

huddlestock

Q4 2024

Fourth quarter results presentation | February 21, 2025

Øyvind Hovland, Chairman of the Board
Leif Arnold Thomas, Group CEO





Empowering modern financial services

We enable any company to launch new investment services or transform existing ones



Q4 2024

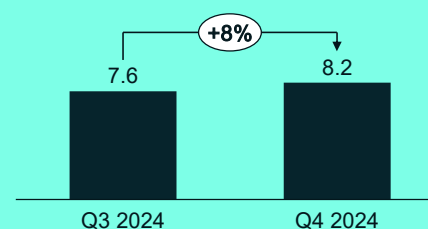
- Revenue increased 16% to NOK 18.0 million vs. NOK 15.5 million in Q3 2024
 - Healthy IaaS revenue increase of 8%
 - Consulting revenue increased 23% from a seasonally low third quarter 2024 in the consulting industry
- Improved EBITDA to NOK -5.8 million vs. NOK -6.9 million in Q3 2023
 - Reduction of Other OPEX to NOK 6.4 million vs. NOK 7.7 million
 - Personnel cost increase to NOK 17.4 million vs. NOK 14.7 million, mainly related to settling of year-end accounts
- Expanded existing IaaS contract with Garantum Wealth Management
- Revised growth strategy for Visigon Consulting Services to bridge IT and finance through better vendor solutions, advisory, and software development
- Progressing with accelerated market entry into Germany, with local partner Tradevest, to meet growing demand for digital financial solutions

Subsequent events

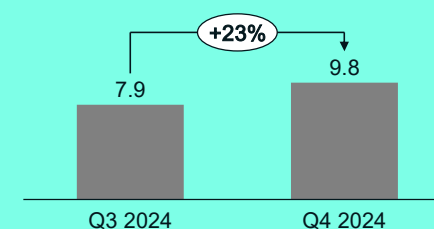
- Signed IaaS agreements with two Norwegian asset managers, with expected revenue contributions during in Q1 2025
- Extended its existing Consulting (Visigon) agreement with the Export and Investment Fund of Denmark (EIFO)

Q4 2024 development

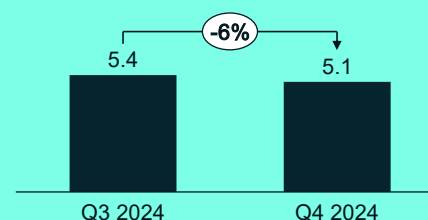
Investment-as-a-service (IaaS)
NOK million



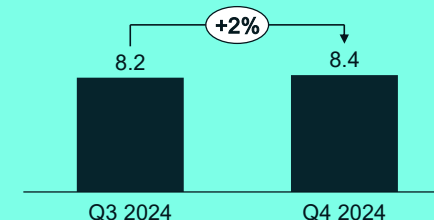
Consulting (Visigon)
NOK million



Assets under Administration
NOKbn, EOP (IaaS KPI)



End-clients
Number, EOP (IaaS KPI)



1 Fortifying Nordic market position in 2023 ...

- ✓ Acquisitions of Trac, Dtech and Bricknode adding complementary licenses, products, and services to the IaaS platform
- ✓ Divested F5IT, accounting for NOK 13.4 million of reported 2023 revenue, to create a best of breed IaaS technology platform
- ✓ Strong revenue growth with majority related to the acquisitions
- ✓ Focus on technology platform integration and R&D
- ✓ Appointed new management effective from Q1 2024

2 ... with established focus areas for 2024 ...

