



hddlestock 2020

Annual Report 2020

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Letter from the CEO

Born out of the idea that trading in global markets (and funds) should be made accessible to everyone, Huddlestock Fintech started its journey in 2014. Welcomed by the London based tech start-up accelerator, Level 39, Huddlestock grew its user base rapidly in the space of a few months. Realizing that the company could have an even greater impact by focusing on B2B markets, the management pivoted the strategy, and expanded into B2B products.

Fast-forward to 2020, Huddlestock Fintech listed on Euronext Growth Oslo in November and signed a major partnership with BNP Paribas. Two major milestones in the company's recent history, recognizing Huddlestock as an innovator in wealth tech, and confirming the two technology solutions that have been developed thus far. The solid performance of the share price since its debut in November 2020 and the continued strong support from key shareholders, gave us the financial flexibility to continue our journey.

While 2020 was an eventful year with the onset of a global health pandemic which fundamentally rattled societies, major global stock markets delivered solid returns, largely driven by central banks' liquidity and rapid take up of new technology solutions, and the increased importance of the retail investor.

The team at Huddlestock continued working hard to develop our innovative technology solutions for asset and wealth managers, validating our technology through a partnership with Europe's leading banking group BNP Paribas. The partnership resulted in BNP Paribas integrating Huddlestock's Apex software solution into their Qinfen solution for their clients. We entered a joint venture with Malaysia's MHX Group to develop the Malaysian market using the Qinfen platform with Huddlestock technology. Furthermore, we continued building out our ecosystem by securing partnership agreements for our Apex and Bedrock solutions with BNP Paribas and Baader Bank in 2020.

Our Board of Directors is composed of three serial entrepreneurs, with a strong passion for supporting new and innovative technology solutions that make a difference.

Looking into 2021 and beyond, Huddlestock Fintech will continue to pursue our ambition of bringing custody banking, wealth, and asset management together through cutting edge technology solutions and opening access to markets by providing low-cost access to online trading and a wider set of investment platforms and opportunities.

Huddlestock Fintech - Democratizing wealth

John E. Skajem

Chief Executive Officer



Report from the Board of Directors - 2020 Annual Financial Report

Group structure

Huddlestock Fintech AS is the parent company in the Huddlestock Group. The Group's subsidiaries include Huddlestock Technologies AS, Huddlestock Systems GmbH, Huddlestock Asia SDN BHD and 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. The transaction is pending approval from the Central Bank of Lithuania. Huddlestock Fintech AS and Huddlestock Technologies AS are based in Norway. Huddlestock Systems GmbH is based in Germany. Huddlestock Asia SDN BHD is based 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.

Continued operations

For the preparation of the financial statements, the Company and Group continue to be in operation and are in good standing. The Company and the Group have a budget for 2021 with an annual positive net income and have sufficient liquidity to manage costs for the next 12 months. The Board of Directors have no reservations about presenting the annual accounts under the assumption of continued operations.

Statement of the annual accounts

The Group's turnover in 2020 was NOK 225.000. The Group's annual result was a loss of NOK 12.428.000. This compares with a loss of NOK 8.672.000 in 2019. The Company and the Group have until late 2020 prioritized research and development. The Company has now finalised its core technical product suite. These were introduced to the market in 2020 and are live as of January 2021.

Total cash flow from operating activities in the Group was a loss of NOK 6.815.000. The operating loss for the Group was NOK 12.428.000. The total investment in the Group in 2020 amounted to NOK 65.260.000, compared with NOK 21.428.000 the year before.

The total capital in the Group as of 31.12.2021 is NOK 2.958.000 at the end of the year, compared with NOK 8.677.000 the year before. The equity ratio in the Group was 94,3%, compared to 90,5% by 31.12.2019.

Capital increase

On November 17th, prior to Huddlestock's public listing, the company completed a small capital increase. It was a limited issue where all shareholders were invited to participate at a price of NOK 2.10 per share. Huddlestock raised NOK 6.300.000 from existing shareholders by issuing 3 million new shares in a private placement. The shares were issued on Monday 23rd.

