



BUILDDATA

Interim Report Q1

1 July – 30 September 2022

SUMMARY HIGHLIGHT

Financial Highlights

- ARR at the end of Q1 (the quarter ending 30 September 2022) was SEK 80.2m, corresponding to a 19.2% increase compared with the same period last year (SEK 67.3m).
- Total contract value at the end of Q1 of SEK 121.1m, corresponding to a 44.6% increase compared with the same period last year (SEK 83.7m). Organic TCV growth in Q1 was 40.3% compared with the same period last year.
- Net sales in Q1 were SEK 26.0m, corresponding to a 22.6% increase compared with the same period last year (SEK 21.2m).
- Organic net sales growth was 13.3% and after excluding one off revenues organic net sales growth was 19.2%.
- Gross profit in Q1 was SEK 24.9m (SEK 20.1m) equating to a 95.8% gross margin (94.8%).
- Normalised EBITDA in Q1 (EBITDA before non-recurring items) was SEK -1.4m compared to the same period last year (SEK 0.9m).
- EBITDA of SEK -4.7m compared to the same period last year (SEK 0.0m).

- Basic earnings per share (weighted) amounted to SEK -0.12 (SEK -0.04).
- Operating cashflow in Q1 was SEK - 4.7m (SEK -8.4m).

Operational Highlights

- 255 new agreements were signed in Q1 with a value of SEK 30.0m.

Significant Events after the Period

- On 19 October we signed a letter of intent to acquire 100% of Edocuments Limited for an initial consideration of £2.4 million (SEK 30.1m) with an additional payment of up to £1.4m (SEK 17.6m) based on fulfilment of sales targets of the next two years. Edocuments has sales of c.£2.0m (SEK 25.1m).

Key Figures

SEK m (except where stated)	Q1		Year to date		Full year
	Jul-Sep 22	Jul-Sep 21	Jul-Sep 22	Jul-Sep 21	June 2022
Annual recurring revenue	80.2	67.3	80.2	67.3	79.9
Total contract value	121.1	83.7	121.1	83.7	117.1
Net sales	26.0	21.2	26.0	21.2	88.2
Gross profit	24.9	20.1	24.9	20.1	88.3
Normalized EBITDA	(1.4)	0.9	(1.4)	0.9	(4.2)
EBITDA	(4.7)	(0.0)	(4.7)	(0.0)	(8.3)
Operating profit/(loss)	(7.4)	(2.4)	(7.4)	(2.4)	(19.8)
Net profit/(loss)	(7.5)	(2.6)	(7.5)	(2.6)	(20.3)
Cash flow from operating activities	(4.7)	(8.4)	(4.7)	(8.4)	(17.5)
Cash	71.5	96.4	71.5	96.4	78.6
Net cash/(debt)	69.2	93.5	69.2	93.5	76.1
Earnings per share before dilution (SEK)	(0.12)	(0.04)	(0.12)	(0.04)	(0.32)

COMMENTS FROM OUR CEO

Run-rate net sales is in excess of SEK100m - significant milestone reached

We are delivering on our growth plan

Our net sales for the quarter were SEK 26.0m and we exceeded SEK 100m in run-rate net sales for the first time. For us as a company, this is a significant milestone.

Our growth remains consistent, and this growth can be seen in all our sales KPIs: net sales, ARR and TCV bookings. I am probably most pleased with how our TCV is progressing given that this is the best gauge for predicting future revenues. Our TCV grew by 44.6% compared to the same quarter last year and we continue seeing a large number of new customers.

Our SaaS KPIs are developing favorably

We are continuing to produce top-of-class SaaS KPIs: our net retention rate is strong, the return on our customer acquisition is high, gross profit is in line with SaaS peers, we have satisfied customers and we are producing strong ARR trajectory.

However, given the meaningful investments we have done to build our ecosystem, in particular in sales and marketing, we are still not profitable. This last quarter we were around EBITDA breakeven. We do believe that over time we will be getting closer to the EBITDA margins of Enterprise SaaS peers as we scale and grow our business.

The overall market remains buoyant

We remain very optimistic about the market development. Our focus on regulatory compliance in the UK has positioned us well and we have a robust product suite of software solutions to offer our customers. We are seeing our existing customers as well as new customers allocating larger budgets to the type of software solutions we are offering which is boding well for the future.

