



Flat Capital AB (publ)

# Interim report

January - March 2023



# Highlights

## Q1 2023

- **Flat meets "Unga Aktiesparare" in Södertälje**, and participate in a retail-investor evening and present what we do and see in the market.

Jan

- **Flat invests 5,4 MSEK in the AI company DeepL**, which aims to eliminate language barriers worldwide using AI. Other investors in DeepL include well-known investors such as IVP, Atomico and Benchmark.
- **Flat divests all of its shares in Global-e**, which implies a final return of +10.4x, or +6 800% IRR since Flat's IPO in October 2021.

Feb

- **Flat publishes its annual report and enters 2023**, with great ambitions to execute on the many exciting opportunities that arise through our network.

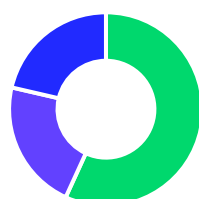
Mar

# Financial information

KSEK	Mar 31 2023	Mar 31 2022	Dec 31 2022
Net Asset Value (NAV)	320 989	390 175	346 774
- of which Listed holdings	15 997	34 125	20 871
- of which Unlisted holdings	231 092	276 504	250 659
- of which Net cash	74 730	83 972	76 159
- of which Other net assets/-liabilities	-830	-4 427	-915
Net Asset Value (NAV) per share, SEK	10.01	12.16	10.81
- of which Net cash per share, SEK	2.33	2.62	2.37
KSEK	Q1 2023	Q1 2022	FY 2022
Operating expenses	-1 624	-1 054	-5 389
Profit for the period	-25 785	-21 396	-64 648
Change in value of financial assets	-25 066	-25 620	-66 235
- of which realized	-7 227	0	24 160
Investments	-5 479	-39 235	-54 347
Divestments	4 829	0	13 597
Operating expenses in relation to average NAV	0.47%	0.31%	1.57%



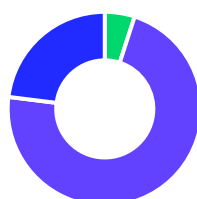
**Net Asset Value (NAV)**  
as of 2023-03-31



- 3 largest holdings <sup>1</sup> 2023-03-31, 54%
- Other holdings, 23%
- Net cash and other net assets/-liabilities, 23%



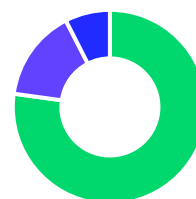
**NAV per share**  
as of 2023-03-31



- Listed holdings, 5%
- Unlisted holdings, 72%
- Net cash and other net assets/-liabilities, 23%



**Change in NAV per share, Q1'23 / Q4'22**



- Holdings in SEK, 77%
- Holdings in USD, 15%
- Other currencies, 8%

<sup>1</sup> The 3 largest holdings include; Instabee, Truecaller and Klarna.

### Period January - March 2023 (Comparable quarter: Q1 2022)

- During the period, the market was characterized by continued uncertainty and nervousness, mainly due to geopolitical concerns, high inflation and higher interest rates. However, we see that investment activity has cautiously begun, with valuations that have somewhat stabilized.
- Change in value of financial assets amounted to -25 066 KSEK (-25 620). The change in value includes an adjustment of the value of Instabee by -25 249 KSEK. For a specification of the calculation of the change in value of financial assets, see Note 2.
- Investments during the period amounted to 5 479 KSEK (39 235).
- Operating expenses for the period amounted to 1 624 KSEK (1 054) corresponding to 0.47% of average NAV during the period. Out of the total operating expenses, personnel costs amounted to 646 KSEK (273) personal-kostnader.
- Operating profit amounted to -26 690 KSEK (-26 674). The operating profit includes unrealized changes in value of -17 839 KSEK (-25 620).
- Profit after tax amounted to -25 785 KSEK (-21 396).
- Earnings per share amounted to -0.80 SEK (-0.76).