Stock listing

Huddlestock Fintech AS was listed on Euronext Growth Market on November 26th, 2020, as Norway's first fintech company publicly traded.

Huddlestock Fintech signed letter of intent with large European bank

In December 2020, Huddlestock Fintech AS signed a letter of intent with a major European online bank-as-a-service-company to develop a software solution to connect the bank and its clients to the BNP Paribas trading

and wealth management platform. The bank intends to use Huddlestock's API and connectivity technology, Bedrock. As part of the agreement, Huddlestock will develop systems for asset management, including algorithmic driven asset allocation that are built around ESG principles and sustainable wealth management. The product is expected to go live in production during 2021.

Huddlestock Systems signed a partnership agreement with Baader Bank in Germany

In December 2020, Huddlestock Systems GmbH, a wholly owned subsidiary of the Huddlestock Group, partnered with Baader Bank to provide its customers with best-in-class execution and low-cost trading. Baader Bank is the pre-eminent liquidity provider on the German Gettex exchange and offers best in class executions at market leading rates. Huddlestock clients will benefit from fast and efficient trading with the best possible service. Through the partnership with Baader Bank, Huddlestock will be able to allow eligible clients to trade at zero commission in over 20.000 of the most popular financial instruments.

Events after the reporting period

We were pleased to see BNP Paribas launch Bedrock and Apex stage 1 on January 20th, 2021. Our partnership with BNP Paribas is progressing in line with our expectations. Our partnership with MHX is expected to go live in Q2. Baader Bank finalising customization. Expected to go live in Q2.

We have signed new letters of intent and contracts with 2 clients for Bedrock (DonauCapital, Tradegate), 1 client for Apex (Pecunia).

- DonauCapital: we are finalising customization for Huddlestock's Bedrock solution. We expect to go live in Q2.
- Tradegate: we are finalising customization for Huddlestock's Bedrock solution. We expect to go live in Q2.
- Pecunia: The customization for Huddlestock's Apex solution is finalised. The client is currently finalising testing of our solution, and we expect to go live early Q2.

Bedrock and Apex launched on Qinfen by BNP

Huddlestock launched its private label version of the Huddlestock Apex asset management solution on January 20th, 2021 during a Webcast organized by BNP Paribas for that purpose. The private label Apex solution now allows all of BNP Paribas' asset managers to start taking advantage of the end-to-end solution and the digitalized process which Huddlestock and BNP Paribas are offering through the Apex/Qinfen platform. Once Qinfen marketing starts, asset- and wealth-managers now onboarding can publish on the joint platform with just one click.

Huddlestock also officially launched its Bedrock API solution during the webinar. Bedrock provides the connectivity between the Apex platform and any other platform that securities business clients of BNP Paribas in Germany want to build. Clients of BNP can now connect and run their custom offerings taking advantage of a market leading all-in-one API solution that connects them to the processing power of BNP.

Huddlestock signed the first asset manager to the Apex Platform

On February 3rd, 2021 Huddlestock announced that the award-winning wealth manager Pecunia GmbH was the first asset manager to join the Apex Platform for asset management and distribution, after it went live in partnership with BNP Paribas in Germany in January. Pecunia, established in 2012, won the Citywire Deutschland Award in 2020 for best fund manager and has more than EUR 200 million (NOK +2 billion) in assets under management. The Apex platform provides a comprehensive one-stop-shop for digital portfolio management and will serve as Pecunia's online distribution platform as well as its internal management platform, allowing Pecunia to retire several legacy systems at once while adding new digital capabilities.

Apex will allow Pecunia to consolidate all interfaces and partners into one efficient platform and will in the future allow Pecunia to benefit from the central marketing platform set up by its main custody partner with just one click. This will allow Pecunia to not only massively streamline its operations, but also open new digital marketing channels that are expected to scale its current client base significantly.