M&A is back

During the last quarter I talked about that M&A was coming back. Since then, we have announced one letter of intent and I believe M&A is back. That means that we are expecting to be doing more M&A in the near future. Valuation expectations have moderated, although we are still seeing pockets with inflated value expectations, and sellers are now engaging with us in a very different way. Our M&A strategy remains the same which is to acquire companies with a strong complimentary customer base, proven growth stories and business models and excellent management teams.

At BuildData we are very excited about what the future holds. I invite you to join our journey.

Yours faithfully,
Gustave Geisendorf

COMMENTARY ON Q1

Net sales

Net sales in the quarter were SEK 26.0m (SEK 21.2m), up 22.6% on the corresponding period. The underlying organic growth of 13.3% was driven by the strong new customer inflow, insignificant churn and strong price development on renewals. Organic growth after excluding one off professional fees was 19.2%. We saw a strong performance in our UK business and also our Irish business is also performing according to plan.

Quarterly net sales (SEKm)

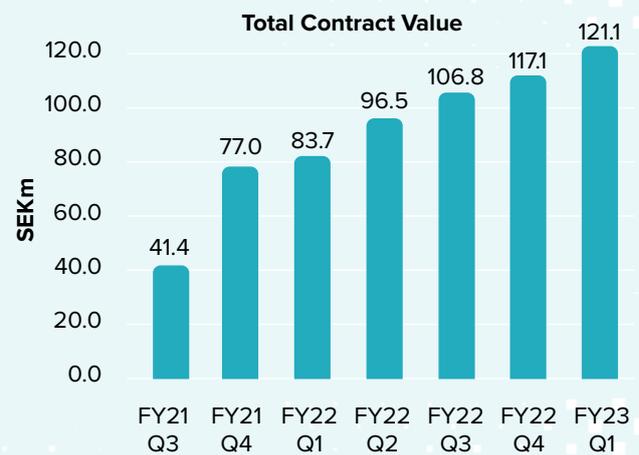
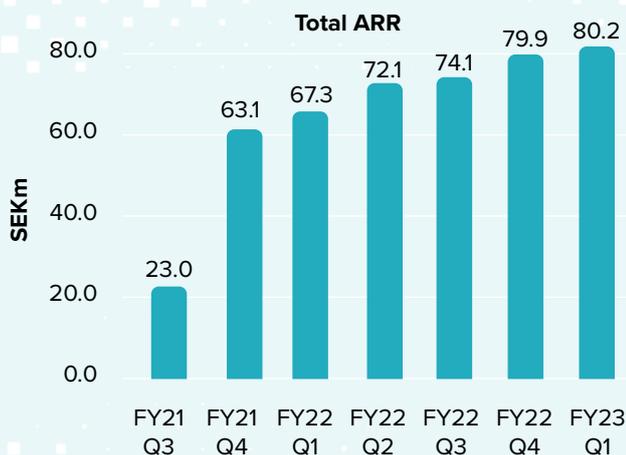


ARR

ARR at the end of Q1 was SEK 80.2m, corresponding to a 19.2% increase compared with the same period last year (SEK 67.3m). An increasing amount of effort is being placed on upselling. We are increasing prices on contracts and our churn remains insignificant.

TCV

At the end of Q1 total contract value was SEK 121.1m, corresponding to a 44.6% increase compared with the same period last year (SEK 83.7m). Organic TCV growth in Q1 was 40.3% compared with the same period last year.



Cost of Sales and Gross profit

Cost of sales, comprising hosting expenses and product related purchases amounted to SEK 1.5m (SEK 1.8m) in Q1 FY23.

Gross profit amounted to SEK 24.9m (SEK 20.1m) which equated to gross margin of 95.8%.

Earnings

Payroll costs amounted to SEK 24.2m (SEK 15.0m) in Q1 FY23. Our headcount went up from 104 at the end of Q1 last year to 119 at the end of Q1 this year through the investment we have made in hiring key roles. Our cost per FTE has increased as we are upskilling our talent base. We are expecting our headcount to go down slightly throughout the year and our cost per FTE to remain at current levels.

Capitalisation of payroll amounted to SEK 1.2m (SEK 1.4m) in Q1 and related to R&D development of the Group's software products.

Other external costs which are in line with our expectations amounted to SEK 3.6m (SEK 4.5m) in Q1.