### Investments and divestments during the period

- During the period, the company made a new investment in the AI company DeepL, which offers automatic language translations through its platform. The investment amounted to 5 412 TSEK.
- During the period, the company also divested all of its shares in Global-e. The shares were received in connection with Global-e's acquisition of Flat's former portfolio holding Flow. The divestment has positively affected the result in Q1 by 1 156 TSEK.
- Additionally, the company has made an additional investment of 66 KSEK in the existing portfolio company Quartr.

### Other significant events during the period

- No other significant events have occurred during the period.

### Significant events after the end of the period

- No significant events have occurred after the end of the period.

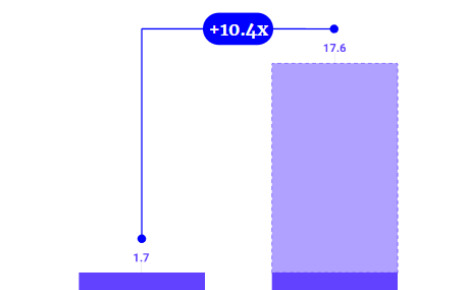
### First quarter - one investment and one divestment

#### DeepL investment

During the quarter, Flat has invested approx. 5.4 MSEK in DeepL, a German-based AI company that aims to eliminate language barriers worldwide with the help of artificial intelligence. Through its platform, DeepL offers automatic language translations using AI neural machine learning that can be used via a web browser, mobile app, browser extension or through an integrated API. DeepL primarily monetizes enterprise customers and by upgrading users. Other investors in DeepL include well-known players such as IVP, Atomico and Benchmark.

#### Global-e divestment

During the quarter, Flat has divested all of its shares in Global-e to a value of approx. 4.8 MSEK, which gives the initial investment in Flow Commerce a final profit of 15.9 MSEK, since Flat's IPO in 2021. Thus, the investment has given Flat's shareholders a return of approx. 10.4x, corresponding to an internal rate of return (IRR) of +6 800%, since Flat's IPO.



The shares in Global-e were received in connection with the transaction announced on November 24, 2021, where Flat's former portfolio company Flow was acquired by the publicly listed company Global-e (ticker: GLBE). In addition to the shares in Global-e, Flat has previously received approx. 12.8 MSEK in cash, which means that the investment in Flow has been divested for a total consideration of approx. 17.6 MSEK. At Flat's IPO in October 2021, Flow was valued at approx. 1.7 MSEK.

## Flat invites you to the 2023 AGM!

[Link to notice](#)

Shareholders in Flat are invited to the AGM on Thursday, May 4. The AGM will be followed by an investor meeting where pizza and light refreshments will be served. Note: Last day to register was Thursday, April 27, 2023, but you can still register as a guest (without voting right) and attend the investor meeting. Looking forward to see you there!

**What:** Annual General Meeting (AGM) 2023

**Where:** Alma (Nybrogatan 8, 114 34, Stockholm)

**When:** Thursday May 4 between 16:00-18:00



# CEO's comments

Dear shareholders and all other interested readers,

As you may notice, this report has been published at the end of April, which means that by now we should have a pretty strong sense of where 2023 is headed. But with 2022 behind us with all its lessons, I dare say that things can quickly change and that being humble towards this is valuable. The year began - although with a noticeable nervousness - in many aspects in positive territory. After a very challenging 2022, the desire to turn the page and look forward with positivity is a wonderful human psychological driving force. But the numbers have spoken for themselves this quarter - we witness continued worrying geopolitical uncertainty, persistently high inflation and, as a result, rising interest rates. The increase in household costs is significant, which of course affects consumption. During the quarter we have also seen, with sheer horror, how major issues have arisen in the US regional banking sector as well as Credit Suisse here in Europe. It is undeniably a scary cocktail of factors that would make anyone nervous.

The net asset value for the quarter ended up at approx. 321 MSEK, corresponding to approx. 10.01 SEK per share, a decrease of approx. -7.4% from the previous quarter. Instabee (previously Budbee) has seen a surging development in our portfolio with +100% increase since our IPO following a funding round at an updated valuation and the subsequent merger with Instabox. During the quarter, we have made a downward adjustment of the holding by, among other things, looking at the performance of a broad group of comparable peers comprising logistics companies, food delivery marketplaces and e-commerce platforms. This implies a downward adjustment of about -15%. Of course, this does not overshadow our view of the company's continued strong performance, which most likely, with a little tailwind in the economy, means great future potential and future strong return!

