



Flat Capital AB (publ)

Year-end Report

January - December 2023



Highlights

Q4 2023

- **During the quarter, Flat made an investment of 300 KUSD,** corresponding to c. 3.1 MSEK in a US-based AI company. Flat has indicated interest in a larger ticket in the company, but since the round has not yet been completed, we will return with more information.
- **Alexis Priftis (ex. CEO Instabox) takes over as CEO of Instabee,** while co-founder Fredrik Hamilton joins as an active board member. Flat wants to thank Fredrik for all his hard work and looks forward to continuing to follow Instabee with Alexis behind the wheel!

Oct

- **Klarna reports both profitability and continued strong growth for the third quarter of 2023,** with an operating profit of approximately 130 MSEK, an improvement of more than 2 BSEK compared to the corresponding period in 2022(!)
- **It was a busy few days at the OpenAI office in San Francisco,** where the CEO Sam Altman both lost his CEO job and then as quickly got it back, all in the course of a weekend, PEW!

Nov

- **Flat's CEO Hanna attended an interview with "EFN Marknad",** where Hanna talks more about Flat's investment strategy, the trends we follow, and the general investment climate for unlisted companies.
- **German AI start-up DeepL pops up in the Swedish news feed,** after building Sweden's most powerful supercomputer to refine its AI language models and further improve its translations!

Dec

Financial information

KSEK	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
Net Asset Value (NAV)	412 759	438 422	318 637	320 989	346 774
- of which listed holdings	18 307	20 013	15 535	15 997	20 871
- of which unlisted holdings	231 862	251 336	284 053	231 092	250 659
- of which net cash	162 351	171 027	19 369	74 730	76 159
- of which other net assets/-liabilites	239	-3 954	-319	-830	-915
Net Asset Value (NAV) per share, SEK	8.41	8.93	9.93	10.01	10.81
- of which net cash per share, SEK	3.31	3.49	0.60	2.33	2.37

KSEK	Q4 2023	Q4 2022	Full-year, 2023	Full-year, 2022
Operating expenses	-1 642	-1 671	-7 598	-5 389
Profit for the period	-25 527	-14 542	-83 358	-64 648
Change in value of financial assets	-24 384	-12 324	-77 921	-66 235
- of which realized	0	0	-7 227	24 160
Investments	3 203	31	61 414	54 347
Divestments	0	0	4 830	13 597
Operating expenses in relation to the average NAV, annualized	1.54%	1.89%	2.00%	1.57%



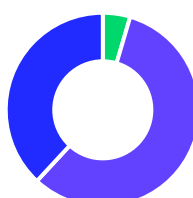
Net Asset Value (NAV)
as of 2023-12-31



- 5 largest holdings¹ 2023-12-31, 49%
- Other holdings, 12%
- Net cash and other net assets/-liabilites, 39%



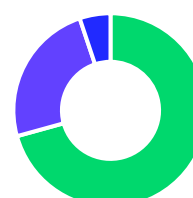
NAV per share
as of 2023-12-31



- Listed holdings, 4%
- Unlisted holdings, 56%
- Net cash and other net assets/-liabilites, 39%



Change in NAV per share, Q4'23 / Q3'23



- Holdings in SEK, 64%
- Holdings in USD, 31%
- Other currencies, 5%

¹ The 5 largest holdings include; Instabee, Getir, OpenAI, Truecaller and Klarna.

Period October - December 2023

(Comparable period: Q4-2022)

- Change in value of financial assets amounted to -24 384 KSEK (-12 324). During the period, the largest change in value relates to Instabee of -33,460 KSEK. For a specification of the change in value of financial assets, see Note 2.
- Investments during the period amounted to 3 203 KSEK (31), see "other events during the quarter".
- Operating expenses for the period amounted to 1 642 KSEK (1 671) corresponding to 1,54% of average NAV during the period, annualized.
- Operating profit amounted to -26 025 KSEK (-13 995). The operating profit includes unrealized changes in value of -24 384 KSEK (-12 324).
- Profit after tax amounted to -25 527 KSEK (-14 542).
- Profit per share amounted to -0,52 SEK (-0,45).

Period January - December 2023

(Comparable period: Jan-Dec -2022)

- Change in value of financial assets amounted to -77 921 KSEK (-66 235). For a specification of the calculation of the change in value of financial assets, see Note 2.
- Investments during the period amounted to 61 414 KSEK (54 347).
- Operating expenses for the period amounted to 7 598 KSEK (5 389) corresponding to 2,00% of average NAV during the period, annualized. Of the operating expenses, 1 686 KSEK is related to the incentive programme approved in connection with the AGM in 2023.
- Operating profit amounted to -85 519 KSEK (-71 624).
- The operating profit includes unrealized changes in value of -70 694 KSEK (-90 395) and realized changes in value of -7 227 KSEK (24 160).
- Profit after tax amounted to -83 358 KSEK (-64 648).
- Profit per share amounted to -2,35 SEK (-2,08).
- For 2023, the Board proposes that no dividend be paid.

Significant investments and divestments during the quarter

- No significant investments or divestments were made during the quarter.

Other significant events during the quarter

- No other significant events during the quarter.