Normalized EBITDA excluding foreign exchange translation and non-recurring items amounted to SEK -1.4m (SEK 0.9m) in Q1. Non-recurring items relate to share-based payments and other one-off costs.

EBITDA in Q1 amounted to SEK -4.7m, compared to the same period last year of SEK 0.0m.

Operating loss (EBIT) amounted to SEK -7.4m compared to an operating loss for the same period last year of SEK -2.4m.

Earnings per share

Earnings per share (EPS) for Q1 amounted to SEK -0.12 (SEK -0.04).

Financial position

Equity was SEK 112.2m (SEK 137.0m) at the end of the period. The equity/assets ratio was 65.9 per cent (75.8%) at 30 September 2022. Total assets were SEK 170.0m (SEK 180.8m). The cash position is strong at SEK 71.5m (SEK 96.4m).

Cashflows and investments

Cash flow for Q1 was SEK -7.1m (SEK -11.2m). Cash flow from operating activities was SEK -4.7m (SEK -8.4m).

Cash flow from financing activities was SEK -0.3m (SEK 0.1m). Cash and cash equivalents were SEK 71.5m (SEK 96.4m) at the end of the period.

Personnel

The number of group employees at 30 September 2022 was 119 (104).

The total number of outstanding shares at the end of the quarter was 62,757,284 (62,757,284). All shares carry an equal share of votes and capital.

Share ownership

The table below shows the top 10 shareholders (direct and indirect ownership) as at 30 September 2022.

The 10 largest owners as at 30 September 2022	Direct		Indirect		
	Number of shares owned	Share of capital and votes	Warrants held	Total holdings	Share of diluted capital
Athanase Industrial Partners	29,670,293	47.2%	885,000	30,555,293	39.1%
Gustave Geisendorf	12,693	0.0%	10,915,000	10,927,693	14.0%
SEB Life International	4,062,031	6.5%	-	4,062,031	5.2%
Nordea Livförsäkring Sverige Ab	2,746,082	4.4%	-	2,746,082	3.5%
FE Småbolag Sverige	2,700,660	4.3%	-	2,700,660	3.5%
BNY Mellon SA	2,655,453	4.2%	-	2,655,453	3.4%
Celina Småbolagsfond	2,297,038	3.7%	-	2,297,038	2.9%
Avanza Pension	1,940,354	3.1%	-	1,940,354	2.5%
Brian Dodsworth	1,836,229	2.9%	-	1,836,229	2.4%
Gareth Burton	1,217,850	1.9%	-	1,217,850	1.6%
Per Åkerman	1,164,855	1.9%	-	1,164,855	1.5%
Other	12,453,746	19.8%	3,450,000	15,903,746	20.4%
Total	62,757,284	100%	15,250,000	78,007,284	100%

FINANCIALS

Group Financials

Income Statement SEK m	Q1		Year to date		Full year
	Jul-Sep 22	Jul-Sep 21	Jul-Sep 22	Jul-Sep 21	June 22
Operating Income					
Net sales	26.0	21.2	26.0	21.2	88.2
Other income	0.4	0.7	0.4	0.7	5.6
Total Operating Income	26.4	21.9	26.4	21.9	93.8
Cost of sales	(1.5)	(1.8)	(1.5)	(1.8)	(5.5)
Gross profit	24.9	20.1	24.9	20.1	88.3
Operating expenses					
Other external costs	(3.6)	(4.5)	(3.6)	(4.5)	(18.6)
Personnel costs	(24.2)	(15.0)	(24.2)	(15.0)	(75.1)
Share Based Payments	(1.1)	(0.7)	(1.1)	(0.7)	(3.0)
Foreign Exchange	(0.7)	0.1	(0.7)	0.1	0.0
EBITDA	(4.7)	0.0	(4.7)	0.0	(8.3)
Depreciation and Amortisation	(2.7)	(2.4)	(2.7)	(2.4)	(11.4)
Operating Profit/(Loss)	(7.4)	(2.4)	(7.4)	(2.4)	(19.8)
Interest income & similar credits	(0.1)	(0.2)	(0.1)	(0.2)	(0.6)
Profit/(Loss) after financial items	(7.5)	(2.6)	(7.5)	(2.6)	(20.3)
Income taxes	0.0	0.0	0.0	0.0	0.0
Net Profit/(Loss) Income	(7.5)	(2.6)	(7.5)	(2.6)	(20.3)
Attributable to:					
Equity holders of the parent company	(7.6)	(2.6)	(7.6)	(2.6)	(20.3)
Non-controlling interests	0.1	0.0	0.1	0.0	0.0
Total	(7.5)	(2.6)	(7.5)	(2.6)	(20.3)
Earnings per share, basic (weighted)	(0.12)	(0.04)	(0.12)	(0.04)	(0.32)
Average number of shares during the period	62,757,284	62,757,284	62,757,284	62,757,284	62,757,284
Shares outstanding at the end of the period	62,757,284	62,757,284	62,757,284	62,757,284	62,757,284