Huddlestock partnered with Germany's leading regulatory Fintech umbrella DonauCapital Wertpapier GmbH

On February 3rd, 2021 Huddlestock Fintech entered into a partnership with DonauCapital, based on its Bedrock B2B offering. As a specialist for the implementation of regulatory requirements, DonauCapital provides tied agent umbrellas for fintech firms with digital investment- and trading platforms for self-directed and well-informed clients. DonauCapital is a leader within this segment in Germany and provides regulatory umbrellas for more than 15 clients who have access to 30 partner banks and brokers within the European Union. Some clients include gratisbroker.de, CFX Broker and the multi account provider guidants.de. The agreement between Donau and Huddlestock is expected to generate significant new order flow through the Bedrock API solution, with the first clients going live in Q2 2021.

Huddlestock added Tradegate Exchange as a partner

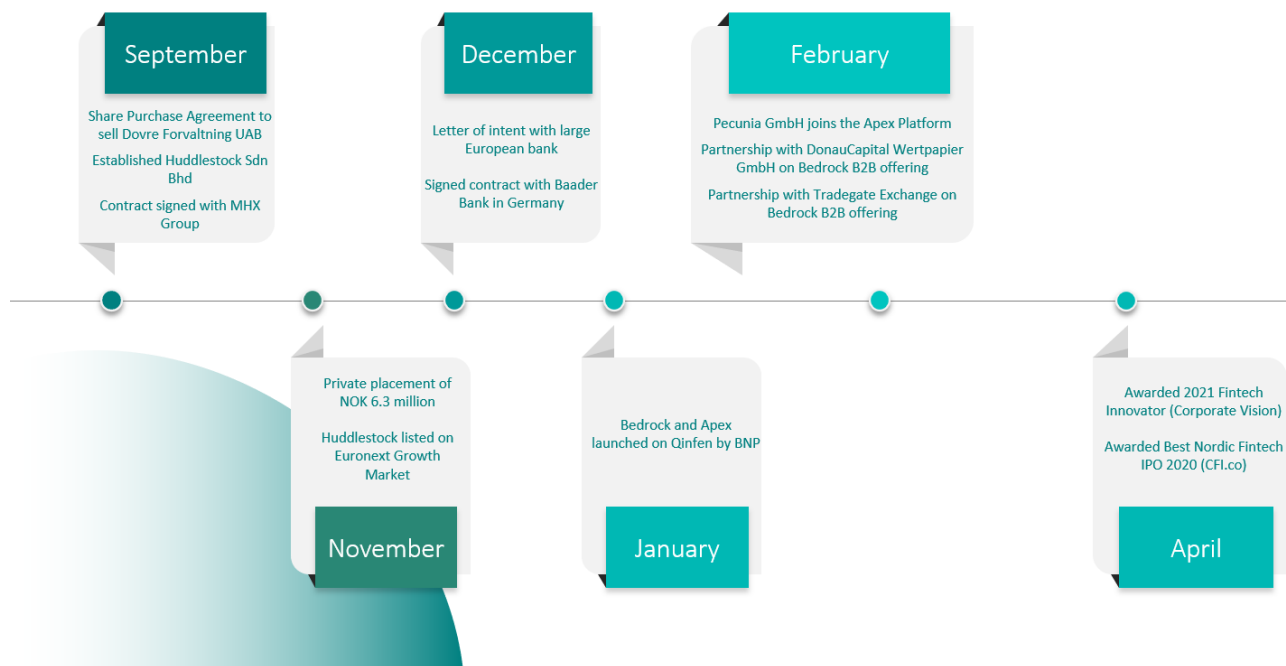
On February 12, 2021 Huddlestock Fintech entered into a partnership with Tradegate Exchange, using its Bedrock B2B offering. Huddlestock has signed an agreement with Tradegate AG Wertpapierhandelsbank, a subsidiary of Deutsche Börse AG. Tradegate Exchange is a stock exchange specialising in executing orders for private investors. Deutsche Börse AG is one of the largest stock exchanges in the world, with more than 3200 employees and over 800 companies listed. In 2020 Tradegate and Börse Berlin achieved a record turnover of EUR 401.6 billion.