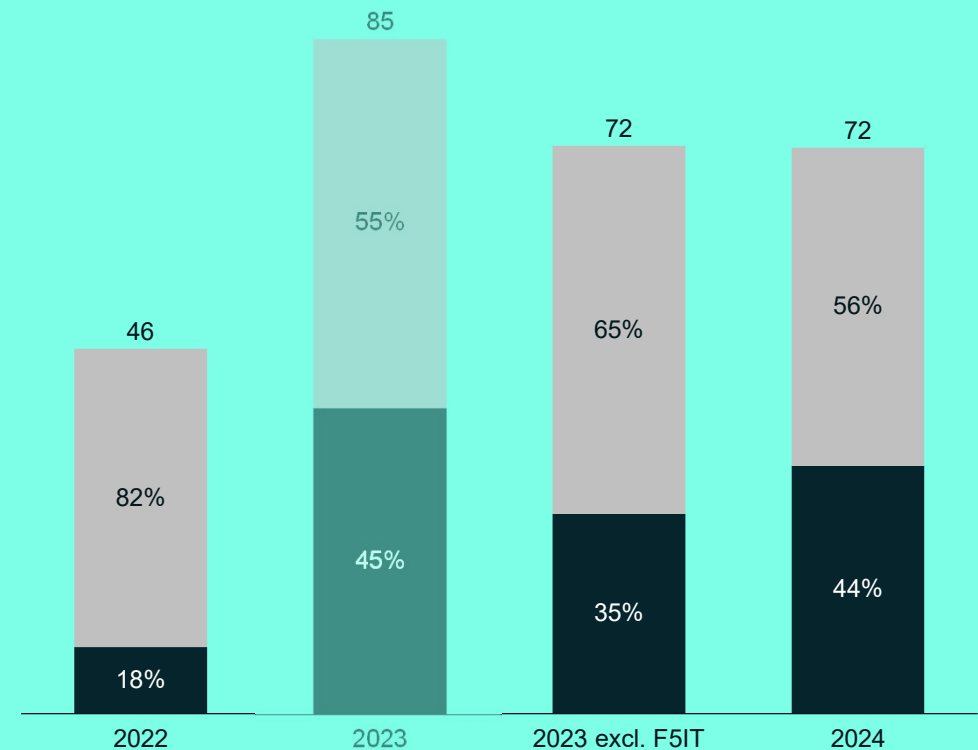
- Continued profitable consultancy business
- Unlocking growth in Investment-as-a-service (IaaS) business through technology and platform integration
- Pursuing accelerated market entry into Germany
- Short-term ambition to become EBITDA-positive

Ongoing work to identify potential financing partners to support strategy including non-organic growth

3 ... 2025 focus across three-pillar strategy

Revenue development 2022-2024

■ Consulting (Visigon) ■ Investment-as-a-Service (IaaS)

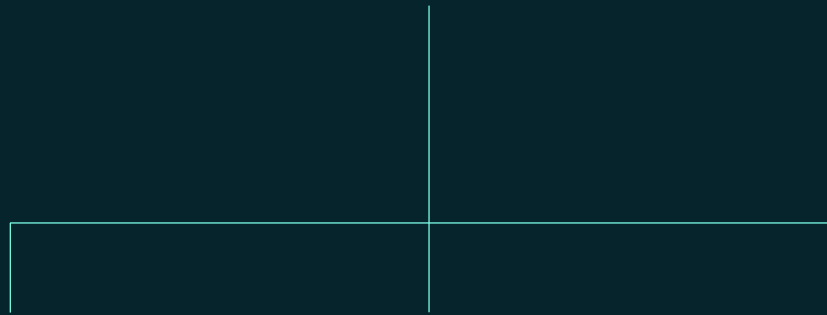


1. Reported 2023 total revenue was NOK 85 million. "2023 excl. F5IT" is the 2023 total revenue excluding revenue from the F5IT which was divested in 2023 for comparability to the 2024 revenue.

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Focus on portfolio optimization, resource efficiency, and long-term value creation across three distinct business areas



Investment-as-a-Service

Unlocking growth potential

German expansion

Market entry with Tradevest as local partner

 visigon Consulting

Growth and profitability through revised strategy

Our customers

Financial products and services companies



Incumbents

Competitive pressures and evolving client demands rapidly evolving; New products and features, more personalization and seamless digital and hybrid experiences.