Other events during the quarter

- During the quarter, Flat made an investment of 300 KUSD, corresponding to c. 3.1 MSEK in a US-based AI company. Flat has indicated interest in a larger ticket in the company, but since the round has not yet been completed, we will return with more information.
- During the quarter, an investment of 74 KSEK was also made in Quartr.
- In December 2023, Adobe and Figma announced that the two parties have entered into a mutual agreement to terminate the merger agreement entered into in September 2022. As Flat never adjusted the value of Figma upwards after the indicative offer, there is no adjustment to the valuation as of Q4 2023.
- Amaury de Poret is titled as an executive member of the Board to better reflect his role in Flat. The Board will also propose to compensate Amaury with 125 KSEK for 2023, compared to the previous 75 KSEK per year. No salary will be paid.
- Flat is currently engaged in a number of investment processes that we hope will materialise in the near future. All investments are sourced through our global network and operate, among other things, in the AI sector.

Significant events after the end of the quarter

- No significant events after the end of the quarter.

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How: Click on the link on the right (or scan the QR code) to access the "news" tab on our website, then press the "subscribe" button and fill in the form.

Why: By subscribing to our emails, you as a Flat shareholder will receive updates and insights directly to your inbox, keeping you informed about our latest press releases, new investments, exciting events in our portfolio companies, upcoming events and other important news.

[Link to website](#)



CEO's comments

Dear shareholders and all interested readers,

It is with mixed feelings that we leave 2023 behind us. I can see that much of 2023 is an echo of the previous year, as this year was also characterized by a more turbulent and challenging reality. A reality where, as a result of macroeconomic and geopolitical factors, investors clearly shifted their focus from favoring bright future outlooks to actual profitability. Companies without free cash flows and without clear profitable business models have quickly faced a new reality, and if they have not succeeded in adapting, financially strong and patient investors are essential for survival. For the most part, our portfolio companies have continued to impress us with their rapid adjustments, but given the shift in focus from growth to profitability, valuations have continued to be adjusted downwards during the year.

The NAV per share for the year was not a particularly cheerful story given the -22.2% development, reflecting changing perceptions of how early stage private companies are valued following the subsequent tougher climate. That being said, I hope to tune into a more positive tone of the market and look forward to 2024, however still with caution. The development of the NAV per share during the quarter of -5.8% was mainly burdened by our downward adjustment of the value of Instabee, following a more conservative view on internal development and a cooling ecom-market. We note that other investment companies with active ownership in Instabee have taken a more conservative approach to the outlook, and we continue to monitor this development. At the same time, during the quarter we have adjusted the value of Getir by the equivalent of +18 MSEK following the conversion of our convertible note in connection with an equity round with an updated valuation. As a passive investor where detailed financial information is often difficult to obtain, we have maintained our pragmatic valuation methodology and have not otherwise made any major value adjustments. However, we note the rumors of higher valuations in OpenAI, which are also confirmed by increased values in the secondary markets, but we have chosen to remain at the current valuation according to the latest capital round and continue to monitor developments.

We have seen a lower rate of investments in the last six months, followed by an overall tougher investment climate and generally longer investment processes. But I can assure you that we have not been sitting around twiddling our thumbs - as always, we have been analyzing a large number of opportunities that have arisen through our extensive network. We have turned down a lot of opportunities, and the ones we found most interesting have taken a longer time to materialize.

We are therefore delighted to inform you that we are in a number of investment processes that we hope will materialize in the near future. All investments share attributes that we think fit the Flat profile perfectly: entrepreneur-driven companies at the global and leading edge backed by world-leading investors that we have had the opportunity to invest alongside. Moreover, the investment opportunities operate in sectors and areas that excite us. As you can see, I look forward to sharing these investments with you as soon as possible!

Our cash position, regardless of whether or not all investments materialize, combined with the fact that we are a debt-free company, means that we still have great opportunities in this market climate to make value-creating investments. The new market situation provides opportunities for those who can, and our aim is to capitalize on this.

We remain committed to our belief in long-term investments through our global and unique network, and continue to learn with curiosity.

Take care! / Hanna



Description of activities

About Flat

Flat Capital AB ("Flat") is an investment company that stands out in three ways:

- Unique access to proven investment opportunities in prominent companies through our network of world-leading investors and entrepreneurs,
- Focus on genuinely long-term investments,
- Trust in the entrepreneur and our network with whom we co-invest, allowing for passive investments and a low-cost base.

Flat was founded in 2013 by the entrepreneurs Nina and Sebastian Siemiatkowski, Nina with a background as CEO and founder of Milkywire, and Sebastian as co-founder and CEO of Klarna.

The portfolio currently consists of 22 companies, of which the largest holdings are Instabee, Getir, OpenAI, Truecaller and Klarna.

The aim is to simplify and improve the path to successful company building and to give more people the opportunity for maximum return on their investment.

Global network of world-leading investors and entrepreneurs

Through its founders and the Board, Flat has access to a global network of world-leading venture capital investors and entrepreneurs. This means a continuous and strong flow of investment opportunities in unlisted and otherwise difficult-to-access companies with prominent entrepreneurs in leading positions. The network also provides unique access to cross-border knowledge exchange for business enhancing collaboration.

Genuinely long-term investments

Flat provides long-term capital to entrepreneur-led companies that may otherwise rely on investors with a shorter time horizon. Long-term commitment is based on supporting dedicated entrepreneurs in both good and bad times, and is possible by not having a fund structure with a determined life cycle and not using conventional, short-term methods of selling holdings.

Trust in the entrepreneur and our network

In essence, Flat is a passive minority shareholder, a strategy and positioning based on the belief that the dedicated entrepreneur is best positioned to build their own company in the smoothest way possible. In addition, there is strong confidence in Flat's network and their ability and experience to find these future global leaders and entrepreneurs. Despite its essentially passive ownership, Flat's experience and network are available to the extent the entrepreneur wishes. The structure allows for low costs and an efficient organization.