The partnership will use Huddlestock Fintech's Bedrock B2B solution and add more than 16,000 securities (equities, bonds and investment funds) to the Bedrock ecosystem. The addition of Tradegate AG is highly complementary to the other liquidity providers in the Bedrock ecosystem, including Baader Bank and Gettex. The agreement will allow Huddlestock to add further clients to the Bedrock service and strengthen Huddlestock's position in the European financial markets.

Joint Venture with MHX under way

The projected timings for Huddlestock's joint venture with MHX, have been delayed due to the ongoing global health pandemic (coronavirus) and delays with the joint venture's regulatory application with the Central Bank of Malaysia. The company's project leadership team is continuing the roll out of the offering and is well underway in customising the offering for MHX. We still expect it to go live in 2021. The platform will offer asset management products through BNP Paribas' Qinfen offering.

Highlights in 2020 and Subsequent events



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 management 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 online trading venues. It has a strong portfolio of licenses for these technology solutions.

Market risk

The Company and the Group has no debt, so it is not exposed to changes in interest rates. The Company and the Group has no equity market investments, so it is not exposed to changes in equity markets. The Company and the Group has some minor foreign exchange exposure 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 managed to successfully raise capital through both equity and/or loans.

The Covid-19 pandemic

During 2019, Huddlestock started work on developing and launching Qinfen, a B2B platform in collaboration with BNP Paribas, one of the world's largest banks. Qinfen was under development throughout 2019, and was expected to be launched in Q1 2020. This launch was delayed due to Covid-19 and volatile world's financial markets. As a result of Covid-19 delays, 2020 revenues were lower than expected. The company took steps to cut costs during 2020 as a consequence.

The company listed in Q4 2020, a slight delay to initial plans of listing during Q2 2020. The delay was due to Covid-19 and the impact the global health pandemic had on markets and economies globally in Q2 2020.

Huddlestock Group remains well capitalized and the company has sufficient liquidity to manage without income in the next 12 months. The board has no reservations about presenting the annual accounts under the assumption of continued operations. The company is experiencing strong interest in our products and technology.

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 they were 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, April 12, 2021

The Board of Directors of Huddlestock

Consolidated Income statement

(amounts in NOK 1000)	Note	2020	2019
Operating income			
Other operating income	2	225	0
Total operating income		225	0
Operating expenses			
Personnel costs	4, 5	432	704
Other operating expenses	5	8,267	5,000
Total operating expenses		8,699	5,704
Operating profit (loss)		-8,474	-5,704
Financial income			
Interest income		9	1
Other financial income		142	2
Total financial income		151	3
Financial expenses			
Interest expenses		39	11
Other financial expenses		33	5
Total financial expenses		72	17
Net financial items		79	-14
Net profit (loss) from discontinued operations	12	-4,033	-2,955
Profit (loss) before tax		-12,428	-8,672
Income tax	9	0	0
Net profit (loss)		-12,428	-8,672

Consolidated Cash Flow statement

(amounts in NOK 1000)	Note	2020	2019
Cash flows from operating activities			
Profit (loss) before tax		-12,428	-8,672
Net result discontinued operations		4,033	2,955
Changes to accounts receivable		552	-616
Changes to accounts payable		676	-1,432
Changes to other accruals and prepayments		1,131	-3,141
Net cash flow from operating activities from continuing operations		-6,037	-10,907
Net cash flow from operating activities from discontinued operations	12	-475	-4,542
Cash flows from investment activities			
Purchase of intangible assets	6	-3,519	-11,214
Short term loan		-2,169	0
Received government grants	3	0	844
Net cash flow from investment activities from continuing operations		-5,689	-10,370
Net cash flow from investing activities from discontinued operations	12	0	0
Cash flows from financing activities			
Proceeds from capital increase	10	6,614	28,473
Net cash flow from financing activities from continuing operations		6,614	28,473
Net cash flow from financing activities from discontinued operations	12	0	4,285
Net changes to cash and cash equivalents from continuing operations		-5,112	7,197
Net changes to cash from discontinued operations		-475	-258
<i>Continued operations</i>			
Bank deposits, cash and cash equivalents per 1.1.		8,677	1,480
Bank deposits, cash and cash equivalents per 31.12.	9	3,565	8,677
- Hereof restricted bank deposits		0	0
<i>Discontinued operations</i>			
Bank deposits, cash and cash equivalents per 1.1.		2,660	2,442
Bank deposits, cash and cash equivalents per 31.12.	9	2,185	2,185
- Hereof restricted bank deposits		0	0