- Access to distribution network for technology
- Higher immediate revenue gains
- Higher customer acquisition costs



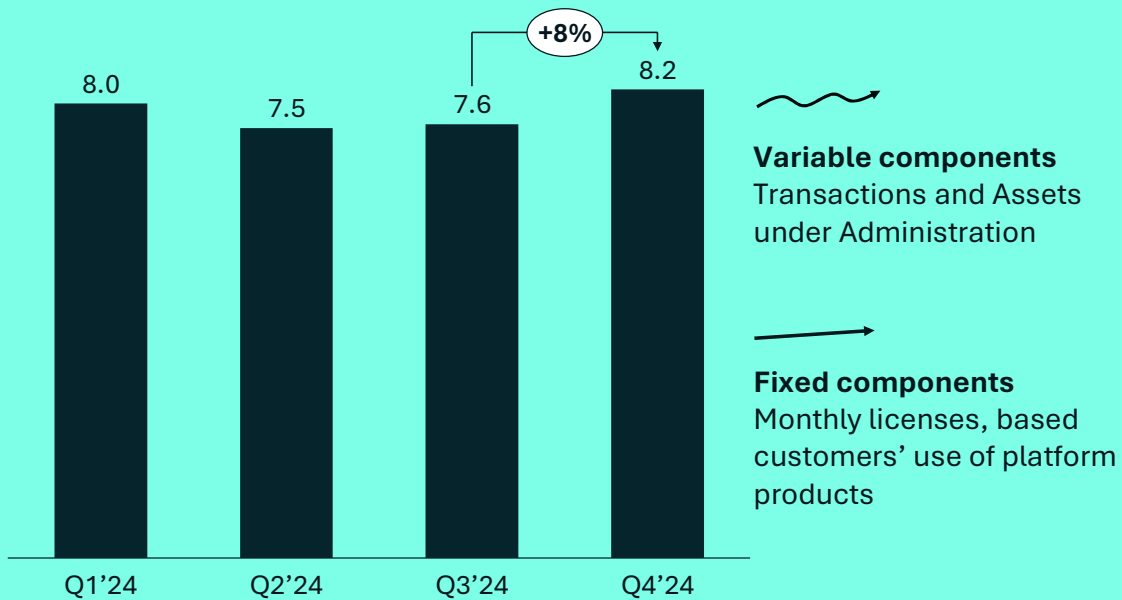
Startups

New investment services requires complex and resource heavy work; Acquiring licenses, developing user experiences and establishing compliance processes

- Lower immediate revenue gains
- Lower customer acquisition costs

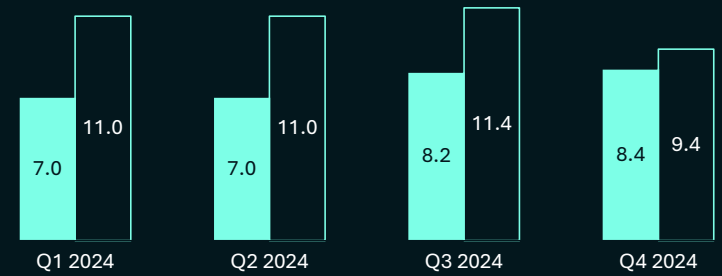
Ongoing work to unlock growth potential in Investment-as-Service

Quarterly IaaS revenue development and drivers
2024, NOK million



Investors served through customers

of end-clients ('000) # of end-client accounts ('000)



Assets under Administration

NOK bn under management



Potential for a collective entry into a large German market

- **Huddlestock** has consolidated and developed Nordic technologies and organizations to form the leading end-to-end Investment-as-a service platform
- **Tradevest** is a German fintech company focused on developing AI-driven solutions for trading and investment management
 - Providing brokerage and custody solutions
- **AVL** is a leading financial broker in the discount segment
 - Legacy dating back to 1997
 - 60,000+ end customers
 - NOK ~20 billion in assets under administration