Broad investment mandate

Flat has a broad investment mandate, with each decision made based on an assessment of what maximizes long-term shareholder value. Flat has the opportunity to invest in a variety of ways, ranging from being involved in the creation of new companies to investing in already listed companies. New investment opportunities are analyzed on an ongoing basis and existing portfolio companies can be supported in new financing rounds. Sustainability factors such as the environment, social responsibility and ethics are important criteria for the company when making investment decisions. Flat aims to have a well-balanced portfolio over time.

Investment strategy



Prominent entrepreneurs

Flat invests in prominent entrepreneurs who have a leading position in their companies.



Attractive markets

Flat invests in markets, where company growth is driven by underlying structural trends.



Unlisted growth stage companies

Flat will primarily invest in unlisted companies that are in a growth phase.



Passive minority-owner









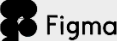












Flat is mainly a passive investor and is seeking minority stakes in its portfolio holdings.



Global investments

Flat invests globally.

Our holdings

Company name ¹²	Short description of the company	Initial investment (yr)	Website
 Instabee	Technology company with logistics solution	2013	Instabee.com
 Getir	Tech and hyper-fast delivery company	2022	Getir.com
 OpenAI	Pioneering AI research company	2023	OpenAI.com
 truecaller	Platform for telephony services	2013	Truecaller.com
 Klarna.	Global bank, payment and shopping solutions	2021	Klarna.com
 CDLP	Fashion house based on innovative materials	2018	CDLP.com
 DeepL	Translations through AI neural machine learning	2023	DeepL.com
 Discord	VoIP and instant messaging social platform	2022	Discord.com
 Figma	Interactive design platform	2021	Figma.com
 kry	Physical and digital healthcare provider	2021	Kry.se
 LoveLocal	Digital grocery shopping in India	2021	LoveLocal.in
 LYST	Global fashion search platform	2021	LYST.com
 Nylas	Software for productivity infrastructure	2021	Nylas.com
 omio	Travel planning platform	2015	Omio.se
 PANGAIA	Material science fashion company	2021	Pangaia.com
 Prion	Platform for preschool activities	2016	PrionApp.com
 Quartr	Digital platform for IR-solutions	2022	Quartr.com
 remote	Global payroll, HR and compliance solution	2022	Remote.com
 steven	Shared economy platform	2017	GetSteven.com
 TrueAccord	Debt management platform for consumers	2019	TrueAccord.com
 uniplaces	Platform for booking accommodation	2015	Uniplaces.com

¹ Sorting: Largest 5 holdings (Instabee, Getir, OpenAI, Truecaller and Klarna), thereafter alphabetical order.

² An additional investment was made in Q4 2023 in a US-based AI company of 300 TUSD, corresponding to c. 3.1 MSEK, but as this is only the first part of a larger investment, more information will be shared when the full investment is finalised.

Brief description of our holdings (1/6)

Instabee

Instabee was founded in 2022 after combining Budbee and Instabox - two leading last-mile delivery companies. Instabee is present in seven countries, serving thousands of online merchants, including ASOS, Zalando, Inditex and H&M. Instabee is on track to become the most admired European e-commerce enabler.

Since the start, Instabee has focused on consumer-centric and sustainable solutions, offering deliveries to boxes and homes using muscle power, electricity, renewable diesel and biofuels. Through bespoke technical solutions, Instabee can guarantee optimal fill-rates and routing, minimizing any unnecessary transports. Instabee is backed by Kinnevik, Creades and EQT among others.

CEO & Co-founder: Alexis Priftis

Headquarters: Stockholm, Sweden

More info: www.instabee.com



OpenAI, the pioneering artificial intelligence research company that aims to develop and lead revolutionary AI technologies. Since the company was founded in 2015, it has been at the forefront of AI development, resulting in platforms such as ChatGPT and Dall-E, as well as a large number of collaborations with leading global companies where OpenAI has integrated its AI technology.

OpenAI was founded in 2015 by a group of leading AI researchers and entrepreneurs, including current CEO Sam Altman, along with Elon Musk, Greg Brockman, Ilya Sutskever, among others. Its research is published in top academic journals and cited by thousands of other researchers, and has quickly become one of the most respected and influential organizations in artificial intelligence.

CEO & Co-founder: Sam Altman

Headquarters: San Fransisco, U.S.

More info: www.openai.com



Getir offers hyper-fast grocery delivery, with the vision to build the world's fastest on-demand delivery ecosystem.

Consumers can order everything from transport to food, and the aim is for goods to be delivered to their door within 10 minutes of ordering. Through its platform, the company collects data and insights that are used to streamline and optimize all flows. Getir has quickly become one of Europe's leading delivery platforms and has recently been launched in the U.S. In 2022, Getir acquired the European competitor Gorillas. Getir was co-founded and is run by Nazim Salur, and its ownership list includes prominent investors such as Silicon Valley-based Sequoia Capital, New York-based Tiger Global and Michael Moritz, who is Chairman of Klarna, among others.

CEO & Co-founder: Nazim Salur

Headquarters: Istanbul, Turkey

More info: www.getir.com



Truecaller is the leading global platform for verifying contacts and blocking unwanted communications. The app helps the user categorize the caller and warns the user of fraud attempts, spam or sales pushes, both through calls and text.

