



**Bricknode Group  
Year-End Report**

2021



# Highlights 2021

- ✓ Successful IPO completed with first day of trading on 9 November 2021
- ✓ Net revenue increased by 33% to 15,385 (11,578) TSEK
- ✓ Net revenue retention rate: 115%
- ✓ Agreement signed with a large international investment bank
- ✓ First family office customer onboarded
- ✓ Two new FinTech companies onboarded to the platform
- ✓ Key recruitments achieved to support development and growth

# 2021

# Key figures

## Group

Key performance indicators

	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Net revenues, TSEK	4,271	3,658	15,385	11,578
Net revenue growth, %	17%	49%	33%	20%
EBT, TSEK	-3,806	-680	-8,870	-854
EBIT, TSEK	-3,725	-555	-8,459	-113
Operating margin, %	-87%	-15%	-55%	-1%
EBITDA, TSEK	-5,219	-578	-11,912	1,089
EBITDA margin, %	-122%	-16%	-77%	9%
Equity, TSEK	28,222	5,789	28,222	5,789
Equity/assets ratio, %	78%	29%	78%	29%
Earnings per share, SEK*	-0.88	-0.08	-1.39	-0.10
Cash and bank balances, TSEK	22,647	4,323	22,647	4,323
Average number of employees	34	6	27	8

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





# Comments from the CEOs

## Changing how financial products are being administered and consumed

After years of building and using our products, even we are surprised by how dynamic and flexible our platform is. We can truly say that we've mastered a real core banking ecosystem. The media is filled with buzz about core banking solutions, but we don't think you should be allowed to call yourself a core banking solution before mastering all aspects of financial operations.

Core banking, in our opinion, covers everything from simple cash transactions to lending and investing in various financial products. We've done our homework and built a stellar system based on transactions and accounts, with incredible versatility and the highest granularity.

During the past month, our team demonstrated several implementations and automations made for new customers. It feels great to be able to say that for the first time ever, our Bricknode Broker product is supporting self-directed trading of global stocks in real time - with true custom fee handling for both end customers and their counterparties, managed separately.

We've done a lot of heavy lifting over the years. With great care and usage in the real world, we've built and then rebuilt things that we realized had to be solved in different ways than we first thought.

### A sound base is everything

When your goal is to organize and change global financial interactions, as is the case for Bricknode, you need an extremely sound base to stand on. Over the years, the base has been our priority and developing slick, eye-catching apps was a focus for the future. We are now happy to say that the future is here!

### Trucks and vespas

When looking at Bricknode today, it's easy to think that we're focused on just one product, [Bricknode Broker](#), which solves problems for complex financial institutions like brokerage and wealth management firms. In fact, Bricknode Broker was the first of several products to be built on top of our core system.



Stefan Willebrand



Erik Hagelin

We like to think of ourselves as a factory that can produce different vehicles. Firstly, there are “Trucks”; the big-ticket items that are sold less often but come at a higher cost. What is easy to miss is that this factory can also produce “Vespas”; highly efficient vehicles which are sold at a lower price but far more frequently. Customers can operate these without any instructions and since they do not require a license (think regulatory licenses) they can be driven all over the world by anyone!

Thanks to the hard work that we have put into our core system over the last 12 years, we can now produce amazing new apps in just a few months. Achieving such a short time to market is incredible and will make a huge difference in supporting our growth plans.

Aside from Bricknode Broker, we also offer a comprehensive loan management platform called [Bricknode Lending](#), and we are now following up with another product - [Bricknode Deposits](#). Bricknode Deposits is a killer application for banks, credit market institutions and general deposit takers to use as a complete end-to-end application for offering savings accounts in multiple currencies, with or without interest.

You might be wondering where these fit in terms of our vehicle analogy. Well, arguably both Bricknode Lending and Bricknode Deposits do not qualify as Vespas since they usually require some sort of license to operate. So, let us liken them to “Cars”; they are definitely not Trucks and the true Vespas are coming!

### **The real banking ecosystem**

Another common misconception is that Bricknode operates solely as an enterprise software provider. Bricknode is really a network which happens to produce enterprise software to make the lives of its members easier and to help empower their businesses. Check out this [YouTube video](#) which helps describe the concept of our ecosystem.







Our customer and partner, Evida, is a great example that shows the benefits of our ecosystem. Evida approached us many years ago when they saw Bricknode as an enterprise software provider for administration of wealth management clients.

Evida soon grasped the great network capabilities of Bricknode and we connected them with other users of the Bricknode network (<https://evida.se/samarbetspartners/>). We are now awesome partners and Bricknode even conducts the back office operations for the Evida partnerships in the network - a true plug and play solution for everyone involved.



Discover. Analyze. Trade.