Similar market dynamics to the Nordics defined by more investors, evolving preferences and more investment platforms



Agreement

Collaboration

LOI

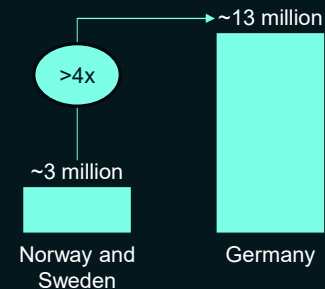
Role

Brokerage & custody

Client acquisitions

Continued pursuit of an accelerated market entry

retail investors



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Consultancy firm bridging the gap between IT and finance.



Leading Calypso experts in Denmark and Sweden with extensive experience since 2003



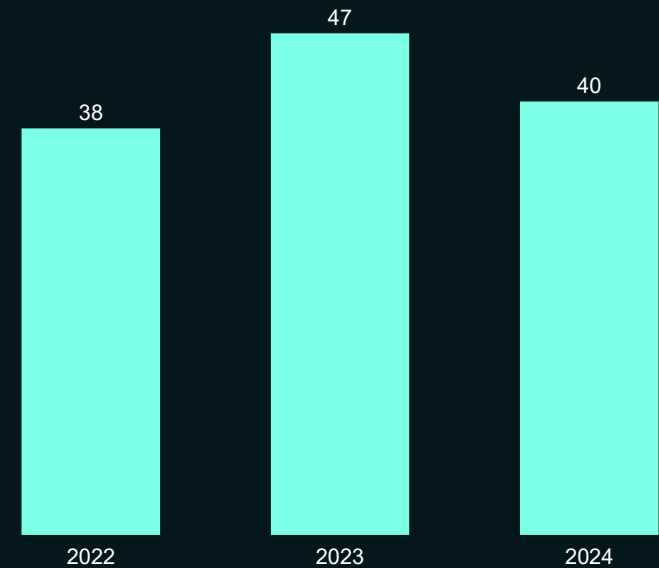
Growing company with 21 consultants and offices in Copenhagen and Stockholm



