




**Bricknode Group  
Interim Report Q3**

2021



# Bricknode Group Interim Report

## Highlights in this report, third quarter

-  Net revenues increased by 33% to 3,880 (2,918) TSEK
-  Net revenue retention of 127%
-  New agreement signed with TBC Capital with increased revenues

Q3  
2021

# Key figures

## Group

### Key Performance Indicators

	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q4 2020
Net revenues, TSEK	3,880	2,918	11,114	7,920	11,578
Net revenue growth, %	33%	10%	40%	53%	20%
EBT, TSEK	-1,954	125	-5,081	-174	-854
EBIT, TSEK	-1,847	284	-4,751	442	-113
Operating margin, %	-48%	10%	-43%	6%	-1%
EBITDA, TSEK	-2,623	574	-6,710	1,668	1,089
EBITDA margin, %	-68%	20%	-60%	21%	-58%
Equity, TSEK	708	-2,788	708	-2,788	5,789
Equity/assets ratio, %	4%	-17%	3%	-17%	29%
Cash and bank balances, TSEK	2,157	296	2,157	296	4,323
Earnings per share, SEK*	-0,24	0,02	-0,63	-0,03	-0,10
Average number of employees	25	6	24	6	8

\*3:1 share split undertaken in Q3-21 applied to all reporting periods.



# CEO comments

The third quarter of 2021 marks our first quarterly report as a listed company. Bricknode is continuing its aggressive growth journey by focusing on global sales and marketing to spread the word about the financial network we are creating.

Yes, our team is extremely good at building software, but it is the network of financial services, suppliers, producers, and consumers that represents the real value we bring into the world and help organize.

During Q3, we welcomed new suppliers and customers which further increases the usage and capabilities of the whole ecosystem. This expansion is evidenced by the increasing number of applications and integrations available in the Bricknode Marketplace.



## International expansion

During August, we announced several key hires in the United Kingdom which is testament to our efforts in expanding our network and putting “boots on the ground” in more regions.

At the end of August, we were happy to announce that TBC Capital, Georgia’s leading investment bank, became a customer of Bricknode and joined our network. TBC Capital will be using several Bricknode Marketplace modules to administer and automate their business. The deal will boost Bricknode’s monthly recurring revenue by 20% on average, based on current monthly recurring revenue at the time of the press release.

## The network effect

At the end of October, we announced that the fintech company Alwy was to launch its own investment products using Bricknode's platform. This was a perfect example of our network effect because Alwy also required the services of one of our partners – Evida – a regulated securities firm.

Alwy has built a great web app to help its users take control of their finances and wanted to introduce new services for its loyal customer base. As with many fast-growing fintech companies, they were not directly authorized to provide investment services, but our setup with Evida provided an easy solution.

We have turned a corner and really started showing the power of our network and all the cool stuff that we can make happen in the world of finance as a result.



**Stefan Willebrand**

Founder & CEO, Bricknode

# Financial performance

## Revenues

Total net revenue for the group during Q3 2021 amounted to 3,880 (2,918) TSEK - an increase of 33% compared to the same period last year. This was driven by new customers and growth among our existing customers.

Revenue during the first nine months in 2021 amounted to 11,114 (7,920) TSEK corresponding to an increase of 40%.

## Expenses

Other external costs for the group during Q3 2021 totaled 2,236 (1,348) TSEK, an increase of 166%. This increase was a result of the strong growth phase that the company had initiated and was driven by an increase in consultancy services as well as costs connected to the IPO. The largest cost items under 'Other external costs' were consultancy services, hosting and licenses.

Staffing costs for the group in Q3 2021 totaled 4,248 (1,084) TSEK, an increase of 392% YoY. The increase was driven by an increased number of employees to support the growth of the company.

## Profit/loss

Profit/Loss for the period was -1,954 (125) TSEK.

## Employees

Bricknode had 30 employees at the end of the period (9).

## Financial Position as of September 30, 2021 (Compared to December 31, 2020)

At the end of Q3 2021 the Group had 2,157 (4,323) TSEK in cash and cash equivalents. The equity-to-asset ratio at the end of the period was 4% (29%). Equity decreased to 708 (5,789) TSEK, mainly due to the result during Q1-Q3 2021.

## Cash Flow and Investments

The Group's cash flow from operating activities before changes in working capital was negative and amounted to -2,732 TSEK during Q3 2021 compared to 414 TSEK for the same period last year. The weaker cash flow was primarily related to the increase in operating loss. Non-cash items consist mainly of activations and depreciations. The change in working capital was 449 (-51) TSEK.

The Group's cash flow from the investing activities was -13 (0) TSEK and was attributable to a small purchase of tangible assets.

The Group's cash flow from financing activities amounted to -811 (-185) TSEK. The increase was primarily related to a -625 TSEK repayment of a loan.