In a complex world, it becomes even more important to act on what we know and believe in. In Flats' case, this is our unique ability to identify and invest in dedicated founders and teams through our strong global network. Additionally, the companies we invest in should always be exposed to structurally attractive markets. One such "market" is of course anything related to Artificial Intelligence (also known as AI). AI is

not an isolated "market" in that sense, but rather the driving factor behind the paradigm shift we are now witnessing. The technology has been around and talked about for a long time, but the real breakthrough, as I see it, is here and now. The ability to adapt, evolve and take advantage of the opportunities presented by AI-technology is crucial for continued and future company building. It is nerve-wracking, exciting and partly scary to watch and follow.

Our investment in **DeepL** announced in February is a clear example of a company where the service and platform is entirely based on Machine Learning and AI. The platform offers automatic language translations based on AI neural machine learning and is used via a web browser, mobile app, browser extension or through an integrated API. I highly recommend that you try the service, as I use it almost daily myself. The investment is an example of an opportunity that initially arose through our network, and we are proud investors alongside other well-known players such as IVP, Atomico and Benchmark. We are therefore very proud that we, not only as frequent users, but also as investors, can be part of DeepL's continued journey.

On the other hand, a journey that ended for Flat was our investment in the former Flow Commerce, which was acquired by the Nasdaq-listed **Global-e** in 2022. During the quarter we sold our remaining shares in the company at a value of approx. 4.8 MSEK, which meant that the initial investment in Flow meant a total profit of 15.9 MSEK, which implies a return equivalent to about 10.4x, or an average annual return ("IRR") of +6 800%, since Flat's IPO. The journey is of course far from over for the team and the company, but with this kind of return to shareholders and a more distant relationship with the new management team, a holding that is also listed on the stock exchange, it was time for us to say goodbye.

We are in the midst of a time of change, and while I do not dare to comment on the future state of macro or geopolitical landscape, I choose to keep my eyes on what I believe and what fascinates me, with a big scoop of humbleness.

Take care until next time,

// *Hanna Wachtmeister, CEO*



# Description of activities

## About Flat

Flat Capital ("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 20 companies, of which the largest holdings are Instabee Holding AB ("Instabee"), True Software Scandinavia AB ("Truecaller") and Klarna Holding AB ("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 <sup>1</sup>	Short description of the company	Initial investment (yr)	Webpage
<b>Instabee</b>	Technology company with logistics solution	2013	
<b>truecaller</b>	Platform for telephony services	2013	
<b>Klarna.</b>	Global bank, payment and shopping solutions	2021	
<b>CDLP</b>	Fashion house based on innovative materials	2018	
 <b>DeepL</b>	Translations through AI neural machine learning	2023	<a href="https://DeepL.com">DeepL.com</a>
 <b>Discord</b>	VoIP and instant messaging social platform	2022	
 <b>Figma</b>	Interactive design platform	2021	
 <b>getir</b>	Tech and hyper-fast delivery company	2022	
<b>kry</b>	Physical and digital healthcare provider	2021	
 <b>LoveLocal</b>	Digital grocery shopping in India	2021	
<b>LYST</b>	Global fashion search platform	2021	
 <b>Nylas</b>	Software for productivity infrastructure	2021	
<b>omio</b>	Travel planning platform	2015	
<b>PANGAIA</b>	Material science fashion company	2021	
<b>Prion</b>	Platform for preschool activities	2016	<a href="https://Prionapp.com">Prionapp.com</a>
 <b>Quartr</b>	Digital platform for IR-solutions	2022	<a href="https://Quartr.com">Quartr.com</a>
 <b>remote</b>	Global payroll, HR and compliance solution	2022	
<b>steven</b>	Shared economy platform	2017	
 <b>TrueAccord</b>	Debt management platform for consumers	2019	
 <b>uniplaces</b>	Platform for booking accommodation	2015	

<sup>1</sup> Sorting: Largest 3 holdings (Instabee, Truecaller and Klarna), thereafter alphabetical order.