2024 revenue of SEK 40 million with a corresponding EBITDA-margin of 14%

New growth strategy initiated

Revenue development 2022-2024
NOK million

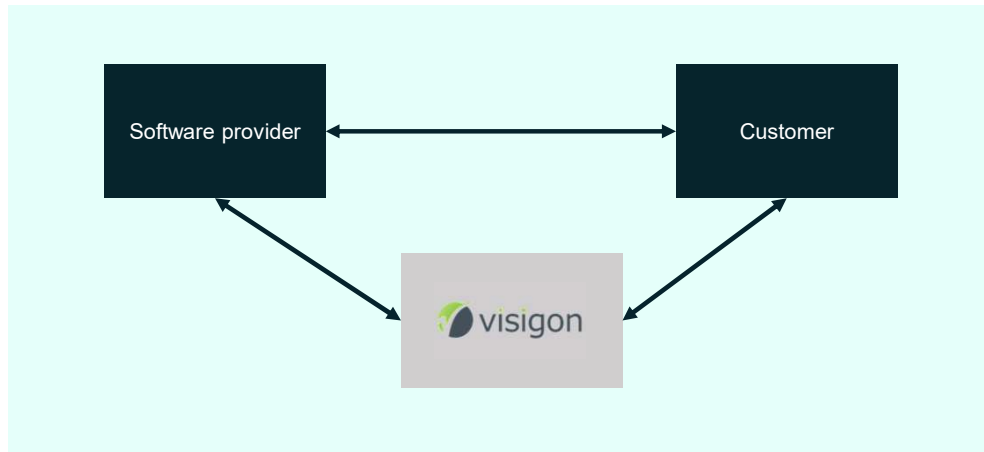


Example customers



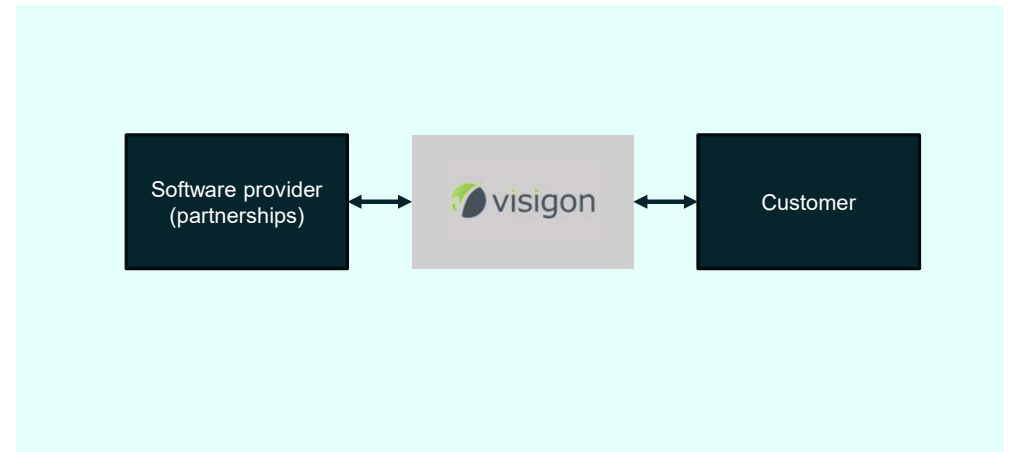
Acting to capitalize on shifting dynamics in the IT Services industry

Moving from traditional IT services ...



- Niche consultancy business purely in the Nordics
- Growing organically through single product sales

... to an integrated partner with managed services



- Full-service provider including managed outsourced services
- Broader segment market reach with European reach
- A broad suite of services addressed to the same segments
- Increasing share of recurring revenue

Managed services – Scalable IT Solutions for Financial Institutions

Application Management & Support

- Seamless system performance
- Application lifecycle management
- Incident response
- Performance optimization

Hosting Solutions

- Purpose-made cloud infrastructure for capital markets and treasury operations
- Regulatory compliance and 24/7 availability
- Reducing IT complexity and risk

Business Process Outsourcing

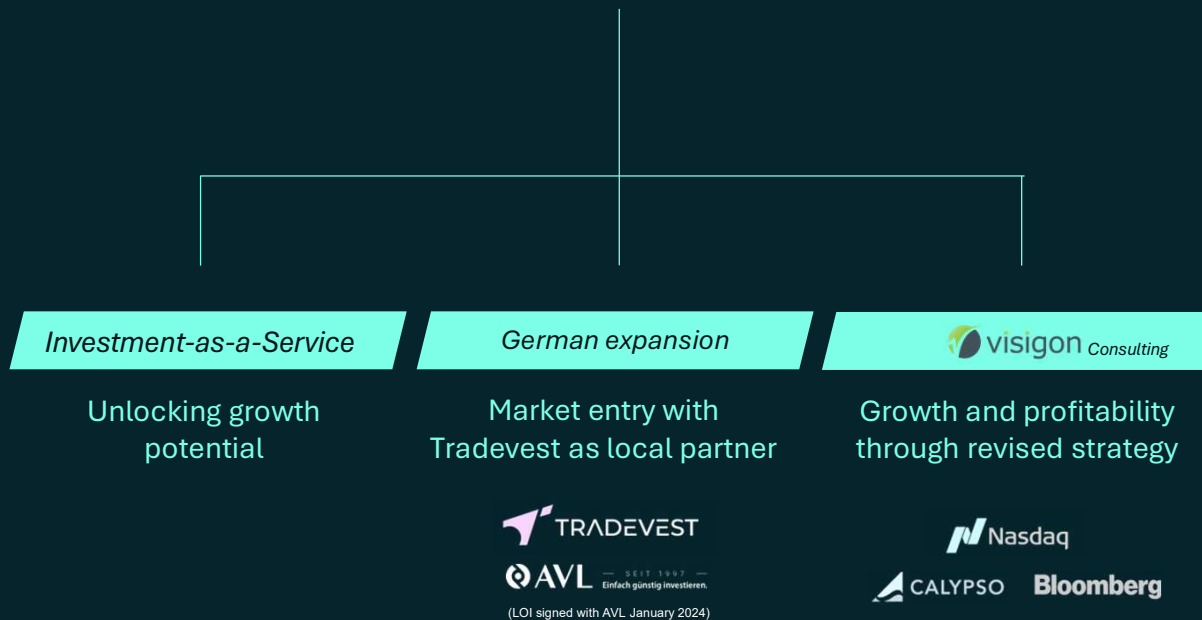
- Free up internal resources through outsourcing of key financial processes
- Example: Trade execution and regulatory reporting



