



Flat Capital AB (publ)
2021 Annual Report

Annual Report

2021



We invest in entrepreneurs with the drive and ability to create great companies.

Some highlights we are proud of:



Portfolio companies



Number of investments
since
listing (Oct 20, 2021)



Development of
net asset value in 2021

Some of our portfolio companies:

budbee **Klarna**

PANGAIA



Discord



Figma

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Description of activities

About Flat

Flat Capital 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 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 18 companies, of which the largest holdings are Klarna Holding AB ("Klarna"), Budbee AB ("Budbee") and True Software Scandinavia AB ("Truecaller"). The aim is to simplify and improve the path to successful company building and to give more people the opportunity to share in maximum returns

Global network of world-leading investors and entrepreneurs

Through its founders and board of directors, Flat Capital 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 rare access to cross-border knowledge exchange for business-enhancing collaboration.

Genuinely long-term investments

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

Trust in the entrepreneur and our network

In essence, Flat Capital 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 Capital's network and their ability and experience to find these future global leaders and entrepreneurs. Despite its essentially passive ownership, Flats' experience and network are available to the extent the entrepreneur wishes. The structure allows for low costs and greater time efficiency.

Broad investment mandate

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



Attractive markets

Flat Capital invests in markets of meaningful size and potential, where company growth is driven by underlying structural trends.



Companies in growth phase

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

<50%

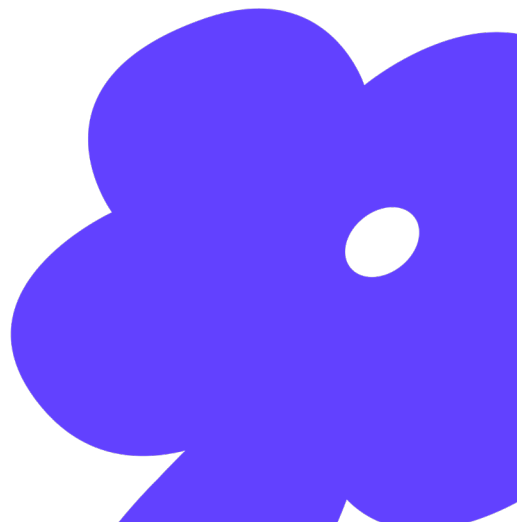
Minority

Flat Capital is mainly seeking a minority stake in the portfolio companies.



Global investments

Flat Capital invests globally.



Financial information

SEK thousand	Dec 31, 2021	Dec 31, 2020
Net asset value	337,544	84,941
Net asset value per share, SEK	11.96	8.49
Net cash	47,678	-5,874
Net cash per share, SEK	1.69	-0.59

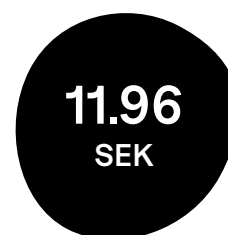
SEK thousand	Full year 2021	Full year 2020
Operating expenses	-5,436	-220
- of which listing costs	-3,212	0
- of which operational costs	-2,224	-220
Profit for the year	67,741	33,764
Change in value of securities holdings	79,966	34,115
- of which realized	9,231	596
Investments	137,535	805
Sales	11,519	1,450



Net asset value
12-31-2021

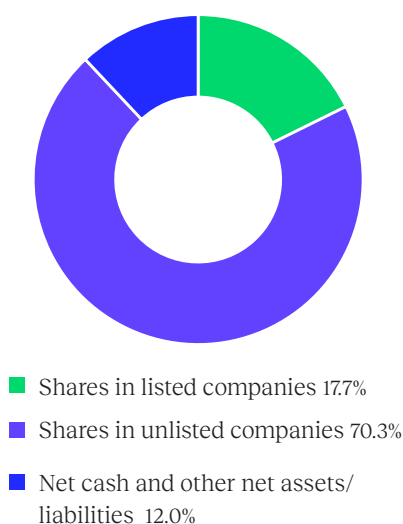


Change in net asset
value per share Q4/Q3



Net asset value
per share 12-31-2021

Distribution of net asset value



SEK thousand	Dec 31, 2021
Shares in listed companies*	59,745
Shares in unlisted companies	237,270
Net cash	47,678
Other net assets/liabilities	-7,148
- of which deferred tax liabilities	-6,684

* Refers to shares valued at the closing price at the end of the period.



CEO and Chairman of the Board on the past year.

2021 was an eventful year for Flat Capital, with a listing on First North bringing 20,000+ new shareholders and enabling investment in new companies. Chairman Sebastian Siemiatkowski and CEO Hanna Wachtmeister briefly talk about the past year with Flat Capital.