Infront is another great partner in our ecosystem. When [TBC Capital selected Bricknode Broker](#) to power its suite of investment solutions, we were also able to connect them to Infront's Professional Terminal for Trading, allowing TBC's customers to trade in real time on global equity markets.

Our flexible API makes it easy for our customers to integrate the suppliers and systems they want, with our solution.

## Customers and users

Our customer base is growing, and it is a true pleasure to see international investment banks, robo-advisors, personal finance management apps and family offices build their businesses upon our platform and join our ecosystem.

It is even better to see them go live with offerings that are enabled by the "pipes and plumbing" we have put so much effort into building. It is also validation of the fact we can bring value to many different types of companies within the financial sector. Our services are not limited to just traditional finance or FinTech. The fantastic diversity among the beneficiaries of our services is a key feature of our ecosystem.

## **The team is everything!**

During the last quarter we've continued to expand our wonderful team across the board, welcoming talented individuals in engineering, sales and customer success. Attracting and keeping extraordinary talent is key to our global growth strategy.

We're now spread out across many locations, and at Bricknode our team members can work anywhere. We are a true purpose-driven organization focusing on making the financial lives and interactions better for everyone. We do not believe in "big bang" approaches where everything needs to be perfect from day one. Instead, we believe in an iterative process and continuously making things a bit better day by day, while remembering to have fun!

## **Investing in a great future**

Right now, we are investing in everything. We're investing in our current and future products and in our team and partners. We have a long-term view when it comes to building our business for future success. We avoid making projections but stay flexible and agile.

Whilst we expect the investment phase to cover large parts of 2022, we are also starting to see revenues pick up compared with the increased costs and expect this trend to accelerate during 2022.

Our main initiative for 2022, however, is to round out our current offering with some killer applications for mass markets globally. This will support aggressive growth through great income diversification and focus on network effects.

We have already ramped up our engagement in social media so make sure that you follow us on [YouTube](#), [Twitter](#) (where we also have some new product-focused accounts for [Bricknode Broker](#) and [Bricknode Lending](#)), [LinkedIn](#), [Facebook](#), and the [Bricknode Blog](#)!

Stefan & Erik



# Financial performance

## Revenue

Total net revenue for the group during Q4 2021 amounted to 4,271 (3,658) TSEK – an increase of 17% compared to the same period last year. This has been driven by new customers and growth among our existing customers.

Revenue during 2021 amounted to 15,385 (11,578) TSEK corresponding to an increase of 33%.

## Expenses

Other external costs for the group during Q4 2021 totaled -2,498 (-1,821) TSEK.

Staffing costs for the group in Q4 2021 totaled -6,983 (2,270) TSEK. The increase was driven by an increased number of employees.

## Profit/loss

Profit/loss for the period was -8,663 (-648) TSEK. The result before removal of accumulated deferred tax assets (2015-2019) is -3,889 TSEK.

## Employees

Bricknode had 37 employees at the end of the period (9).

## Financial position as of December 31, 2021

At the end of Q4 2021 the Group had 22,647 (4,323) TSEK in cash and cash equivalents. The equity-to-asset ratio at the end of the period was 78% (29%). Equity increased to 28,222 (5,789). The change in Equity is due to the share issue and its contribution to equity (after share issue expenses) of 36,2 MSEK made in Q4 2021, and the result during Q1-Q4 2021.

## Cash flow and investments

The Group's cash flow from operating activities before changes in working capital was -5,338 during Q4 2021 compared to -704 TSEK for the same period last year. The change in working capital was 585 (254) TSEK.

The Group's cash flow from the investing activities was -81 (0) TSEK and was attributed to a purchase of tangible assets.

The Group's cash flow from financing activities amounted to 25,350 (4,478) TSEK.

## Significant events during the period

The parent company Bricknode Holding AB (publ) was listed on Nasdaq First North Growth Market, and 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 40 MSEK (before share issue expenses).

# Financial report summary

## Group

### Income statement

TSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Net revenues	4,271	3,658	15,385	11,578
Other operating income	3	-85	302	233
<b>Total Group revenue</b>	<b>4,274</b>	<b>3,573</b>	<b>15,687</b>	<b>11,811</b>
Subcontractors	-13	-60	-133	-201
Other external costs	-2,498	-1,821	-8,095	-5,712
Staffing costs	-6,983	-2,270	-19,370	-4,809
<b>EBITDA</b>	<b>-5,219</b>	<b>-578</b>	<b>-11,912</b>	<b>1,089</b>
Activations development	2,697	1,016	7,937	2,904
Depreciation	-1,194	-993	-4,459	-4,101
Exchange gain and losses	-8	0	-26	-5
<b>Profit/loss before financial items</b>	<b>-3,725</b>	<b>-555</b>	<b>-8,459</b>	<b>-113</b>
Net financial items	-80	-126	-411	-741
<b>Profit/loss before tax</b>	<b>-3,806</b>	<b>-680</b>	<b>-8,870</b>	<b>-854</b>
Taxes on profit for the year including deferred taxes*	-4,857	33	-4,857	33
<b>Profit/loss for the period</b>	<b>-8,663</b>	<b>-648</b>	<b>-13,727</b>	<b>-821</b>

\*Removal of accumulated deferred tax assets (2015-2019).