## Brief description of our holdings (1/5)

### 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: Fredrik Hamilton

Headquarters: Stockholm, Sweden

More info: [www.instabee.com](http://www.instabee.com)

### truecaller

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](http://www.truecaller.com)

### Klarna.

Since 2005, Klarna has been working to revolutionize the banking industry. With more than 150 million active users globally on 45 markets, Klarna meets the rapidly changing needs of consumers by helping them save time and money while making informed decisions and taking control of their finances.

More than 500 000 global retail partners, including H&M, Saks, Sephora, Macy's, IKEA, Expedia Group and Nike, have integrated Klarna's innovative technology to deliver a seamless shopping experience both online and in-store.

CEO & Co-founder: Sebastian Siemiatkowski

Headquarters: Stockholm, Sweden

More info: [www.klarna.com](http://www.klarna.com)

### C D L P

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.cdip.com](http://www.cdip.com)



## Brief description of our holdings (2/5)



**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](https://www.deepl.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.**

The platform was originally aimed at users with an interest in gaming, but over time it has grown significantly among other audiences as well. Today, Discord is used by anything from local outdoor clubs to study groups, and the platform has over 150 million monthly users and 19 million active servers each week. The company's list of owners includes Dragoneer Investment Group.

**CEO & Co-founder:** Jason Citron

**Headquarters:** San Fransisco, U.S.

**More info:** [www.discord.com](https://www.discord.com)



**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: US-listed Adobe announced a bid for Figma in 2022 at a valuation of around USD 20 bn (Flat invested earlier that year at a USD 10 bn valuation). Subject to regulatory approval, the acquisition is planned to be completed in 2023.

**CEO & Co-founder:** Dylan Field

**Headquarters:** San Fransisco, U.S.

**More info:** [www.figma.com](https://www.figma.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](https://www.getir.com)

## Brief description of our holdings (3/5)



**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](http://www.kry.se)



**LoveLocal**

**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](http://www.lovelocal.in)



**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](http://www.lyst.com)



**Nylas**

**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 Fransisco, U.S.

**More info:** [www.nylas.com](http://www.nylas.com)

## Brief description of our holdings (4/5)



**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](https://www.omio.com)**



**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: Krishna Nikhil**

**Headquarters: London, U.K.**

**More info: [www.pangaia.com](https://www.pangaia.com)**



**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](https://prionapp.com)**



**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](https://www.quartr.com)**

## Brief description of our holdings (5/5)



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](http://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.

Co-founder: Jens Saltin

Headquarters: Stockholm, Sweden

Läs mer: [www.getsteven.com](http://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](http://www.trueaccord.com)



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](http://www.uniplaces.com)

## Other information

### Group structure

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

### Personnel

As of 2023-03-31, the company had one employed CEO and one CFO. In addition, the company has no other employees.

### Dividend policy

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

### The share

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

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 31 mars 2023 till 7.7 SEK.

### Long-term incentive program

The company has issued a total of 637 426 warrants under two incentive schemes. One is for the benefit of directors Amaury de Poret, Marcelo Carvalho de Andrade and Charlotte Runius and comprises a total of 273 183 warrants. After recalculation following the rights issue in March 2022, each warrant entitles the holder to subscribe for 1.02 new B-shares in the company at a subscription price of SEK 24.40 during the period from 20 October 2026, to 3 November 2026.

The second incentive program is aimed at the CEO of the company and comprises 364 243 warrants. After recalculation following the rights issue in March 2022, each warrant entitles the holder to subscribe for 1.02 new B-shares in the company at a subscription price of SEK 24.40 during the period from 20 October 2025, to 3 November 2025.

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

### Related party transactions

There were no related party transactions during the period.

### Risks and uncertainties

Flat Capital 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 General Meeting	2023-05-04
Interim report Apr-Jun	2023-07-19
Interim report Jul-Sep	2023-10-25
Year-end report	2024-02-15

### Audit

The financial statements have not been reviewed by the company's auditors.