Sebastian Siemiatkowski, Chairman of the Board:

On the background of Flat Capital

Flat Capital is the result of an idea that was shaped over a long period of time, and thanks to our own experiences and lessons learned. As an entrepreneur, I've learned that long-term investors are not always so long-term, which has meant a disproportionate amount of time spent cashing out and finding new investors. I also learned that it pays off for the long-term investor. The idea behind Flat is about being that investor. During my journey with Klarna, I've had the privilege of meeting driven and exciting entrepreneurs and world-leading investors. They have given Nina and me the opportunity to invest in these outstanding companies.

On the listing of Flat Capital

I am well aware that prominent unlisted companies are difficult for the public to access, but the interest and the will is there. Flat Capital's listing provides the public with an opportunity to gain exposure to unlisted companies. It's a bit like the dream of everyone in Sweden having access to the most exciting companies that is coming true, but of course you have to be aware of the risks that come with it! Flat Capital is an investor that is long-term for real, willing to take risks and that supports entrepreneurs through thick and thin!

On the great interest in Flat Capital stock

We are, of course, very pleased with the great interest in Flat and feel a great responsibility to manage this trust in the best possible way. The issue was 10x oversubscribed, and the listing added over 27,000 new shareholders. The Flat Capital share price performed well in 2021, but that is really less important, as we prefer to see an investment in Flat Capital from a long-term perspective. Moreover, we know that the share price can fluctuate significantly

in the short term. The bottom line is that we maximize returns to shareholders by investing in good companies. Flat Capital's listing provides the public with an opportunity to gain exposure. It's a bit like the dream of everyone having access to the most exciting companies with maximum returns that is coming true, but of course you have to be aware of the risks that come with it! Flat Capital is an investor that is long-term for real, willing to take risks and that supports entrepreneurs

through thick and thin!

On why it's a good idea to own shares in Flat Capital

To gain exposure to exciting unlisted companies that may otherwise be difficult to reach and that over time have a higher return than that generated by typical listed companies, albeit at a higher risk. I hope that those who own shares in Flat Capital can and will own the stock for as long as I plan to do, but that is of course up to each individual. I don't think you should put all your savings into Flat. We want to be able to take risks, and the fluctuations in the stock can be large. As a shareholder, you should understand this and hopefully be able to tolerate it. At the same time, I think the long-term potential of the portfolio of companies is fantastic, but it may take time for company values to emerge. That's what I've learned in my journey with Klarna.

Hanna Wachtmeister, CEO:

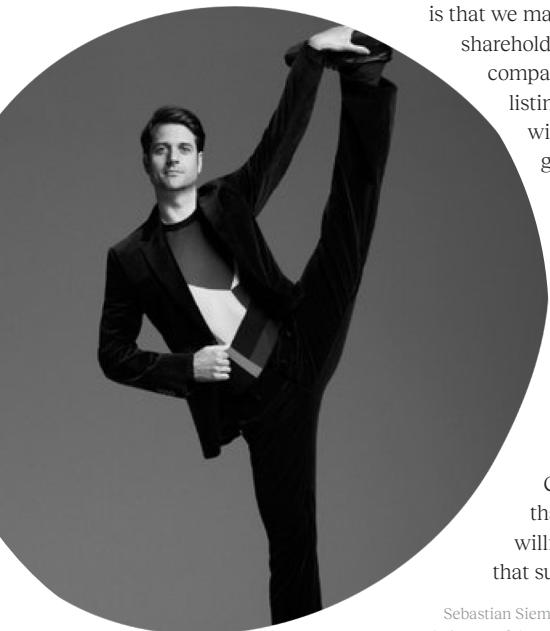
About the time before Flat Capital and what's most fun

I studied International Relations for a year in Scotland and then Finance in London. In London, I had the opportunity to work alongside my studies at SEB and have loved working in various finance-related roles for almost nine years before moving to Flat. I believe and hope that I can contribute with tireless curiosity, get things done and am not too afraid to make mistakes. I love learning new things.

The best part of my job is the variety. To help build the investment company Flat Capital, but also to have the opportunity to invest in great entrepreneurs and their companies and indirectly be a part of their journey, genuinely long-term. The industry is surrounded by a lot of creativity, innovation and fantastic, driven people. And last but not least, I learn something new almost every day.

On the progress of Flat Capital in 2021

We had a high level of investment activity in 2021. We have invested in India-based Love Local, which is digitizing local retail in India, and healthcare company Kry, which is developing and driving the digital shift in healthcare, with a clear patient focus. We have invested in the interactive and cutting-edge design company Figma and made an additional investment in Klarna. Since the turn of the year, we have also invested in the social platform company Discord and now also in the prominent tech and fast delivery company Getir. The majority of these investments have come through our network of world-leading venture capitalists or through personal contacts with the founders. In addition, Truecaller was listed on Nasdaq Stockholm and two holdings, Depop and Flow Commerce, received takeover bids, with Flow being acquired after the listing, generating a return of approximately 11x for shareholders. The IPO was of course a fun, stressful and educational process, but most enjoyable was the great interest from the public, and the fact that we were tenfold oversubscribed in the issue.