## Group

### Balance sheet

<b>TSEK</b>	<b>31-dec-21</b>	<b>31-dec-20</b>
Intangible assets	12,611	9,102
Tangible assets	140	45
Non-current financial assets	531	5,274
Current receivables	448	1,419
Cash and cash equivalents	22,647	4,323
<b>Total assets</b>	<b>36,377</b>	<b>20,163</b>
Share capital	614	268
Other equity, including profit/loss for the year	27,607	5,521
Provisions	433	318
Non-current liabilities	4,270	11,842
Current liabilities	3,453	2,214
<b>Total equity and liabilities</b>	<b>36,377</b>	<b>20,163</b>

## Group

### Changes in equity

<b>TSEK</b>	<b>Q1-Q4 2021</b>	<b>Q1-Q4 2020</b>
Opening equity	5,789	-2,614
Share issue	36,207	9,225
Translation difference	-47	0
Profit/loss for the current period	-13,727	-821
<b>Closing equity</b>	<b>28,222</b>	<b>5,789</b>

## Group

### Cash flow statement

TSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Net profit/loss after financial items	-8,663	-648	-13,727	-855
Adjustments for non-cash items	3,324	-57	1,348	1,197
<b>Cash flow from operations before changes in working capital</b>	<b>-5,338</b>	<b>-704</b>	<b>-12,379</b>	<b>342</b>
<b>Changes in working capital</b>				
Changes in current receivables	-604	-142	-21	-205
Changes in current liabilities	1,189	396	2,222	-900
<b>Cash flow from operation activities</b>	<b>-4,752</b>	<b>-450</b>	<b>-10,136</b>	<b>-763</b>
Changes in tangible assets	-81	0	-95	0
<b>Cash flow from investing activities</b>	<b>-81</b>	<b>0</b>	<b>-95</b>	<b>0</b>
Loan	1,000	0	7,138	2,500
Amortization	-3,602	-4,747	-6,443	-6,962
Loan Conversion to shares	-8,300	0	-8,300	0
Share issue	36,253	9,225	36,207	9,225
<b>Cash flow from financing activities</b>	<b>25,350</b>	<b>4,478</b>	<b>28,601</b>	<b>4,763</b>
<b>Cash flow for the period</b>	<b>20,517</b>	<b>4,028</b>	<b>18,370</b>	<b>4,000</b>
Available funds at beginning of the period	2,157	296	4,323	324
Translation differences in available funds	-26	0	-47	0
<b>Available funds at the end of the period</b>	<b>22,647</b>	<b>4,323</b>	<b>22,647</b>	<b>4,323</b>

## Parent company

### Income statement

TSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Other operating income	0	0	0	234
<b>Total Group revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>234</b>
Other external costs	-312	-19	-1,258	-336
<b>EBITDA</b>	<b>-312</b>	<b>-19</b>	<b>-1,258</b>	<b>-103</b>
Net financial items	-52	0	-250	-15
<b>Profit/loss before tax</b>	<b>-364</b>	<b>-19</b>	<b>-1,509</b>	<b>-117</b>
Taxes on profit for the year including deferred taxes	-232	0	-232	0
<b>Profit/loss for the period</b>	<b>-596</b>	<b>-19</b>	<b>-1,741</b>	<b>-117</b>

## Parent company

### Balance sheet

TSEK	31-dec-21	31-dec-20
Non-current financial assets	18,643	13,625
Current receivables	9,192	356
Cash and cash equivalents	21,460	4,133
<b>Total assets</b>	<b>49,296</b>	<b>18,114</b>
Share capital	614	268
Other equity, including profit/loss for the year	43,433	9,313
Non-current liabilities	1,638	8,500
Current liabilities	3,611	33
<b>Total equity and liabilities</b>	<b>49,296</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 year-end report has not been reviewed by the auditors of the company.

## Number of shares as of December 31 2021

There were 9,869,023 registered shares in issuance at the end of the period, all 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.

## Forthcoming reports

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 are 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 the percentage of recurring revenue retained from existing customers in a defined period, including revenue, downgrades, and cancelations.

# 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, 24 February 2022

## **Robert Lempka**

Chairman of the Board

## **Stefan Willebrand**

Board member and CEO

## **Fanny Wallér**

Board member

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