- Extended its existing agreement with the Export and Investment Fund of Denmark (EIFO)
- Visigon delivers a Software-as-a-Service Treasury-system to EIFO in partnership with Nasdaq Financial Technologies
- Annual recurring revenue with potential for additional consulting services

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Focus on portfolio optimization, resource efficiency, and long-term value creation across three distinct business areas



Financial review



Revived revenue growth and improving EBITDA in Q4 2024

Profit and loss

Unaudited, NOK million

	Q4 2024	Q3 2024	Q4 2023 ¹
Total operating income	18.0	15.5	22.6
Cost of materials/subcontractors	0.0	0.0	2.7
Personnel costs	-17.4	-14.7	-18.6
Other operating expenses	-6.4	-7.7	-14.8
EBITDA	-5.8	-6.9	-8.0
Depreciation, impairment and amortisation	-12.6	-12.4	-28.6
EBIT	-18.4	-19.2	-36.7
Net financial items	-0.7	-1.4	-4.5
Result before tax	-19.1	-20.6	-41.2
Net result	-17.3	-19.8	-41.1

1. Includes contributions from the divested F5IT (Huddlestock Solutions)

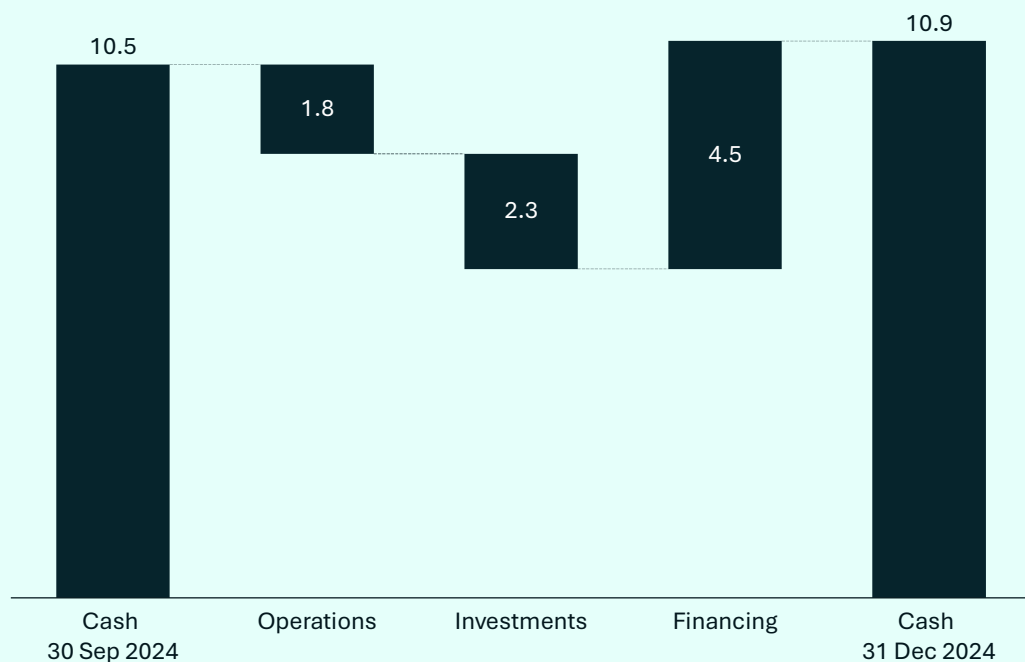
- Positive revenue development driven by increases in both Consulting and IaaS revenue compared to last quarter
- Personnel costs increase of NOK 2.7 million related to settling of year-end accounts,
 - NOK 1.5 million Swedish accounting principles and remaining from settling of year-end accounts in UK and Germany
- Reduction in Other operating expenses of NOK 1.3 million
- Improved EBITDA both compared to last quarter and the same quarter last year
- Net result of negative NOK 17.3 million significantly improved compared to Q4 2023

