The background features several 3D rectangular blocks in shades of blue and green, arranged in a scattered pattern. Some blocks are in sharp focus, while others are blurred, creating a sense of depth. The lighting is soft, casting subtle shadows on the dark grey background.

Bricknode Group

Interim report January-March

2023



Bricknode

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2023

Q1 2023 in brief

- Entered purchase agreement with Huddlestock Fintech AS ("Huddlestock") regarding the transfer of all operational assets of Bricknode for 41,138,911 consideration shares in Huddlestock
- Net revenue increased by 7% to 5,002 (4,671) TSEK
- Net revenue retention rate 96% (107%)
- Earnings per share amounted to -0,39 (-0,41) SEK
- EBIT result amounted to -3,518 (-3,962) TSEK and the margin amounted to -70% (-85%)

2023

Key figures

Group

Selected key performance indicators

	Q1 2023	Q1 2022	Q1-Q4 2022
Net revenues, TSEK	5,002	4,671	18,229
Net revenue growth, %	7%	24%	18%
EBT, TSEK	-3,801	-4,012	-18,079
EBIT, TSEK	-3,518	-3,962	-17,580
Operating margin, %	-70%	-85%	-96%
EBITDA, TSEK	-3,427	-5,955	-23,624
EBITDA margin, %	-69%	-127%	-130%
Equity, TSEK	6,201	24,239	10,067
Equity/assets ratio, %	24%	72%	40%
Number of shares at the end of the period	9,869,023	9,869,023	9,869,023
Number of shares, average	9,869,023	9,869,023	9,869,023
Earnings per share, basic (SEK)	-0.39	-0.41	-1.83
Earnings per share, diluted (SEK)	-0.39	-0.41	-1.83
Cash and bank balances, TSEK	3,919	16,450	3,426
Average number of employees	24	36	36

For definitions of key ratios, see Accounting and valuation principles.

Comments from the CEOs

A great marriage

During Q1 we announced what we think is a great marriage between Bricknode and Huddlestock. These are two companies with the same vision and purpose. We both provide the “pipes and plumbing” for digitalizing capital and investment markets and our purpose is to empower our clients to deliver access to global capital markets through simple, accessible, and personalized trading and investing solutions.

Bricknode has invested a lot of time and capital into building wealth management solutions with its extensive ecosystem of applications, while Huddlestock has focused more on the real-time trading area of finance. Huddlestock has also managed to build up a cash flow generating division which offers customized solutions to customers.

By combining the scalable SaaS products that Bricknode has developed with the solutions division of Huddlestock, the new group can truly become a one-stop shop for clients. Huddlestock already serves a diverse portfolio of clients all the way up to tier 1 banks, and this offers Bricknode a way to play in a larger arena much faster than it could have achieved itself.

The real-time trading infrastructure that Huddlestock has created perfectly integrates with the wealth management applications of Bricknode so there are literally no overlaps.

From an organizational perspective Bricknode comes out of a significant downsizing of its staff members while Huddlestock has been growing. The staff of each company have combined to form an 85-strong workforce that’s well suited to accelerate the company’s growth towards profitability.

Together, the two companies will be highly competitive in serving their main client sectors which are:

- Banks, neobanks, and online banks
- Wealth managers
- Asset managers
- Brokerage and investment banks
- Corporate finance firms
- Pension providers
- Fintech platforms
- Lenders



Stefan Willebrand
Co-CEO



Erik Hagelin
Co-CEO

Another highlight, except for the combination of current cashflow and the high future margins that scalable products bring to the equation, is the regulatory licenses that Huddlestock owns. We have been very excited about combining our technology products with a brokerage license of our own for some time to increase sales, margins and shorten sales cycles. Huddlestock already operates B2B brokerage services with its regulatory licenses and software from external providers. The joint company group can now offer this complete service using native technology.

As we write these comments, the Bricknode and Huddlestock organizations have already been integrated and now work as one big global team.