### Certified Adviser

The company's Certified Adviser is Augment Partners AB. Email: info@augment.se, Tel: +46 (0) 8 604 22 55

## Shareholders as of 2023-03-31

Shareholders	# of A-shares	# of B-shares	Capital (%)	Votes (%)
Sebastian Siemiatkowski	4 429 222	-	13.8	61.6
Double Sunday IV AB <sup>1</sup>	-	8 212 121	25.6	11.4
Nina Siemiatkowski	-	4 750 000	14.8	6.6
Försäkringsaktiebolaget Avanza Pension	-	1 321 873	4.1	1.8
Cicero Fonder AB	-	895 304	2.8	1.2
Nordnet Pensionsförsäkring	-	855 240	2.7	1.2
Amaury de Poret	-	650 000	2.0	0.9
Lyckebo Noterat AB	-	640 000	2.0	0.9
Stiftelsen WRLD Foundation	-	320 778	1.0	0.4
Henrik Hobik	-	225 000	0.7	0.3
Other shareholders	-	9 778 171	30.5	13.6
<b>Total</b>	<b>4 429 222</b>	<b>27 648 487</b>	<b>100.0</b>	<b>100.0</b>

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

## Declaration by the Board and the CEO

The Board of Directors and the CEO declare that the financial statements 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 April 28, 2023

Sebastian Siemiatkowski  
Chairman of the Board

Amaury de Poret  
Member of the Board

Charlotte Runius  
Member of the Board

Dr. Marcelo Carvalho de Andrade  
Member of the Board

Hanna Wachtmeister  
CEO



## Income statement

KSEK	Notes	Q1 2023	Q1 2022	Full-year 2022
<b>Operating income</b>				
Change in value of financial assets	1-2	-25 066	-25 620	-66 235
<b>Operating expenses</b>				
Personnel costs		-646	-273	-2 162
Other external costs		-977	-781	-3 225
Depreciation		-1	0	-2
<b>Total operating expenses</b>		<b>-1 624</b>	<b>-1 054</b>	<b>-5 389</b>
<b>Operating profit</b>		<b>-26 690</b>	<b>-26 674</b>	<b>-71 624</b>
<b>Profit from financial items</b>	3	<b>905</b>	<b>0</b>	<b>292</b>
<b>Profit after financial items</b>		<b>-25 785</b>	<b>-26 674</b>	<b>-71 332</b>
Taxes		0	5 278	6 684
<b>Profit for the period</b>		<b>-25 785</b>	<b>-21 396</b>	<b>-64 648</b>
Earnings per share before dilution, SEK		-0.80	-0.76	-2.08
Earnings per share after dilution, SEK		-0.80	-0.76	-2.08
Number of shares outstanding at the end of the period		32 077 709	32 077 709	32 077 709
Average number of shares before dilution		32 077 709	28 217 121	31 125 930
Average number of shares after dilution		32 077 709	28 239 979	31 125 930

## Balance sheet

KSEK	Mar 31 2023	Mar 31 2022	Dec 31 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
Inventory and tools	17	0	18
<b>Financial fixed assets</b>			
Shares in listed companies	15 997	34 125	20 871
Shares in unlisted companies	231 092	276 504	250 659
Other long-term receivables	0	177	0
<b>Total fixed assets</b>	<b>247 106</b>	<b>310 806</b>	<b>271 548</b>
<b>Current assets</b>			
<b>Short-term receivables</b>			
Prepaid expenses and accrued incomer	364	376	111
<b>Total short-term receivables</b>	<b>364</b>	<b>376</b>	<b>111</b>
<b>Cash and cash equivalents</b>	<b>74 730</b>	<b>83 972</b>	<b>76 159</b>
<b>Total current assets</b>	<b>75 094</b>	<b>84 347</b>	<b>76 270</b>
<b>TOTAL ASSETS</b>	<b>322 200</b>	<b>395 154</b>	<b>347 818</b>
<b>KSEK</b>	<b>Mar 31 2023</b>	<b>Mar 31 2022</b>	<b>Dec 31 2022</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	1 604	1 604	1 604
<b>Total restricted equity</b>	<b>1 604</b>	<b>1 604</b>	<b>1 604</b>
<b>Non-restricted equity</b>			
Share premium reserve	249 236	249 385	249 236
Accumulated profit	95 934	160 582	160 582
Profit for the period	-25 785	-21 396	-64 648
<b>Total non-restricted equity</b>	<b>319 385</b>	<b>388 571</b>	<b>345 170</b>
<b>Total equity</b>	<b>320 989</b>	<b>390 175</b>	<b>346 774</b>
<b>Provisions</b>			
Deferred tax liabilities	0	1 406	0
<b>Current liabilities</b>			
Trade payables	248	1 902	66
Other liabilities	90	50	93
Accrued expenses and deferred income	873	1 622	886
<b>Total current liabilities</b>	<b>1 211</b>	<b>3 573</b>	<b>1 044</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>322 200</b>	<b>395 154</b>	<b>347 818</b>