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Fourth quarter cash flow

Q4 2024 cash flow

Unaudited, NOK million



- Cash flow from operations reflects a profitable Consultancy business and an IaaS-business with high growth potential
- Investments represents net additions in intangible assets related to technology development
- Financing reflects proceeds from private placement in October, obtained loans and repaid loans
- Cash position of NOK 11 million at period-end
- Ongoing work to identify potential financing partners to support strategy including non-organic growth

Q&A



Øyvind Hovland
Chairman of the Board



Leif Arnold Thomas
CEO



Appendix



Consolidated income statement

Unaudited, in NOK

	Q4 2024	Q3 2024	QoQ	Q4 2023	YoY	12M2024	12M2023	YoY
Operating income								
Other operating income	17,983,006	15,538,083	16 %	22,559,177	-20 %	71,509,146	85,150,101	-16 %
Total operating income	17,983,006	15,538,083	16 %	22,559,177	-20 %	71,509,146	85,150,101	-16 %
Operating expenses								
Cost of materials/subcontractors	0	0	0 %	2,718,832	-100 %	0	-457,150	-100 %
Personnel costs	-17,355,259	-14,694,738	18 %	-18,566,333	-7 %	-63,949,879	-75,304,819	-15 %
Other operating expenses	-6,439,361	-7,697,895	-16 %	-14,756,613	-56 %	-29,601,821	-25,801,808	15 %
Total operating expenses	-23,794,620	-22,392,633	2 %	-30,604,114	-163 %	-93,551,699	-101,563,778	-8 %
EBITDA	-5,811,614	-6,854,550	-15 %	-8,044,937	-28 %	-22,042,554	-16,413,677	34 %
Depreciation, impairment and amortisation	-12,625,755	-12,360,865	2 %	-28,614,934	-56 %	-49,167,948	-63,973,602	-23 %
EBIT	-18,437,370	-19,215,415	-4 %	-36,659,871	-50 %	-71,210,502	-80,387,279	-11 %
Financial income								
Interest income	537,183	39,196	1271 %	674,957	0 %	589,454	790,434	-25 %
Other financial income	9,811	27,537	-64 %	90,056	-89 %	283,213	329,879	-14 %
Total financial income	546,994	66,733	720 %	765,012	-28 %	872,667	1,120,313	-22 %
Financial expenses								
Interest expenses	-1,201,785	-1,070,803	12 %	-1,430,605	-16 %	-3,708,520	-2,696,548	38 %
Other financial expenses	-15,264	-385,244	-96 %	-3,844,364	-100 %	-584,804	-5,165,920	-89 %
Total financial expenses	-1,217,049	-1,456,046	-16 %	-5,274,969	-77 %	-4,293,324	-7,862,468	-45 %
Net financial items	-670,054	-1,389,314	-52 %	-4,509,956	-85 %	-3,420,657	-6,742,156	-49 %
Result before tax	-19,107,424	-20,604,729	-7 %	-41,169,827	-54 %	-74,631,159	-87,129,435	-14 %
Income tax	1,777,361	803,041	121 %	56,880	3025 %	2,303,146	805,539	186 %
Net result	-17,330,063	-19,801,688	-12 %	-41,112,948	-58 %	-72,328,012	-86,323,896	-16 %