We are committed to working within Huddlestock for the long term to realize our combined vision of helping financial institutions harness the power of technology to reduce friction for end customers in the financial markets!

Plan for shareholders of Bricknode Holding

We are working as quickly as possible for the shareholders of Bricknode Holding AB to become direct shareholders of Huddlestock Fintech AS, which is listed on Euronext Growth Oslo. To do this with maximum cost efficiency the first step is to complete the delisting of Bricknode from Nasdaq First North Growth Market. We have received approval from Aktiemarknadsnämnden to proceed and our ambition is to submit the request for delisting in the middle of July 2023. The intention is to complete the delisting shortly after.

Bricknode Holding is going to receive a total of 41,138,911 shares. As mentioned in the press release on 15 March we intend to use some of the shares received, and/or the proceeds from the sale of such shares, to repay lenders and finance the operations of the company. Following the delisting of Bricknode Holding the process of distributing shares to the shareholders can begin. We are currently working with an external provider on a detailed plan and more info about that will follow.

The distributions will happen in a few tranches and in accordance with what Swedish corporate law permits regarding distribution of assets. Our goal is to finalize the last distributions before the end of Q1 2024.

Shares of Huddlestock Fintech AS are available for trading on Euronext Growth Oslo which can be accessed by clients of many brokerage firms including Avanza and Nordnet.

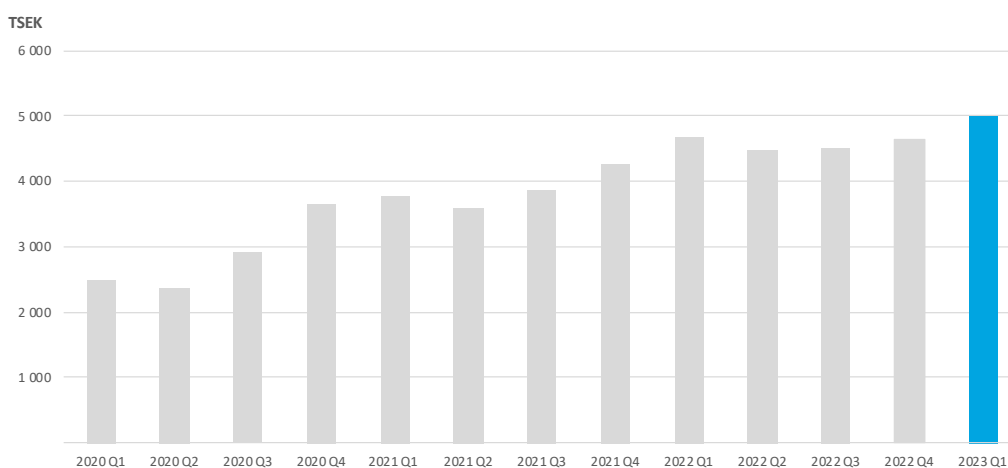
Huddlestock Fintech AS has obtained the ownership of the operating companies of Bricknode Holding which are Bricknode Software AB, Bricknode Platform AB and Bricknode Ltd. This means that owners of shares of Huddlestock Fintech AS are owners of the businesses and the assets that Huddlestock Fintech AS purchased from Bricknode Holding AB.

Best regards,
Stefan & Erik

Financial reports

Revenue

Net revenues for the group during the period amounted to 5,002 (4,671) TSEK, rendering a growth of 7% (24%). This has been driven by new customers and growth among our existing customers.



Expenses

Other external costs for the group during the period totaled -3,072 (-2,425) TSEK and consist mainly of IT, external consultants, and marketing.

Staffing cost for the group totaled -5,354 (-8,186) TSEK. The number of employees at the end of the period was 23 (34) and the average number of employees went down from 36 in the same period last year to 24. This was a result of the savings plan announced 1 August 2022.

The financial costs increased to -283 (-50) TSEK. The increase is attributed to the interest expense of the new loans that the company secured during Q3 and Q4 2022.