The platform now has over 330 million active users, helping to make their communication experience safer and more efficient. Users can also use the app to look up numbers in Truecaller's vast identity database with half a billion downloads since launch and around 38 billion unwanted calls identified and blocked in 2021. Since 2021, the company is listed on Nasdaq Stockholm with Sequoia Capital as the largest investor, which like Flat invested early in the company.

CEO & Co-founder: Alan Mamedi

Headquarters: Stockholm, Sweden

More info: www.truecaller.com

Brief description of our holdings (2/6)

Klarna.

Since 2005 Klarna has been on a mission to accelerate commerce with consumer needs at the heart of it. With over 150 million global active users and 2 million transactions per day, Klarna's fair, sustainable and AI-powered payment and shopping solutions are revolutionizing the way people shop and pay online and in-store, empowering consumers to shop smarter with greater confidence and convenience.

More than 500,000 global retailers integrate Klarna's innovative technology and marketing solutions to drive growth and loyalty, including H&M, Saks, Sephora, Macy's, Ikea, Expedia Group, Nike and Airbnb.

CEO & Co-founder: Sebastian Siemiatkowski

Headquarters: Stockholm, Sweden

More info: www.klarna.com



DeepL is a German-based AI company that aims to eliminate language barriers worldwide using artificial intelligence. DeepL offers multilingual automatic translation through its platform using AI neural machine learning that can be used via browser, mobile app, browser extension or through integrated API.

Currently DeepL offers its software globally to users and corporate clients with translations used in a wide range of fields, from technical and legal documents to customer support, marketing and product descriptions. DeepL's software has continuously been described as the most accurate AI translation technology in multiple language pairs and multiple industries. The company's ownership list includes well-known players such as IVP, Atomico and Benchmark.

CEO & founder: Jaroslaw Kutylowski

Headquarters: Cologne, Germany

More info: www.deepl.com

CDLP

Un Cadeau de la Providence (CDLP) is a Swedish manufacturer of underwear, swimwear and basic garments in innovative and sustainable materials.

Designed and developed in Sweden, the collections are produced by small-scale European manufacturers, with a special focus on craftsmanship and quality.

CEO & Co-founder: Andreas Palm

Headquarters: Stockholm, Sweden

More info: www.cdlp.com



Discord is a voice, video and text communication service used by more than a hundred million people who want to hang out and talk with their friends and community.

CEO & Co-founder: Jason Citron

Headquarters: San Fransisco, U.S.

More info: www.discord.com

Brief description of our holdings (3/6)



Figma offers an outstanding design tool that allows users to work interactively and simultaneously.

The tool makes the design process faster and more efficient, while allowing users to see each other's contributions in real time. Through its licensing model, which works on various operating systems, the company has customers in prominent global companies such as Microsoft, Google, Oracle, Slack and Spotify and a large number of smaller entrepreneurial companies. The company's ownership list includes many prominent investors, such as Sequoia Capital and Andreessen Horowitz.

Note: In December 2023, Adobe and Figma announced that the two parties have entered into a mutual agreement to terminate the merger agreement entered into in September 2022. As Flat never adjusted the value of Figma upwards after the indicative offer, there is no adjustment to the valuation as of Q4 2023.

CEO & Co-founder: Dylan Field

Headquarters: San Francisco, U.S.

More info: www.figma.com



LoveLocal aims to digitize the 1.1 trillion USD local retail industry in India through its platform that enables local retailers to digitize their stores and thereby streamline their operations through increased insights and better customer relationships.

For customers, the platform means, among other things, that they get an overview of their local supply and can shop more efficiently, whether in person or online. The company's list of owners includes Vulcan Capital and Alumni Ventures Group.

CEO & Founder: Akanksha Hazari

Headquarters: Mumbai, India

More info: www.lovelocal.in



Kry is Europe's largest digital healthcare provider, with the vision to contribute to more equal and accessible healthcare for all.

Since its launch in 2015, Kry's doctors, nurses and psychologists have helped over 7 million patients across Europe. In addition to digital care meetings, Kry also has over 28 physical care centers in Sweden, and is currently also present in the UK, Norway and France.

CEO & Co-founder: Johannes Schildt

Headquarters: Stockholm, Sweden

More info: www.kry.se



Lyst was founded on the concept that consumers should be able to efficiently find the fashion they are looking for.

The platform allows you to search through thousands of fashion stores at once, bringing together over eight million products from over 17 000 leading brands and retailers in one place. Lyst is now the largest fashion search platform with over 160 million shoppers per year. The business model is based on a commission on the sales made through the platform. The company's list of owners includes the world's leading luxury brand company LVMH and Balderton Capital.

Co-founder: Chris Morton

Headquarters: London, U.K.

More info: www.lyst.com

Brief description of our holdings (4/6)



Nylas has a strong vision to make the world more productive through smarter and better software solutions.

Through the company's various programming interfaces, customers can build integrations with different functions, for smarter and automated workflows. Since its inception, the company has distinguished itself on various prominent lists in the US, including as one of the fastest-growing unlisted companies and as one of the most attractive employers.

CEO & Co-founder: Gleb Polyakov

Headquarters: San Francisco, U.S.

More info: www.nylas.com



With world-leading travel planning company Omio, it facilitates travel planning through its platform, which brings together more than 1 000 travel providers for train, bus, ferry, air and car rental in one place.

The technology has a large amount of data and can present the best travel option according to the customer's search, collecting the tickets on the same platform, and is available in several countries worldwide. The list of owners includes Kinnevik, Temasek and Kleiner Perkins.