Group Cashflow SEK m	Q1		Year to date		Full year
	Jul-Sep 22	Jul-Sep 21	Jul-Sep 22	Jul-Sep 21	Jun 2022
Cash flow from operating activities					
Operating profit/(loss) for period	(7.4)	(2.4)	(7.4)	(2.4)	(19.7)
Adjustments for non-cash items					
Depreciation & Amortisation	2.7	1.9	2.7	1.9	11.4
Shared Based Payment	0.7	0.6	0.7	0.6	3.0
Other non-cash items	(0.5)	(0.8)	(0.5)	(0.8)	(3.7)
Operating cash flow after adjustments	(4.5)	(0.7)	(4.5)	(0.7)	(9.1)
Paid taxes	0.0	0.0	0.0	0.0	0.0
Interest received	0.0	0.0	0.0	0.0	0.0
Interest paid	(0.1)	(0.2)	(0.1)	(0.2)	(0.1)
Changes in working capital					
Movement in current receivables	(5.0)	(3.4)	(5.0)	(3.4)	(11.6)
Movement in current liabilities	4.9	(4.1)	4.9	(4.1)	3.2
Cash flow from changes in working capital	(0.1)	(7.5)	(0.1)	(7.5)	(8.4)
Cash flow from operating activities	(4.7)	(8.4)	(4.7)	(8.4)	(17.5)
Cash flow from investing activities					
Investments in intangible assets	(1.7)	(2.2)	(1.7)	(2.2)	(6.0)
Investments in tangible assets	(0.4)	(0.7)	(0.4)	(0.7)	(1.3)
Cash flow from investing activities	(2.1)	(2.9)	(2.1)	(2.9)	(5.2)
Financing activities					
Share issue	0.0	0.1	0.0	0.1	0.0
Loan repayments	(0.2)	(0.0)	(0.2)	(0.0)	(0.4)
Lease repayments	(0.1)	0.0	(0.1)	0.0	(3.8)
Cash flow from financing activities	(0.3)	0.1	(0.3)	0.1	(4.1)
Cashflow for the period	(7.1)	(11.2)	(7.1)	(11.2)	(29.0)
Change in cash and cash equivalents					
Cash and cash equivalents, at the beginning of the period	78.6	107.6	78.6	107.6	107.6
Translation differences on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents, at the end of the period	71.5	96.4	71.5	96.4	78.6

Group Balance Sheet SEK m	30 Sep 2022	30 Sep 2021	30 Jun 2021
ASSETS			
Non-current assets			
Intangible assets	55.0	51.1	55.1
Tangible assets	1.6	1.5	1.4
Right of use assets	6.0	8.5	6.7
Total non-current assets	62.6	61.1	63.2
Current assets			
Trade receivables	26.1	17.3	23.2
Other receivables	3.3	3.5	4.2
Prepaid costs & other income	6.5	2.5	3.6
Cash & cash equivalents	71.5	96.4	78.6
Total current assets	107.4	119.7	109.6
TOTAL ASSETS	170.0	180.8	172.8
EQUITY AND LIABILITIES			
Equity			
Share capital	12.6	12.6	12.6
Other contributed capital	187.6	184.6	187.2
Reserves	(2.1)	1.0	(1.6)
Retained earnings including profit for the period	(86.8)	(61.2)	(79.3)
Total equity attributable to the Parent Company's shareholders	111.3	137.0	118.9
Holding with non-controlling interest	0.9	0.0	0.8
Total equity	112.2	137.0	119.7
Liabilities			
Long-term liabilities			
Lease liabilities	2.7	5.4	3.5
Interest bearing loans	1.6	2.2	1.8
Other liabilities	12.0	6.6	11.6
Total long-term liabilities	16.3	14.2	16.9
Short-term liabilities			
Lease liabilities	3.5	2.6	2.9
Interest bearing loans	0.7	0.6	0.7
Accounts payable	3.7	3.7	4.0
Tax liabilities	9.7	5.2	6.8
Other liabilities	1.5	1.1	0.0
Accrued expenses and prepaid income	22.4	16.4	21.8
Total short-term liabilities	41.5	29.6	36.2
Total liabilities	57.8	43.8	53.1
TOTAL EQUITY & LIABILITIES	170.0	180.8	172.8