Operating income

EBITDA in Q1 2023 totaled -3,427 (-5,955) TSEK, which equals an EBITDA margin of -69% (-127%).

The operating result, EBIT, was during the first quarter -3,518 (-3,962), corresponding to an operating margin of -70% (-85%).

Profit/loss after tax was -3,832 (-4,019) TSEK.

Earnings per share in Q1 2023 totaled -0,39 (-0,41) SEK.

Capitalized Development Costs

As of March 31 2023, capitalized expenses amounted to 18,705 compared to 18,735 as of the end of 2022. It refers to capitalization of payroll that is related to the development of the Group's software products.

Financial position as of March 31, 2023 (Compared to December 31, 2022)

At the end of Q1 2023 the Group has 3,919 (3,426) TSEK in cash and equivalents. The equity-to-asset ratio at the end of the period was 24% (40%).

The number of shares was 9,869,023. Equity amounted to 6,201 (10,067) TSEK.

Cash flow and investments

During the first quarter 2023 cash flow from operating activities before changes in working capital amounted to -3,745 (-6,019) TSEK. The adjustments for non-cash items are mainly attributed to capitalization of development costs 1,483 offset by amortization -1,570.

Change in working capital was 4,656 (-298) TSEK. Cash flow from investing activities was 0 (-17) TSEK.

Cash flow from financing activities amounted to -486 (-486) TSEK and consisted of amortization of a previously taken loan.

The total cash flow for the quarter amounted to 425 (-6,224) TSEK, and available funds at the end of the period was 3,919 (16,450) TSEK.

Significant events during the period

As mentioned in the Annual Report 2022, Bricknode announced on 15 March 2023 that all Bricknode's operational assets were to be acquired by Huddlestock Fintech AS in exchange for 41,138,911 consideration shares in Huddlestock, with a value of approximately SEK 107 million. On 31 March 2023 the extraordinary general meeting of Bricknode resolved to approve the transaction between Bricknode and Huddlestock Fintech AS.

Significant events after the period

On 4 April 2023 Bricknode and Huddlestock Fintech AS completed the transaction regarding the transfer of all operational assets of Bricknode to Huddlestock in exchange for shares in Huddlestock.

Following the completion of the sale of all Bricknode's operational assets to Huddlestock, Bricknode does not fulfil Nasdaq's listing requirements and a delisting process has been initiated. Bricknode has received approval from Aktiemarknadsnämnden to proceed and the ambition is to submit the request for delisting in the middle of July 2023 and is to complete the delisting shortly after.

Group

Income statement

TSEK	Q1 2023	Q1 2022	Q1 -Q4 2022
Net revenues	5,002	4,671	18,229
Other operating income	2	12	23
Total group revenue	5,004	4,683	18,252
Subcontractors	-6	-26	-140
Other external costs	-3,072	-2,425	-12,147
Staffing costs	-5,354	-8,186	-29,590
EBITDA	-3,427	-5,955	-23,624
Capitalized work for own account	1,483	3,324	11,748
Depreciation / Amortization	-1,570	-1,323	-5,671
Exchange gain and losses	-4	-8	-32
Profit/loss before financial items (EBIT)	-3,518	-3,962	-17,580
Net financial items	-283	-50	-499
Profit/loss before tax (EBT)	-3,801	-4,012	-18,079
Taxes on profit for the year including deferred taxes	-31	-7	-5
Profit/loss for the period	-3,832	-4,019	-18,084

Group

Balance sheet

TSEK	31-Mar-23	31-Mar-22	31-Dec-22
Intangible assets	19,515	14,611	19,602
Tangible assets	139	157	142
Non-current financial assets	517	797	504
Current receivables	1,453	1,450	1,617
Cash and cash equivalents	3,919	16,450	3,426
Total assets	25,543	33,465	25,291
Share capital	614	614	614
Other equity, including profit/loss for the year	5,587	23,625	9,453
Provisions	423	698	410
Non-current liabilities	1,809	3,752	2,295
Current liabilities	17,111	4,776	12,518
Total equity and liabilities	25,543	33,465	25,291