CEO & Co-founder: Naren Shaam

Headquarters: Berlin, Germany

More info: www.omio.com

PANGAIA

Pangaia designs and produces fashion and accessories through the use of innovative technical and biotechnological materials.

The company aims to work sustainably throughout the product life-cycle, including through the use of responsibly produced fabrics and packaging. For example, the company creates vegan leather from grapes, down jackets filled with wildflowers or ink for garment printing from air pollution. Pangaia's goal is to operate a climate-neutral business by 2025, part of its strategy to achieve a fully climate-positive business model.

CEO: Nathakue Longuet

Headquarters: London, U.K.

More info: www.pangaia.com

Prion

Prion offers a holistic platform for preschool activities.

The platform can be used to efficiently send information to caregivers and document the child's development, and the company supports the preschool curriculum, which means that documentation can be linked to the curriculum objectives. The platform also offers a web-based service through which educators and managers can access statistics, which facilitates monitoring of activities and future planning.

CEO & Co-founder: Fredrika Bernadotte

Headquarters: Stockholm, Sweden

More info: prionapp.com

Brief description of our holdings (5/6)



Quartr is a software company that provides a range of financial services. Millions of private investors, journalists, analysts and fund managers are reached daily with first-hand information on listed companies via Quartr's distribution network.

Quartr provides seamless and easy access to earnings calls, company presentations, searchable transcripts with smooth text-to-audio transitions, reports and financial data.

CEO & Co-founder: Sami Osman

Headquarters: Stockholm, Sweden

More info: www.quartr.com



Remote Technology, Inc. has the vision to simplify the way companies hire and manage global talent. The company's platform provides HR services including payroll systems and ensures compliance with local laws, benefits, taxes and more.

Remote enables companies of all sizes to pay and manage full-time and contract employees around the world. Remote makes it easy to manage international payroll, benefits, taxes, stock options and compliance in over 50 countries.

CEO & Co-founder: Job van der Voort

Headquarters: London, U.K.

More info: www.remote.com



Steven is a financial services platform focusing on joint expenditure management. In the Steven app, users create groups where they enter expenses to be shared, for example for a household or a trip with friends.

Debt payments are made through the app, which also keeps track of who has and has not paid. The business model is based on a freemium model where revenues are generated from premium subscriptions, among other things. Steven is growing mainly organically with thousands of new users a month.

Note: Steven announced in September 2023 a takeover bid through the British fintech company Blackthorn Finance. Payment is to be made in cash and equity. The holding in Steven is valued in accordance to the indicated bid.

Co-founder: Jens Saltin

Headquarters: Stockholm, Sweden

More info: www.getsteven.com



TrueAccord provides a service that enables the efficient collection of debt digitally with the vision of restoring hope and financial stability to those who have lost it.

The service is based on machine learning and has a patented algorithm. Through the platform, debt repayment can be carried out automatically, and over 90 percent of fundraising is done without human interaction.

CEO & Co-founder: Ohad Samet

Headquarters: San Fransisco, U.S.

More info: www.trueaccord.com

Brief description of our holdings (6/6)



Uniplaces is an online marketplace for booking accommodation for longer periods.

The platform thus acts as an intermediary for tenants and landlords. Uniplaces has offices in London, Lisbon, Berlin, Barcelona, Madrid and Milan. The business model is based on a commission fixed from the rent due to the landlord.

CEO: Cyril Jessua

Headquarters: London, U.K.

More info: www.uniplaces.com

Other information

Group structure

As of 2023-12-31, the company had no active subsidiaries and no associated companies. The company has established a subsidiary in the US, which may be used for the implementation of future investments.

Personnel

As of 2023-12-31, the company had one employed CEO and one CFO. In addition, the company has no other employees.

Dividend policy

Flat's dividend policy is based on the principle that up to 25% of the realized gain on disposals may be distributed to the company's shareholders. The remainder will be reinvested. The company seeks steadily increasing dividends over time.

For 2023, the Board proposes that no dividend be paid.

The share

At the end of the reporting period, the share capital amounted to 2 453 KSEK (1 604).

In 2023, Flat carried out a rights issue that provided the company with 152.9 MSEK, before issuing costs. The issuing costs amounted to 4.1 MSEK. A total of 16,989,332 B-shares were subscribed, corresponding to a subscription rate of 110.6 percent. In accordance with the terms of the issue, a directed over-allotment issue was carried out to Dusco AB.

The company's share has been listed on the Nasdaq First North Growth Market since 20 October 2021. The issue price was SEK 10.0 per share. The share price as of 2023-12-31 to 12.02 SEK.

Long-term incentive programs

The company has issued a total of 1 519 562 warrants, within four incentive programs. Upon full exercise of all warrants, the number of shares would increase by 1 577 897, which would mean 3.12% in total dilution. Out of the total number of warrants, 1 005 797 warrants are held by the company's management and 513 765 warrants have been issued to members of the Board.

The company has the right, with certain exceptions, to repurchase the warrants if the participants' assignment with the company ends during the defined vesting period or if the participants wish to transfer the warrants. The company's repurchase right expires proportionally to the number of years that have elapsed since the warrants were issued.

Outstanding LTIP:s	Number of warrants	Number of shares*	Subscription price*	Subscription period
2021/2025:A	364 243	382 455	23,8	Nov 2025
2021/2026:S	273 183	286 842	23,8	Nov 2026
2023/2026:A	641 554	660 801	14,0	Jul 2026
2023/2026:S	240 582	247 799	14,0	Jul 2026
Total	1 519 562	1 577 897		

:A relates to stock option plans for key employees

:S relates to stock option plans for members of the Board

* After recalculation for rights issues, in accordance with option conditions.