Statement of changes in Equity for the quarter ended 30 September 2022 SEK m	Share Capital	Other Contributed Capital	Reserves	Retained Earnings	Total	Minority Interest	Total Equity
Balance at 1 July 2022	12.6	187.2	(1.7)	(79.2)	118.9	0.8	119.7
Share Warrant	0.0	0.4	0.0	0.0	0.4	0.0	0.4
NCI	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Translation	0.0	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)
Results for period	0.0	0.0	0.0	(7.6)	(7.6)	0.1	(7.5)
Movement in period	0.0	0.4	(0.4)	(7.6)	(7.6)	0.1	(7.5)
Balance at 30 September 2022	12.6	187.6	(2.1)	(86.8)	111.3	0.9	112.2
Balance at 1 July 2021	12.6	184.0	1.4	(58.7)	139.3	0.0	139.3
Share Warrant	0.0	0.6	0.0	0.0	0.6	0.0	0.6
NCI	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Translation	0.0	0.0	(0.4)	0.2	(0.2)	0.0	(0.2)
Results for period	0.0	0.0	0.0	(2.6)	(2.6)	0.0	(2.6)
Movement in period	0.0	0.6	(0.4)	(2.5)	(2.2)	0.0	(2.2)
Balance at 30 September 2021	12.6	184.6	1.0	(61.2)	137.0	0.0	137.0

Statement of changes in Equity for the year to 30 June 2022 SEK m	Share Capital	Other Contributed Capital	Reserves	Retained Earnings	Total	Minority Interest	Total Equity
Balance at 1 July 2021	12.6	184.0	1.4	(58.7)	139.3	0.0	139.3
Share Warrant	0.0	2.7	0.0	0.0	2.7	0.0	2.7
NCI	0.0	0.0	0.0	0.0	0.0	0.7	0.7
Translation	0.0	0.5	(3.0)	(0.3)	(2.8)	0.1	(2.7)
Results for period	0.0	0.0	0.0	(20.3)	(20.3)	0.0	(20.3)
Movement in year	0.0	3.2	(3.1)	(20.6)	(20.4)	0.8	(19.6)
Balance at 30 June 2022	12.6	187.2	(1.6)	(79.3)	118.9	0.8	119.7

Parent Financials

Parent Income Statement SEK m	Q1		Year to date		Full year
	Jul-Sep 22	Jul-Sep 21	Jul-Sep 22	Jul-Sep 21	June 2022
Operating income					
Other income	1.1	0.0	1.1	0.0	4.1
Total operating income	1.1	0.0	1.1	0.0	4.1
Operating expenses					
Other external costs	(0.2)	0.1	(0.2)	0.1	(1.3)
Personnel costs	(0.8)	(0.2)	(0.8)	(0.2)	(2.2)
EBITDA	0.1	(0.1)	0.1	(0.1)	0.6
Interest income & similar credits	0.0	(0.0)	0.0	(0.0)	0.0
Net Profit/(Loss) Income for the period	0.1	(0.1)	0.1	(0.1)	0.6

Parent Cash Flow SEK m	Q1		Year to date		Full year
	Jul-Sep 22	Jul-Sep 21	Jul-Sep 22	Jul-Sep 21	June 2022
Cash flow from operating activities					
Operating profit/(loss) for period	0.1	(0.1)	0.1	(0.1)	0.6
Adjustment for items not included in net cash	(0.1)	0.1	(0.1)	0.1	(0.6)
Changes in working capital					
Movement in current receivables	(5.3)	1.2	(5.3)	1.2	1.3
Movement in current liabilities	(0.1)	(1.2)	(0.1)	(1.2)	(1.3)
Cashflow for the period	(5.4)	0.0	(5.4)	0.0	0.0
Change in cash and cash equivalents					
Cash and cash equivalents, at the beginning of the period	72.6	72.6	72.6	72.6	72.6
Cashflow for the period	(5.4)	0.0	(5.4)	0.0	0.0
Cash and cash equivalents, at the end of the period	67.2	72.6	67.2	72.6	72.6