Group

Changes in equity

TSEK	Q1 2023	Q1-Q4 2022
Opening equity	10,067	28,222
Share issue	0	0
Translation difference	-35	-71
Profit/loss for the current period	-3,832	-18,084
Closing equity	6,201	10,067

Group

Cash flow statement

TSEK	Q1 2023	Q1 2022	Q1-Q4 2022
Net profit/loss after financial items	-3,801	-4,012	-18,079
Adjustments for non-cash items	87	-2,008	-6,956
Taxes, paid	-31	0	0
Cash flow from operations before changes in working capital	-3,745	-6,019	-25,036
Changes in working capital			
Changes in current receivables	214	332	436
Changes in current liabilities	4,442	-34	7,383
Cash flow from operation activities	910	-5,721	-17,217
Changes in tangible assets			
Changes in tangible assets	0	-17	-47
Cash flow from investing activities	0	-17	-47
Changes in financial liabilities			
Amortization	-486	-486	-1,943
Loan conversion to shares	0	0	0
Share issue	0	0	0
Cash flow from financing activities	-486	-486	-1,943
Cash flow for the period	425	-6,224	-19,207

Parent company

Income statement

TSEK	Q1 2023	Q1 2022	Q1-Q4 2022
Other operating income	0	0	0
Total group revenue	0	0	0
Other external costs	-136	-147	-632
EBITDA	-136	-147	-632
Net financial items	-6,666	-18	-6
Profit/loss before tax (EBT)	-6,802	-165	-638
Taxes on profit for the year including deferred taxes	0	0	-372
Profit/loss for the period	-6,802	-165	-1,011

Parent company

Balance sheet

TSEK	31-Mar-23	31-Mar-22	31-Dec-22
Non-current financial assets	51,134	18,843	29,618
Current receivables	174	15,548	22,014
Cash and cash equivalents	156	14,368	2,620
Total assets	51,465	48,760	54,253
Share capital	614	614	614
Other equity, including profit/loss for the year	35,620	43,267	42,422
Non-current liabilities	138	1 338	438
Current liabilities	15,093	3,540	10,779
Total equity and liabilities	51,465	48,760	54,253

Parent company

Cash flow statement

TSEK	Q1 2023	Q1 2022	Q1-Q4 2022
Net profit/loss after financial items	-6,802	-165	-1,011
Cash flow from operations before changes in working capital	-6,802	-165	-1,011
Changes in working capital			
Changes in current receivables	21,840	-6,356	-12,822
Changes in current liabilities	4,313	-70	7,169
Cash flow from operation activities	19,352	-6,592	-6,664
Changes in tangible assets	-21,516	-200	-10,975
Cash flow from investing activities	-21,516	-200	-10,975
Amortization	-300	-300	-1,200
Loan conversion to shares	0	0	0
Share issue	0	0	0
Cash flow from financing activities	-300	-300	-1,200
Cash flow for the period	-2,464	-7,092	-18,839
Available funds at beginning of the period	2,620	21,460	21,460
Available funds at the end of the period	156	14,368	2,620

Parent company

Changes in equity

TSEK	Q1 2023	Q1-Q4 2022
Opening equity	43,036	44,047
Share issue	0	0
Translation difference	0	0
Profit/loss for the current period	-6,802	-1,011
Closing equity	36,234	43,036

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 interim report has not been reviewed by the auditors of the company.

Number of shares as of March 31, 2023

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

Interim Report Q2 2023
Interim Report Q3 2023

August 17, 2023
November 16, 2023

Definitions

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

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, 17 May 2023

Robert Lempka
Chairman of the board

Stefan Willebrand
Board member and CEO

Fanny Wallér
Board member

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This is information that Bricknode Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CEST on 17 May 2023.