Consolidated Balance sheet

(amounts in NOK 1000)	Note	2020	2019
ASSETS			
Non-current assets			
Intangible assets			
Research and development	6	19,308	15,789
Licenses, patents	6	45,952	5,459
Total intangible assets		65,260	21,248
Current assets			
Receivables			
Trade receivables	7	-	552
Other short-term receivables		1,089	1,300
Total receivables		1,089	1,852
Bank deposits, cash and cash equivalents	8	2,958	8,677
Net assets discontinued operations	12	2,233	4,210
Total current assets		6,280	14,739
Total assets		71,541	35,986

EQUITY AND LIABILITIES

Equity		2020	2019
Paid-in capital			
Share capital	11	208	143
Share capital - not registered		0	19
Own shares		0	0
Share premium		72,445	7,940

Share premium- not registered		0	17,232
Total paid-in capital		72,653	25,334
Retained earnings		-	
Other equity		5,480	6,962
Total retained earnings		5,480	6,962
Non-controlling interest		-	290
Total equity	10	67,173	32,587
Liabilities			
Short-term liabilities			
Accounts payable		1,532	857
Payroll taxes, VAT etc.		169	87
Other short-term liabilities	13	2,455	400
Total short-term liabilities		4,157	1,344
Net liabilities discontinued operations	12	211	2,056
Total liabilities		4,367	3,399
Total equity and liabilities		71,541	35,986

Stavanger, April 12, 2021

Øyvind Hovland
Chairman of the Board

Murshid Hugberg-Ali
Board member

Per Øyvind Berge
Board member

John Egil Skajem
CEO

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 Systems gmbh and Dovre Forvaltning UAB, which is based in Germany and Lithuania 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. This resulted in signing of an SPA in September 2020. The closing of the transaction is dependent on approval from the Central Bank of Lithuania. The associated assets and liabilities were consequently presented as discontinued operations in the consolidated financial statements.

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 also include next year's instalments.

Foreign currency translation

The functional currency of the parent entity is NOK. For consolidation purposes, the results and financial position of all the Group's entities that have a functional currency other than NOK are translated to 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 differences are recognized directly against equity.

Note 2 – Revenues

Significant accounting policies

Revenues in 2020 is services provided, and is recognised when the service is rendered.

Revenues by nature

(amounts in NOK 1000)	2020
Other revenue	225
Total	225

Revenues by country

(amounts in NOK 1000)	2020
Norway	102
Germany	123
Total	225

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

SkatteFUNN

The current Skattefunn-project is approved from 2019 to 2021 og 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).

	Licenses, patents	Research and development
Development cost	46,806	28,184
Received government grants	-854	-8,876
Carrying value 31.12	45,952	19,308

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 capitalised to the extent that the conditions for this are met.

Specification of personnel costs

(amounts in NOK 1000)	2020	2019
Wages	407	605
Pension contributions	0	0
Social security tax	24	99
Capitalised development costs	0	0
Other personnel costs	0	0
Total	432	704

Number of employees

(average FTE for the period)	2020	2019
Norway	1	1

Note 5 – Remuneration of management and auditor

The current CEO has a yearly salary of NOK 1.200.000. He is not entitled to severance pay, and has no loans from the Company.