Related party transactions

Flat sublets an office space from Naccess Partners AB, a company controlled by Amaury de Poret. Amaury de Poret is a board member of Flat and owns approximately 1.3% of the shares in the company. The lease agreement is set on market terms and amounts to approximately SEK 18.75 KSEK per month, excluding VAT.

There were no other related party transactions during the period.

Risks and uncertainties

Flat is, through its business activity, exposed to certain risks and uncertainties. For information on the company's risks and uncertainties, please see the 2022 Annual Report. That description remains relevant.

Upcoming reporting dates

Annual report 2023	2024-03-22
Interim report Jan-Mar	2024-04-24
Annual General Meeting	2024-05-06
Interim report Apr-Jun	2024-07-18
Interim report Jul-Sep	2024-10-29
Year-end-report 2024	2025-02-14

Shareholders as of 2023-12-31	# of A-shares	# of B-shares	Capital (%)	Votes (%)
Sebastian Siemiatkowski	4 259 329	-	8,7	48,7
Double Sunday IV AB ¹	-	8 212 121	16,7	9,4
Dusco AB	-	5 555 556	11,3	6,4
Nina Siemiatkowski	-	4 750 000	9,7	5,4
AltoCumulus Investment AB	-	3 583 050	7,3	4,1
Lyckebo Noterat AB	-	1 995 555	4,1	2,3
Avanza Pension	-	1 903 730	3,9	2,2
Cicero Fonder	-	1 717 032	3,5	2,0
Nordnet Pensionsförsäkring	-	1 278 452	2,6	1,5
Karolina Tham Von Heidenstam	-	1 111 111	2,3	1,3
Amaury De Poret	-	650 000	1,3	0,7
Other shareholders	-	14 051 105	28,6	16,1
Total	4 259 329	44 637 819	100,0	100,0

¹ Double Sunday IV AB is owned by Sebastian Siemiatkowski, Chairman of the Board.

Annual General Meeting

The Annual General Meeting of Flat Capital AB will be held May 6, 2024 in Stockholm.

The annual report will be available on Flat Capital's [website](#), no later than March 22, 2024.

Review of auditors

The year-end report has not been subject to review by the company's auditors.

Certified Adviser

The company's Certified Adviser is Augment Partners.
E-mail: info@augment.se, tel: +46 (0) 8 604 22 55

Declaration by the Board and the CEO

The Board and the CEO declare that the year-end report give a true and fair view of the development of the company's business, position and results and describe the principal risks and uncertainties that the company faces.

Stockholm, 16 February 2024

Sebastian Siemiatkowski
Chairman of the Board

Amaury de Poret
Executive member of the Board

Charlotte Runius
Member of the Board

Dr. Marcelo Carvalho de Andrade
Member of the Board

Hanna Andreen (f.d. Wachtmeister)
CEO



Income statement

KSEK	Note	Q4, 2023	Q4, 2022	Full-year, 2023	Full-year, 2022
Operating income					
Change in value of financial assets	1-2	-24 384	-12 324	-77 921	-66 235
Total operating income		-24 384	-12 324	-77 921	-66 235
Operating expenses					
Personnel costs	3	-696	-822	-4 273	-2 162
Other external costs		-946	-848	-3 306	-3 225
Depreciation		0	-1	-2	-2
Other operating expenses		0	0	-17	0
Total operating expenses		-1 642	-1 671	-7 598	-5 389
Operating profit		-26 025	-13 995	-85 519	-71 624
Profit from financial items		498	-547	2 161	292
Profit after financial items		-25 527	-14 542	-83 358	-71 332
Taxes		0	0	0	6 684
Profit for the period		-25 527	-14 542	-83 358	-64 648
Profit per share before dilution, SEK		-0,52	-0,45	-2,35	-2,08
Profit per share after dilution, SEK		-0,52	-0,45	-2,35	-2,08
Number of shares outstanding at end of period		49 067 041	32 077 709	49 067 041	32 077 709
Average number of shares before dilution		49 067 041	32 077 709	35 450 734	31 125 930
Average number of shares after dilution ¹		49 067 041	32 077 709	35 450 734	31 125 930

¹ The dilutive effect on the warrants becomes effective only when the share price exceeds the respective subscription price for the various outstanding incentive programs.

Balance sheet

KSEK	Dec 31, 2023	Dec 31, 2022
ASSETS		
Fixed assets		
Inventory and tools	0	18
Financial fixed assets		
Shares in listed companies	18 307	20 871
Shares in unlisted companies	231 862	250 659
Other long-term receivables	0	0
Total fixed assets	250 168	271 548
Current assets		
Prepaid expenses and accrued income	1 510	111
Cash and cash equivalents	162 351	76 159
Total current assets	163 861	76 270
TOTAL ASSETS	414 029	347 818
KSEK	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	2 453	1 604
Non-restricted equity		
Share premium reserve	397 088	249 236
Accumulated profit	96 575	160 582
Profit for the period	-83 358	-64 648
Total equity	412 759	346 774
Current liabilities		
Trade payables	425	66
Other liabilities	96	93
Accrued expenses and deferred income	749	886
Total current liabilities	1 270	1 044
TOTAL EQUITY AND LIABILITIES	414 029	347 818