Parent Balance Sheet SEK m	30 Sep 2022	30 Sep 2021	30 Jun 2022
ASSETS			
<i>Non-Current assets</i>			
Investments in subsidiaries	183.6	172.7	182.8
Total Non-current assets	183.6	172.7	182.8
<i>Current assets</i>			
Receivables from group companies	74.3	71.3	68.9
Other receivables	0.1	0.1	0.1
Cash & cash equivalents	67.2	72.6	72.6
Total current asset	141.6	144.0	141.6
TOTAL ASSETS1	325.2	316.7	324.4
EQUITY AND LIABILITIES			
<i>Long-term liabilities</i>			
Other liabilities	10.1	4.9	10.1
Total long-term liabilities	10.1	4.9	10.1
<i>Short-term liabilities</i>			
Accounts payable	0.4	0.1	0.1
Accrued expenses and prepaid income	0.5	1.1	0.8
Total short-term liabilities	0.9	1.2	0.9
Total liabilities	11.0	6.1	11.0
<i>Equity</i>			
<i>Share capital</i>	12.6	12.6	12.6
<i>Share premium reserve</i>	297.5	297.5	297.5
<i>Share Warrants</i>	9.6	6.8	8.9
<i>Retained earnings</i>	(5.6)	(6.2)	(6.2)
<i>Profit/(loss) for the year</i>	0.1	(0.1)	0.6
Total Equity	314.2	310.6	313.3
TOTAL EQUITY & LIABILITIES	325.2	316.7	324.4

ABOUT BUILDDATA

BuildData Group AB (publ) (Parent Company) and its subsidiaries (collectively the “Group” or the “Company”) is a cloud-based construction management software company. The Group has operations in Ireland, the United Kingdom, Australia and the Middle East.

The Parent Company is a limited liability company based in Stockholm. The address of the head office is c/o Eversheds Sutherland Advokatbyrå AB, Box 14055, 104 40 Stockholm.

Group structure

BuildData Group AB (publ) is a publicly owned company registered in Sweden and quoted on the Nasdaq First North Growth Market Stock Exchange. It commenced trading on 15th March 2018. The Company owns 100% of the share capital of Zutec Inc (Ireland) Limited which in turn owns 100% of Zutec Inc (UK) Limited, 100% of Zutec Asia Limited (Hong Kong) and 100% of Zutec Inc (Australia) Pty Limited. The Group also owns 100% of Createmaster Limited and 80% of Bond Bryan Digital Limited.

About this report

This report contains forward-looking statements which reflects management’s current expectations, estimates and projections about its operations. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements.

Accounting policies

The consolidated financial statements of BuildData Holding AB (publ) for the three months period ended 30 September 2022, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and are unchanged since the latest published annual report.

TCV and ARR

Total Contract Value (“TCV”) represents the unrecognised future revenue due under contracts entered into by the Group for software, hosting and services.

Annual Recurring Revenue (“ARR”) comprises the value of revenue at the end of each quarter annualised and comprises revenue from licence and hosting and recurring professional services from repeat customers.

Warrants

An EGM on 22nd May 2020 resolved, in accordance with the Board’s proposal, to implement a share-based incentive program. This incentive program currently comprises of 13,750,000 warrants. This program has been fully allocated. An EGM on 12th November 2020 resolved, in accordance with the Board’s proposal, to implement a share-based incentive program of an additional 1,500,000 warrants.

Upcoming reports

The next interim report for Q2 FY2023 (October 2022 – December 2022) is due to be published on 24 January 2023.

Auditors review

The interim report has not been reviewed by the Company’s auditor.

Webcast of this report

Analysts, investors and the media are invited to a presentation at 15.00 CET on October 27, 2022: <https://zutec.zoom.us/j/82958800405>

Certified Adviser

BuildData is listed on Nasdaq First North Growth Market and Redeye AB is the Company’s acting Certified Adviser (Tel. +46 8 121 576 90, certifiedadviser@redeye.se, www.redeye.se)

For more information

For additional information please contact Gustave Geisendorf, CEO of BuildData Holding AB: gustave.geisendorf@BuildData.com, +44 7760 760 777.