There has not been paid fees to The Board of Directors.

Specification of auditors remuneration

(amounts in NOK 1000)	2020	2019
Statutory audit fee	321	60
Other certification services	84	23
Tax advisory services	48	0
Other non-auditing services	219	0
Total	672	83

Reported amounts are exclusive of VAT.

Note 6 – Intangible assets, research and development

Significant accounting policies

Expenditures on research and development are capitalized to the extent that they are part of projects generating identifiable intangible assets, of which future economic benefits can be attributed. Expenses related to projects not meeting these criteria are charged to the income statement as they accrue.

Capitalised development costs

For the year 2020, the Group invested further resources and funding into our technology.

Both Apex and Bedrock solutions have now been completed and we 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 we 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 we should go live with them in April 2021.

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

Specification

(amounts in NOK 1000)	Research and development assets	Licences
Cost 01.01.	15,789	5,459
Additions	3,519	40,494
Disposals	0	0
Cost 31.12.	19,308	45,952
Accumulated depreciation 01.01.	0	0
Depreciations for the year	0	0
Disposals	0	0
Accumulated depreciation 31.12.	0	0
Book value 31.12.	19,308	45,952

The R&D assets and the license is continuously being enhanced for its intended use per December 31, 2020 and is therefore not depreciated.

It is expected that the assets will be ready for its intended use and will be depreciated in 2021.

Note 7 – Trade and other receivables**Significant accounting policies**

Trade and other receivables are recognised 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)	2020	2019
Trade receivables at face value	0	552
Provision for expected credit losses	0	0
Net trade receivables	0	552

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)	2020	2019
Payroll tax account	0	0

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)	2020	2019
Tax payable	0	0
Change in deferred tax	0	0
Income tax expense	0	0

Reconciliation of tax expense with tax calculated at nominal rate

(amounts in NOK 1000)	2020	2019
Result before tax	-12,428	-8,672
Tax at nominal rate (22 %)	-2,734	-1,908
Permanent differences	878	0
Effect of different tax rates	0	0
Change in deferred tax not recognised	1,856	1,908
Income tax expense	0	0

Specification of deferred tax

(amounts in NOK 1000)	2020	2019	Change
Fixed assets	0	0	0
Receivables	0	0	0
Deferred government grants	0	0	0
Net deferred tax on temporary differences	0	0	0
Tax loss carryforward	-5,281	-3,550	1,731
Total deferred tax	-5,281	-3,550	1,731
Deferred tax recognised	0	0	0

Note 10 – Equity**Specification of equity**

(amounts in NOK 1000)	Share capital	Own shares	Share premium	Other equity	Non-controlling interest	Sum
Equity as per 31.12.2019	162	0	25,172	6,962	290	32,587
Net profit (loss)	0	0	0	-12,428	0	-12,428
Acquisition of non-controlling interest	0	0	0	290	-290	0
Currency translation differences	0	0	0	-305	0	-305
Capital increase	47	0	47,273	0	0	47,319
Equity as per 31.12.2020	208	0	72,445	-5,480	0	67,173

As of 01 January 2020 18 736 NOK of the share capital and 17 232 159 NOK of the share premium was paid in, but not registered. The capital increase was registered 6 and 25 February 2020.

Note 11 – Share capital and shareholder information**Share capital**

The parent entity, Huddlestøck Fintech AS, has 109 668 729 shares outstanding, each with a nominal value of rounded NOK 0,00148. All shares have equal voting and dividend rights.

The company's management and board members control Grunnfjellet AS, Berker Group AS and Vision Invest Stavanger AS.