Change in company equity

KSEK	Q4, 2023	Q4, 2022	Full-year, 2023	Full-year, 2022
Opening equity	438 422	361 316	346 774	337 544
New share issue	0	0	152 904	77 212
Issuing costs	-135	0	-4 202	-3 334
Effect from long-term incentive program	0	0	642	0
Profit for the period	-25 527	-14 542	-83 358	-64 648
Closing equity for the period	412 759	346 774	412 759	346 774

Cash flow statement

KSEK	Note	Q4, 2023	Q4, 2022	Full-year, 2023	Full-year, 2022
Profit after financial items		-25 527	-14 542	-83 358	-71 332
Adjustments for items not included in cash flow		24 384	12 321	77 939	66 233
Cash flow from changes in working capital		-4 195	871	-1 149	470
Cash flow from operating activities	4	-5 338	-1 349	-6 567	-4 628
Investments in financial assets		-3 203	-31	-61 414	-54 347
Divestments of financial assets		0	0	4 830	13 597
Investments in tangible assets		0	0	0	-19
Cash flow from investing activities		-3 203	-31	-56 584	-40 769
New share issue		0	0	152 904	77 212
Issuing costs		-135	0	-4 202	-3 334
Effect from long-term incentive program		0	0	642	0
Cash flow from financing activities		-135	0	149 344	73 878
Cash flow for the period		-8 676	-1 380	86 192	28 481
Cash and cash equivalents at beginning of period		171 028	77 539	76 159	47 678
Cash and cash equivalents at end of period		162 351	76 159	162 351	76 159

Accounting policies and notes

Note 1 Accounting and valuation principles

General information

The interim report has been prepared in accordance with Chapter 9, Sections 3-4 of the Swedish Annual Accounts Act (ÅRL). The interim report has been prepared in accordance with the accounting principles applied in the Annual Report 2022.

Financial instruments

Shares in listed and unlisted companies

The company measures its holdings at fair value on an ongoing basis in accordance with Chapter 12, K3 accounting standards. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Changes in fair value are recognized in the income statement under the heading "Change in value of investments". The holdings referred to are available for sale.

Preferably, the value of the investments is determined according to the market value in terms of quoted prices in an active market. An active market exists when trade is in similar instruments, there are interested buyers and sellers, and price information is widely available. As the company invests mainly in private, unlisted companies, this method is not normally applicable to the unlisted portfolio companies, which means that additional valuation methods need to be used.

If there are no quoted prices in an active market, the fair value is primarily based on recent transactions. If the fair value is based on recent transactions, the valuation is usually retained for 12 months, after which time the company switches to one of the other valuation methods. However, transaction based values are adjusted at each reporting date if the company determines that the fair value has changed.

If the company considers that there have been significant changes since the transaction was carried out, the company estimates fair value using another valuation method instead. These are based primarily on the use of market information, and if this is not feasible, the value is based on company-specific information. The company uses commonly used valuation valuation methods that have been proven in the past to provide reliable estimates of prices.

In shorter periods of time, during significant market movements, the reliability of both quoted and unquoted valuations decreases. For such individual extreme events, adjusting the valuations for general stock market movements may be a more accurate valuation method. Similarly, such significant market movements may in some cases justify a value adjustment for holdings valued under the "Recent valuation" method as a means of reflecting significant changes in the liquid quoted market also in the more illiquid unquoted market.

In 2022, the company's investment portfolio has been affected by the turmoil in the global economy and the changing investment climate. This has led to market-related adjustments of several of the portfolio companies. To estimate fair value, a number of factors have been analyzed, of which weighted price development for comparable listed companies and relevant indices have been the main basis for the adjustment.

The fair value of assets is restated at each reporting date. If the range of reasonable fair value estimates is significant, or the probabilities of the estimates are not reasonably estimable, the assets are measured at their most recently reported fair value.

Flat's portfolio companies are typically early stage growth companies. Against this background, it is natural that there are significant variations in the fair value of the portfolio between reporting dates. The company will only report the aggregate value of the holdings, and thus no individual valuation of each holding will be disclosed.

Short-term receivables

Current receivables are recorded as current assets at the amount expected to be collected, less individually assessed doubtful debts.

Loans and trade payables

Loans and trade payables are initially recognized at cost less transaction costs. If the amount recognized differs from the amount to be repaid at maturity, the difference is amortized as an interest expense over the life of the loan using the effective interest rate of the instrument. As a result, at maturity, the amount recognized and the amount to be repaid are the same.

Long-term incentive programmes

Since 2021, there are long-term incentive programmes in the form of warrants. The warrants have been offered in four different programmes,

partly to the CEO and key personnel and partly to Board members. Two programs runs since 2021 and 2 programs since 2023. The warrants have been subscribed for at fair value and cash payment of the warrants has been made. In the case of acquisition of warrants by the employee, the payment received is entered against other contributed capital. Upon exercise of the warrants, the share capital is increased by the quota value of each newly issued share and the associated premium is added to other contributed capital.

The company is entitled, with certain exceptions, to repurchase warrants if the participant's assignment in the company is terminated or if the participant wishes to transfer warrants before four years have elapsed since the participant received the warrants. The company's repurchase right expires with respect to one quarter of the warrants each year during the four-year vesting period.

Employee benefits

Short-term remuneration in the company consists of salary, social security contributions and paid holidays. Short-term remuneration is recognised as an expense and a liability when there is a legal or informal obligation to pay remuneration. There are no long-term benefits.

Pension plans are defined as contribution plans.

Tangible fixed assets

Tangible fixed assets are recognised at cost less depreciation. Depreciation takes place over five years.