## Significant events during the period

The Board of Directors decided to list the parent company Bricknode Holding AB (publ) on Nasdaq First North Growth Market.

# Financial report summary

## Group

### Income statement

TSEK	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q4 2020
Net revenues	3,880	2,918	11,114	7,920	11,578
Other Operating income	3	93	299	318	233
<b>Total Group revenue</b>	<b>3,883</b>	<b>3,011</b>	<b>11,413</b>	<b>8,238</b>	<b>11,811</b>
Subcontractors	-22	-5	-121	-141	-201
Other external costs	-2,236	-1,348	-5,625	-3,656	-5,712
Staffing costs	-4,248	-1,084	-12,377	-2,773	-4,809
<b>EBITDA</b>	<b>-2,623</b>	<b>574</b>	<b>-6,710</b>	<b>1,668</b>	<b>1,089</b>
Activations development	1,942	603	5,241	1,888	2,904
Depreciation	-1,163	-892	-3,264	-3,109	-4,101
Exchange gain and losses	-3	-1	-18	-5	-5
<b>Profit/loss before financial items</b>	<b>-1,847</b>	<b>284</b>	<b>-4,751</b>	<b>442</b>	<b>-113</b>
Net financial items	-106	-159	-330	-616	-741
<b>Profit/loss before tax</b>	<b>-1,954</b>	<b>125</b>	<b>-5,081</b>	<b>-174</b>	<b>-854</b>
Taxes on profit for the year including deferred taxes	-	-	-	-	33
<b>Profit/loss for the period</b>	<b>-1,954</b>	<b>125</b>	<b>-5,081</b>	<b>-174</b>	<b>-821</b>

## Group

### Balance sheet

<b>TSEK</b>	<b>30-sep-21</b>	<b>30-sep-20</b>	<b>31-dec-20</b>
Intangible assets	11,078	9,023	9,102
Tangible assets	58	100	45
Non-current financial assets	5,366	5,211	5,274
Current receivables	1,325	1,661	1,419
Cash and cash equivalents	2,157	296	4,323
<b>Total assets</b>	<b>19,984</b>	<b>16,291</b>	<b>20,163</b>
Share capital	500	219	268
Other equity, including profit/loss for the year	208	-3,007	5,521
Provisions	410	288	318
Non-current liabilities	9,002	16,589	11,842
Current liabilities	9,864	2,202	2,214
<b>Total equity and liabilities</b>	<b>19,984</b>	<b>16,291</b>	<b>20,163</b>

## Group

### Changes in Equity

<b>TSEK</b>	<b>Q1-Q3 2021</b>	<b>Q1-Q3 2020</b>	<b>Q1-Q4 2020</b>
Opening equity	5,789	-2,614	-2,615
Share issue	0	0	9,225
Profit/loss for the current period	-5,081	-174	-821
<b>Closing equity</b>	<b>708</b>	<b>-2,788</b>	<b>5,789</b>



## Group

### Cash Flow Statement

TSEK	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q4 2020
Net profit/loss after financial items	-1,954	125	-5,081	-174	-855
Adjustments for non-cash items	-778	289	-1,976	1,220	1,196
<b>Cash flow from operations before changes in working capital</b>	<b>-2,732</b>	<b>414</b>	<b>-7,057</b>	<b>1,046</b>	<b>341</b>
<b>Changes in working capital</b>					
Changes in current receivables	359	-48	625	-63	-205
Changes in current liabilities	90	-3	982	-1,236	-900
<b>Cash flow from operation activities</b>	<b>-2,283</b>	<b>363</b>	<b>-5,450</b>	<b>-253</b>	<b>-764</b>
Inventory	-13	0	-13	0	0
<b>Cash flow from investing activities</b>	<b>-13</b>	<b>0</b>	<b>-13</b>	<b>0</b>	<b>0</b>
Borrowings	0	0	6,138	591	2,500
Amortization	-811	-185	-2,841	-366	-6,962
Share issue	0	0	0	0	9,225
<b>Cash flow from financing activities</b>	<b>-811</b>	<b>-185</b>	<b>3,297</b>	<b>225</b>	<b>4,763</b>
<b>Cash flow for the period</b>	<b>-3,107</b>	<b>178</b>	<b>-2,167</b>	<b>-28</b>	<b>3,999</b>
Available funds at beginning of the period	5,264	118	4,323	324	324
<b>Available funds at the end of the period</b>	<b>2,157</b>	<b>296</b>	<b>2,157</b>	<b>296</b>	<b>4,323</b>