Rank	Investor	Holding no. of shares	Stake, %
1	Euroclear Bank S.A./N.V.	21,333,746	19.5%
2	VISION INVEST STAVANGER AS	8,151,715	7.4%
3	RETROPI LIMITED	7,607,608	6.9%
4	BERKER GROUP AS	6,847,189	6.2%
5	GRUNNFJELLET AS	5,310,000	4.8%
6	GENTLE INVEST AS	4,091,000	3.7%
7	HUDDLE AS	3,242,622	3.0%
8	SAAMAND AS	3,064,332	2.8%
9	E HOLDING AS	3,013,395	2.7%
10	SAA INVEST AS	3,000,000	2.7%
11	HOGNAN INVEST AS	2,494,512	2.3%
12	STEIN HEGRE HOLDING AS	2,400,000	2.2%
13	GJEDREM AS	2,135,623	1.9%
14	VALINOR AS	1,563,852	1.4%
15	BILL INVEST AS	1,536,847	1.4%
16	STOKK INVESTERING AS	1,315,790	1.2%
17	SIRIUS AS	1,200,000	1.1%
18	GJEDREM HOLDING AS	1,150,000	1.0%
19	PEBRIGA AS	1,129,541	1.0%
20	NORDNET LIVSFORSIKRING AS	1,117,303	1.0%
21	Nordea Bank Abp	1,021,587	0.9%
22	SANDNES INVESTERING AS	1,000,000	0.9%
23	ALA AS	913,395	0.8%
24-25	HEDEN HOLDING AS	800,000	0.7%
24-25	KRISTIANS AND AS	800,000	0.7%
Total Top 25		86,240,057	79%
Total		109,668,729	100%

Note 12 – Other disclosures

Related party transactions

	Representative	Role	Transactions during 2020*
Grunnfjellet AS	Per Øyvind Berge	Board member	0
Berker Group AS	Murshid Hugberg-Ali	Board member	425
Vision Invest Stavanger AS	Øyvind Hovland	Chairman of the Board	403
Orion Oslo AS	John E. Skajem	General manager	571
Better LLC	Peter van Kleef	Shareholder	3,200

* Included in other operating cost

Note 13 – Discontinued operations

The Group has 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. The transaction is dependent on approval from the Bank of Lithuania. Awaiting approval, the net assets, liabilities, results and cash flows are presented as separate line items as discontinued operations.

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.

After the company was made dormant, a buyer emerged, and the parties have agreed to terms. The only outstanding issue according to the Sale and Purchase agreement to be concluded is the regulatory approval from the Central Bank of Lithuania for the new owner.

This was expected to have been approved before the end of 2020, however we are still waiting for the approval. Huddlestock Fintech decided to sell the company because there were no significant synergies between Huddlestock's main strategy going forward and Dover Forvaltning. Furthermore, Dovre Forvaltning was also determined to be too small in the key area of assets under management. There were limited prospects for a significant increase in asset under management the near term.

There is no running cost, and the company has terminated all activity.

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

	31/12/2020	31/12/2019
Fixed assets	15	692
Trade receivables	0	788
Other receivables	33	69
Cash and cash equivalents	2,185	2,660
Public duties payable	0	
Other current liabilities	-211	-2,056
Net asset position	2,022	2,154