Corporate income taxes

The company invests mainly in conditional shares. Profits and losses on conditional shares are not taxable. When a holding goes from being unlisted to listed, gains are taxable. A deferred tax is therefore calculated on unrealized changes in value only for quoted holdings. Current expenses are tax deductible, but since the utilization of tax losses is uncertain, no deferred tax asset is recognized on tax loss carryforwards.

Cash flow analysis

The cash flow analysis is prepared using the indirect method. The reported cash flow includes only transactions involving receipts or payments. Cash and cash equivalents include, in addition to cash on hand, available deposits with banks and other credit institutions and short-term liquid investments that are quoted on a marketplace and have a maturity of less than three months from the date of acquisition.

FX-conversion

The company reports in Swedish kronor (SEK). The company values its holdings to their respective functional currency, which is translated quarterly into the company's reporting currency (SEK). Conversions are made at the Riksbank's exchange rates on the last business day of each reporting period.

Key ratio definitions and alternative key ratios

Alternative key ratios are financial measures that are not defined or disclosed in the applicable financial reporting framework. The starting point for the selection of alternative key ratios is that they are used by management and are therefore considered to provide valuable information to shareholders and other stakeholders.

Net asset value (NAV)

The net value of all assets less liabilities, corresponding to the company's equity. Shareholdings are valued at fair value and other assets at cost.

Net Asset Value per share, SEK

Net Asset Value divided by number of shares.

Net cash

Interest-bearing assets and cash and cash equivalents minus interest-bearing liabilities.

Net cash per share

Net cash divided by number of shares.

Operational costs

Total operating costs include personnel costs, other external costs, depreciation and amortisation and other operating costs.

Average Net Asset Value

Net Asset Value at the beginning of the period plus Net Asset Value at the end of the period divided by two.

Operating expenses as a percentage of average Net Asset Value

Operating costs divided by average Net Asset Value.

Note 2 Change in value of financial assets

KSEK	Q4, 2023	Q4, 2022	Full-year, 2023	Full-year, 2022
Unrealized changes in value				
Change in value Instabee	-33 460	-2 936	-91 385	91 669
Change in value Getir (incl. FX)	17 971	2 116	24 620	-3 668
Change in value Klarna	2 221	0	2 221	-80 046
Change in value Truecaller	-1 706	-2 541	1 108	-42 545
Change in value other holdings (net)	-9 410	-8 963	-7 258	-55 805
Total unrealized change in value	-24 384	-12 324	-70 694	-90 395
- of which FX	-10 443	5 253	-6 224	5 253
Realized changes in value	0	0	-7 227	24 160
Total change in value of financial assets	-24 384	-12 324	-77 921	-66 235

- Instabee: adjusted by -33 460 KSEK, corresponding to c. -32%, against the previous quarter, based on a tougher e-commerce market with reduced volumes. In total, the value of Flat's holding in Instabee YTD (as of 2022-12-31) has been adjusted by -91,385 KSEK, corresponding to c. -56%. The total downward adjustment, compared to the value communicated in the merger between Instabox and Budbee, amounts to -132,298 KSEK, corresponding to c. -65%. The table below shows the change in NAV if the valuation were to change by +/- 20% and 40% respectively.

Sensitivity analysis: Change of Flat's value in Instabee	-40%	-20%	0%	+20%	+40%
Total applied change since the merger in Q3 2022	-79%	-72%	-65%	-58%	-51%
Valuation of Flats' holdings in MSEK	43,4	57,8	72,3	86,7	101,2
Change in NAV in MSEK	-28,9	-14,5	-	+14,5	+28,9
Change in NAV per share in SEK	-0,59	-0,29	-	+0,29	+0,59
NAV per share in SEK	7,82	8,12	8,41	8,71	9,00

- Getir: adjusted upwards 17 971 KSEK, corresponding to +41%. The positive effect is a technical result after the conversion of the convertible notes Flat invested in earlier in 2023.
- Klarna: adjusted upwards by +13%, corresponding to approx. +2 221 KSEK, which means that Flat's total holding is now valued at approx. 18 941 KSEK, corresponding to c. 5% of NAV. The holding in Klarna was previously adjusted downwards in 2022 by approx. -85%, c. -80 046 KSEK.
- Truecaller: adjusted -1 706 KSEK, corresponding to c. -9%, based on the closing price on 2023-12-28 of 34.87 SEK. Flat holds 525 000 shares.
- Others: adjusted -9 410 KSEK, corresponding to c. -11%.
- Two holdings (OpenAI and DeepL) are valued according to "investerat kapital", but includes minor adjustments following FX change.
- Total FX adjustments for the entire portfolio amounted to -10 443 KSEK during the quarter.

Note 3 Personnel costs

KSEK	Q4, 2023	Q4, 2022	Full-year, 2023	Full-year, 2022
Salary to the CEO (incl. social fees)	127	351	748	1 342
Cost of hired part-time consultant	99	0	331	0
Board fees (incl. social fees)	171	275	411	469
Salary to other personnel	299	196	1 097	351
Bonus related to option programmes (incl. social fees)	0	0	1 686	0
Total	696	822	4 273	2 162

Note 4 Cash flow from operating activities

Adjustments for items not included in the cash flow relate to unrealised value adjustments in investments. The negative change in working capital for the quarter mainly relates to a reduction in trade payables and accrued expenses related to issuing costs in Q3.

Note 5 Significant events after the balance sheet date

No significant events have occurred after the balance sheet date.

FLAT

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