## Change in company equity

KSEK	Mar 31 2023	Mar 31 2022	Dec 31 2022
<b>Opening equity</b>	<b>346 774</b>	<b>337 544</b>	<b>337 544</b>
New share issue	0	77 212	77 212
Issuing costs	0	-3 185	-3 334
Profit for the period	-25 785	-21 396	-64 648
<b>Closing equity for the period</b>	<b>320 989</b>	<b>390 175</b>	<b>346 774</b>

## Cash flow statement

KSEK	Q1 2023	Q1 2022	Full-year 2022
Profit after financial items	-25 785	-26 674	-71 332
Adjustments for items not included in cash flow	25 067	25 620	66 233
Cash flow from changes in working capital	-62	2 555	470
<b>Cash flow from operating activities</b>	<b>-779</b>	<b>1 501</b>	<b>-4 628</b>
Investments in financial assets	-5 479	-39 235	-54 347
Divestments of financial assets	4 829	0	13 597
Investments in tangible assets	0	0	-19
<b>Cash flow from investing activities</b>	<b>-650</b>	<b>-39 235</b>	<b>-40 769</b>
New share issue	0	77 212	77 212
Issuing costs	0	-3 185	-3 334
<b>Cash flow from financing activities</b>	<b>0</b>	<b>74 027</b>	<b>73 878</b>
<b>Cash flow for the period</b>	<b>-1 429</b>	<b>36 293</b>	<b>28 481</b>
Cash and cash equivalents at the beginning of the period	76 159	47 678	47 678
Cash and cash equivalents at the end of the period	74 730	83 972	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 two different programmes,

partly to the CEO and partly to Board members. 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

Operating expenses minus non-recurring expenses.

#### 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	Q1 2023	Q1 2022	Full-year 2022
<b>Unrealized changes in value</b>			
Change in value Instabee *)	-24 549	0	91 669
Change in value Klarna	0	0	-80 046
Change in value Truecaller	-1 202	-25 620	-42 545
Change in value other holdings **)	7 912	0	-59 473
<b>Total unrealized change in value</b>	<b>-17 839</b>	<b>-25 620</b>	<b>-90 395</b>
- of which FX	-293	0	5 253
<b>Realized changes in value</b>			
Flow Commerce **)	-7 227	0	24 160
<b>Total change in value of financial assets</b>	<b>-25 066</b>	<b>-25 620</b>	<b>-66 235</b>

\*) During the quarter, we have made a negative change in value of our largest holding Instabee as a result of, among other things, looking at the development of a broad group of peer companies consisting of logistics companies, food delivery marketplaces and e-commerce platforms. For Q1 2023, this results in a valuation of Flat's holding of approx. 139 MSEK, which implies a negative change in value of approx. -15% from Q4 2022.

\*\*) Other unrealized changes in value during the quarter include a reversal of opening changes in value relating to Flow Commerce of 8,384 KSEK. The net effect on earnings in the quarter amounts to 1 156 KSEK. See also the description of the divestment and its final return on page 4.

## Note 3 Profit from financial items

Income from financial items includes a non-recurring dividend of 1 004 KSEK from one of the company's holdings.

## Disclaimer

This is a non-official translation of the Swedish original text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.



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