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

Note 14 – Provisions and other short-term liabilities

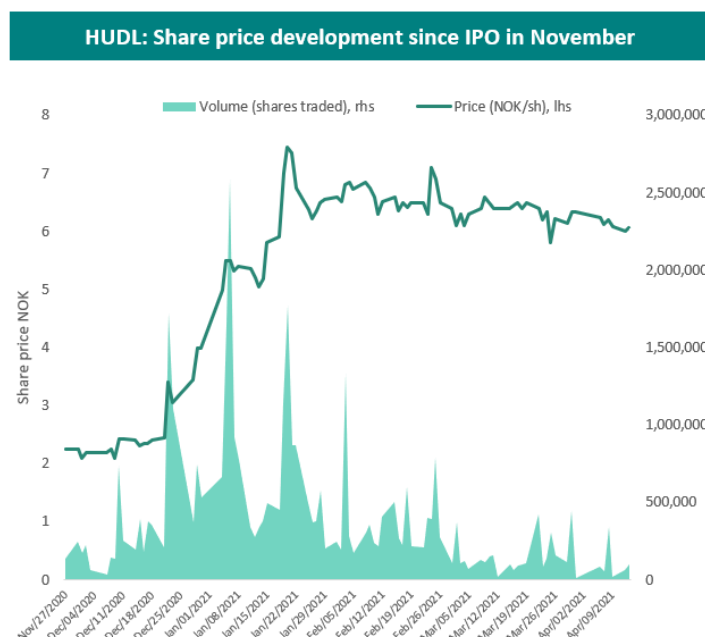
Significant accounting policies

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

Specification of other short-term liabilities

(amounts in NOK 1000)	2020	2019
Accrued holiday pay	23	0
Other short-term liabilities	2,432	400
Total	2,455	400

Note 15 – Share price development (Ticker on EURONEXT GROWTH OSLO: HUDL)



Note 16 – Events after the reporting period and effect of Covid-19

During 2019, Huddlestock started work on developing and launching Qinfen, a B2B platform in collaboration with BNP Paribas, one of the world's largest banks. Qinfen was under development throughout 2019, and was expected to be launched in Q1 2020. This launch was delayed due to Covid-19 and volatile world's financial markets. As a result of Covid-19 delays, 2020 revenues were lower than expected. The company took steps to cut costs during 2020 as a consequence.

The company listed in Q4 2020, a slight delay to initial plans of listing during Q2 2020. The delay was due to Covid-19 and the impact the global health pandemic had on markets and economies globally in Q2 2020.

Huddlestock Group remains well capitalized and the company has sufficient liquidity to manage without income in the next 12 months. The board has no reservations about presenting the annual accounts under the assumption of continued operations. The company is experiencing strong interest in our products and technology.

Independent auditor's Report



To the General Meeting of Huddlestock Fintech AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Huddlestock Fintech AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Huddlestock Fintech AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

T: 02316, org. no.: 987 009 713 VAT, www.pwc.no

State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm

Other Matters

The consolidated financial statements for the previous period have not been audited and the consolidated comparative figures have therefore not been subject to audit. This matter does not affect our opinion on the financial statements.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisionsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Stavanger, 14 April 2021
PricewaterhouseCoopers AS

Arne Birkeland
State Authorised Public Accountant

(This document is signed electronically)

Corporate Governance

The General Meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested with its Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's Chief Executive Officer (CEO), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position, and operating results at a minimum of one time per month.

Audit Committee

No Audit Committee is established as of the date of this Annual Report.

Nomination Committee

The Company has not established a nomination committee as of the date of this Annual Report.

Share Incentive Scheme

The Company has not implemented any share option scheme as of the date of this Annual Report.

Benefits upon termination

No employee, including any member of the Company's senior management team, has entered into employment agreements which provide for any special benefits upon termination. None of the members of the Board of Directors have service contracts with the Company and none will be entitled to any benefits upon termination of office.

Corporate governance requirements

Huddlestock Fintech AS intends to maintain a high level of standards of industry requirements. The Company is not subject to the Corporate Governance Code, but the Company intends over time to implement the recommendations of the Corporate Governance Code.

Conflicts of interests

No member of the Board of Directors or Management has, or have had, as applicable, during the last five years preceding the date of the Annual Report:

- any convictions in relation to fraudulent offences
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership, or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and members of the Management, including any family relationships between such persons.

Members of 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.

Management Team

John E. Skajem (Group CEO)



John E. Skajem is the Chief Executive Officer of Huddlestock Fintech AS. John E. joined Huddlestock with a long career and experience from the financial industry. Over the years John E. has gained a thorough understanding of all aspects of the financial services industry. John E. has hands on experience from Investment Banks, Asset Managers to large global universal banks with management position while working in Chicago, NYC, London, Paris, and Oslo.

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.

Financial Calendar 2021

Annual General Meeting – April 29, 2021

Half-yearly Report – August 26, 2021

Quarterly Report - Q3 – November 18, 2021

hddlestock

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