 %
Total (shareholders holding > 5 %)	49,403,594	42.8 %
Other shareholders	66,060,441	57.2 %
Total	115,464,035	100.0 %

Shareholders associated with leading roles

Related party transactions	Representative	Role	Transactions during 2021*
Grunnfjellet AS	Per Øyvind Berge	Board member	0
Berker Group AS	Murshid Hugberg-Ali	Board member	0
Vision Invest Stavanger AS	Øyvind Hovland	Chairman of the Board	763
Orion Oslo AS	John E. Skajem	CEO	0
Better LLC	Peter van Kleef	Shareholder	0

* Included in other operating cost

Note 12 – Discontinued operations

The company entered into an SPA with an undisclosed buyer for the asset management company, Dovre Forvaltning UAB.

The net assets and liabilities are presented as separate line items as discontinued operations.

Huddlestock Fintech decided to sell the company because there were no significant synergies between Huddlestock's main strategy going forward and Dovre Forvaltning. Furthermore, Dovre Forvaltning was also deemed to be too small in the key area of asset management. There were limited prospects for a significant increase in asset under management in the near term. There were no running cost, and the company has terminated all activity.

A discontinued operation is a component of the entity that has been disposed of, or is classified as held for sale, and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The net asset position in the Group accounts is derived as the following:

	30/06/2021
Fixed assets	15
Trade receivables	0
Other receivables	33
Cash and cash equivalents	2,185
Public duties payable	0
Other current liabilities	-211
Net asset position	2,022

The net asset position in the Group indicates that the Group will have a small profit when exiting the investment.

Note 13 – Provisions and other short-term liabilities

Significant accounting policies

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

Specification of other short-term liabilities	
(amounts in NOK 1000)	30/06/2021
Accrued holiday pay	23
Other short-term liabilities	31,129
Total	31,153

Note 14 – Business combination

Description of business combination

Huddlestock Fintech AS was listed on Euronext Growth Market 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 Visigon, Huddlestock delivers strategic technology solutions and process automation for the financial services industry. Founded in 2003, 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

Cash consideration	34,653
Share exchange	23,031
Transaction cost	2,624
Transaction price	60,307

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

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, taken 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	17,602
Goodwill	42,705

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

Note 15 – Events after the reporting period and effect of Covid-19

As with most other companies in the world, have Huddlestock also been affected by the global pandemic, Covid-19.

The company is experiencing strong interest in its products and technology. Both Apex and Bedrock solutions have been completed and the company are mostly focusing on tailor making the solutions to custom fit our contracted clients.

During the second quarter, the group acquired the leading Nordic expert consultancy Visigon Nordic AB. The agreed purchase price was NOK 57 683 255, settled in a mix of shares (40%) and cash (60%). A capital raise of NOK 34.7m was successfully completed during the second quarter to pay the acquisition. The company led the capital raise in an effort to keep costs low and incurred costs linked to the capital equivalent to a total of NOK 2.0m.

Huddlestock Group remains well capitalized and the board has no qualms about presenting the accounts for the first half of 2021 under the assumption of continued operations. No subsequent events identified that will affect the financial statements.

Following the close of the second quarter 2021, the company entered into an SPA with an undisclosed buyer for the asset management company, Dovre Forvaltning. The first tranche of payment has been made and the company expects the deal to close September 2021. The sale is no longer pending regulatory approval. Dovre Forvaltning is a regulated asset manager in Lithuania. During 2020 it was decided to terminate the business and return all the funds back to the investors. This was successfully concluded during the year.

huddlestock

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