Consolidated statement of financial position

Unaudited in NOK

	31.12.2024	31.12.2023
Non-current assets		
Intangible assets		
Research and development	51,454,136	58,138,522
Goodwill	104,641,819	116,449,291
Technology	14,183,057	18,515,698
Customer contracts and relations	7,866,151	14,171,778
Licenses	21,033,546	28,469,988
Total intangible assets	199,178,709	235,745,276
Fixed assets		
Investment in subsidiaries	0	0
Loan to group companies	0	0
Investment in equities	354,915	322,719
Property, plant & equipment	201,133	199,483
Total fixed assets	556,048	522,201
Total non-current assets	199,734,757	236,267,478
Current assets		
Receivables		0
Trade receivables	10,056,880	11,347,040
Other short-term receivables	4,028,022	5,952,937
Total receivables	14,084,902	17,299,977
Bank deposits, cash and cash equivalents	10,941,146	10,183,903
Total current assets	25,026,048	27,483,880
Total assets	224,760,805	263,751,358

	31.12.2024	31.12.2023
Equity		
Paid-in capital		
Share capital	441,886	350,957
Own shares	-14	-5,335
Other paid-in capital	0	0
Capital increase not registered	0	13,561,756
Share premium	255,684,903	180,377,457
Total paid-in capital	256,126,775	194,284,835
Other equity		
Capital Reserves	0	0
Other equity	-106,990,969	-38,548,773
Total other equity	-106,990,969	-38,548,773
Total equity	149,135,806	155,736,062
Liabilities		
Long-term liabilities		
Other long-term liabilities	12,021,222	675,778
Deferred tax	5,584,159	8,144,578
Total long-term liabilities	17,605,381	8,820,356
Short-term liabilities		
Accounts payable	4,768,199	6,661,053
Payroll taxes, VAT etc.	8,331,637	8,422,709
Loans and borrowings	24,935,217	19,336,874
Other short-term liabilities	19,984,565	64,774,304
Total short-term liabilities	58,019,618	99,194,940
Total liabilities	75,624,999	108,015,296
Total equity and liabilities	224,760,805	263,751,358

Consolidated statement of cash flows

Unaudited in NOK

	Q4 2024	Q3 2024	2024	2023
Profit/loss before tax	-19,107,424	-20,604,729	-74,631,159	-87,129,435
Depreciation and amortisation	12,625,755	12,360,865	49,167,948	63,973,602
Changes to accounts receivable	3,402,224	-330,735	1,290,160	-527,235
Changes to accounts payable	2,214,840	-328,684	-1,892,854	-2,870,269
Changes to other accruals and prepayments	-894,094	-557,595	2,353,296	2,724,101
Net cash flow from operating activities from operating activities	-1,758,698	-9,460,877	-23,712,608	-23,829,236
Net additions intangible assets & Property, plant & equipment	-2,260,738	-3,107,667	-10,769,985	-51,045,929
Aquisition/sale of subsidiaries, net of cash aquired	0	0	0	41,608,429
Net cash flow from investment activities from investment activities	-2,260,738	-3,107,667	-10,769,985	-9,437,501
Proceeds from capital increase	4,254,602	9,901,298	14,155,900	22,500,000
Costs of capital increase	0	0	0	0
Treasury shares	0	0	1,660,000	6,307,579
Loans obtained	734,985	4,441,229	21,968,238	12,531,000
Repayment of loans	-510,527	-1,143,970	-2,544,301	-791,777
Net cash flow from financing activities from financing activities	4,479,060	13,198,557	35,239,837	40,546,802
Net changes to cash and cash equivalents from continuing operations	459,624	630,013	757,243	7,280,066
Bank deposits, cash and cash equivalents start of period	10,481,523	9,851,510	10,183,903	2,903,838
Bank deposits, cash and cash equivalents end balance	10,941,147	10,481,523	10,941,146	10,183,903

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