## Parent company

### Income statement

TSEK	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q4 2020
Other Operating income	0	0	0	234	234
<b>Total Group revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>234</b>	<b>234</b>
Other external costs	-483	-61	-992	-317	-336
<b>EBITDA</b>	<b>-483</b>	<b>-61</b>	<b>-992</b>	<b>-83</b>	<b>-103</b>
Net financial items	-74	-80	-199	-15	-15
<b>Profit/loss before tax</b>	<b>-557</b>	<b>-141</b>	<b>-1,191</b>	<b>-98</b>	<b>-117</b>
Taxes on profit for the year including deferred taxes	0	0	0	0	0
<b>Profit/loss for the period</b>	<b>-557</b>	<b>-141</b>	<b>-1,191</b>	<b>-98</b>	<b>-117</b>

## Parent company

### Balance sheet

TSEK	30-sep-21	30-sep-20	31-dec-20
Non-current financial assets	14,226	5,300	13,625
Current receivables	5,224	8,613	356
Cash and cash equivalents	1,622	16	4,133
<b>Total assets</b>	<b>21,072</b>	<b>13,929</b>	<b>18,114</b>
Share capital	500	219	268
Other equity, including profit/loss for the year	7,890	156	9,313
Non-current liabilities	6,217	13,061	8,500
Current liabilities	6,465	493	33
<b>Total equity and liabilities</b>	<b>21,072</b>	<b>13,929</b>	<b>18,114</b>

# Accounting and Valuation Principles

The interim report has been prepared in accordance with the Swedish Annual Accounts Act. The accounting and valuation policies applied are consistent with the Swedish Accounting Standards Board's BFNAR 2012:1 (K3).

Amounts are reported in Swedish krona and rounded to the nearest thousand unless otherwise stated. Rounding to the nearest thousand may mean that amounts are not consistent when added. Amounts and figures stated in brackets are comparatives for the corresponding period of the previous year, unless otherwise stated.

## **Auditor's review**

This Q3 report has not been reviewed by the auditors of the company.

## **Number of Shares as of September 30, 2021**

During Q3 2021 Bricknode undertook a 3:1 share split.

There were 8,034,162 (2,191,199) registered shares in issuance at the end of the period, divided between 2,641,857 Class A shares and 5,392,305 Class B shares.

## **Information About Nasdaq First North Growth Market**

Nasdaq First North Growth Market (First North) is an alternative marketplace operated by the constituent exchanges of Nasdaq Stockholm. It does not have the same legal status as a regulated marketplace. Companies quoted on First North are subject to First North's rules rather than the legal requirements set for trading on a regulated marketplace. An investment in a company trading on First North implies higher risk than an investment in a listed company. Companies must apply to the exchange and gain approval before trading on First North may commence. A certified Adviser guides the company through the listing process and ensures that the company continuously satisfies First North's standards.

# Post-Period Activity

During October 2021 all Class A shares in the parent company Bricknode Holding AB were converted to Class B shares.

The parent company Bricknode Holding AB was approved for listing on Nasdaq First North Growth Market. The first day of trading was 9 November 2021. In connection with the listing, Bricknode had an offer to acquire shares in the company. Through the offer and the Over-Allotment Issue, the company received a total issue volume of approximately SEK 40 million before issue costs.

As a result of Finansinspektionen withdrawing all permits for one of Bricknode's largest customers, Nord Fondkommission, they have terminated the agreement with Bricknode. The notice period is 18 months, and the agreement runs until 15 April 2023.

## Forthcoming Reports

Year-End Report 2021	February 24, 2022
Annual Report 2021	March 24, 2022
Interim Report Q1 2022	May 19, 2022
Interim Report Q2 2022	August 18, 2022
Interim Report Q3 2022	November 17, 2022



# Definitions

<b>Net Revenues</b>	Revenues from services which is a part of the company's normal operations.
<b>Net revenue growth</b>	Development of net revenues compared to the same period the year before.
<b>EBT</b>	Earnings before taxes.
<b>EBIT</b>	Earnings before interest and tax.
<b>Operating margin</b>	EBIT as a percentage of Total Group Net revenue.
<b>EBITDA</b>	Earnings before interest, taxes, depreciation, and amortization.
<b>EBITDA margin</b>	EBITDA as a percentage of Total Group Net revenue.
<b>Equity</b>	Equity at the close of the period.
<b>Equity/asset ratio</b>	Total equity / Total assets.
<b>Earnings per share</b>	Profit/loss divided by outstanding shares for the period.
<b>Average number of employees</b>	Number of staff converted to full-time positions during the period.
<b>Net revenue retention (NRR)</b>	Rate is percentage of recurring revenue retained from existing customers in a defined period, including revenue, downgrades, and cancels.

# Signatures and Assurance

The Board of Directors and the Chief Executive Officer offer their assurance that this interim report provides a true and fair view of the Group's and the Parent Company's operations, financial position, and the operational performance.

Skövde, 30 November 2021

## **Robert Lempka**

Chairman of the Board

## **Stefan Willebrand**

Board member and CEO

## **Fanny Wallér**

Board member

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## **Certified Adviser**

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