Sebastian Siemiatkowski
Chairman of the Board, Flat Capital AB

It feels overwhelming and amazing! Profit after tax amounted to SEK 676 million in 2021. But with that said ... The most important thing for us is the long-term development of the company's net asset value. Not quarterly developments.

On the progress of Flat Capital in 2021

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On how Flat Capital finds companies and which companies it invests in

We have a unique network of entrepreneurs and investors who provide us with many interesting investment ideas, through which the majority of investments are made. We also have a broad investment mandate and can be opportunistic and invest in companies we come across, for example, through tips from other shareholders. The common denominator for all our investments is our strong belief in the founder(s) behind the company and their patience, vision and ability to learn. The companies we invest in are exposed to strong structural trends that we know will drive and change markets for decades to come. Digitalization and automation are two examples of this.

As investors, we are passive since we do not take board seats, but are available to our entrepreneurs if we can be of assistance in any way. Regardless, we exist and believe in the company as long as

the founder also believes!

About Flat Capital's investment process

Investment proposals come mainly through our extensive international network. But I also get proposals directly from entrepreneurs and our shareholders. When something exciting comes to me directly or through the board, I prepare an investment proposal as a basis for board discussion where decisions are made. It can take days or a week for an investment decision to be made, and we need to be able to move quickly. We can invest in companies all over the world and do not limit our mandate to a specific investment amount, geographic location or how we invest through fundraising rounds and second-hand shares.

On the outlook for Flat Capital

The outlook for Flat Capital is bright! We face significant short-term challenges, such as higher inflation and now the terrible situation in Ukraine. It should not be diminished in any way, and I am personally shaken and of course affected by the war. But I have a strong belief in people's ability to evolve and drive innovation forward. If you dare to look up and see things from a longer-term perspective, I am convinced that digitization, for example, is something that will continue to accelerate for many years to come. I also believe that if the market is shaken up in the future, it could create opportunities for us, and we have a strong pipeline of promising companies that we would like to invest in.



About the rights issue carried out in the first quarter of 2022

We are building Flat Capital for the long term, and the fact that over 7,000 shareholders participated and invested in us means a lot. This has been a learning process. The rights issue took place in the middle of a war, and despite this we raised over SEK 77 million, which I think is fantastic. In troubled times, capital markets can shut down completely, as we have seen during our rights issue. We have now raised a significant amount of money, and this will allow us to take advantage of the opportunities we see in the unlisted market and continue to build value for our shareholders!

Image: Hanna Wachtmeister CEO, Flat Capital AB



Our holdings

Company (alphabetical order)	Short description by the company	Initial investment (years)	Invested capital (SEK thousand)
budbee	Technology company with logistics solution	2013	2,486
CDLP	Fashion house based on innovative materials	2018	669
 Discord	A voice, video and text communication service	2022	19,452
 Figma	Interactive design platform	2021	4,571
 FLOW	Software for e-merchants	2015	3,003
 getir	Tech and hyper-fast delivery company		
Klarna.	Bank with trading and payment solutions	2021	91,859
kry	Healthcare providers combining physical and	2021	10,069
 LoveLocal	Digital grocery shopping in India	2021	18,031
LYST	Global fashion search platform	2021	7,540
 Nylas	Software for productivity infrastructure	2021	2,100
omio	Travel planning platform	2016	1,003
PANGAIA	Material science fashion company	2021	3,462
Prion	Platform for preschool activities	2016	1,003
steven●	Shared economy platform	2017	672
 TrueAccord	Debt management platform for consumers	2019	655
truecaller	Platform for telephony services	2013	601
 uniplaces	Platform for booking accommodation	2015	660

Brief description of our portfolio companies.

Klarna.

Since 2005, Klarna has been working to revolutionize the banking industry. With more than 147 million active users globally and 2 million daily transactions, 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 400,000 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. With more than 5,000 employees and an active service offering in 45 markets, Klarna is today one of the highest valued unlisted fintech companies in the world with a valuation of SEK 390 billion.

CEO & Co-Founder: Sebastian Siemiatkowski

Headquarters: Stockholm, Sweden

Read more: www.klarna.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 300 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 of over 6 billion identities. 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 & Founder: Alan Marnedi

Headquarters: Stockholm, Sweden

Read more: www.truecaller.com

budbee

Budbee is a Swedish-founded tech company that has been striving to create the best e-commerce experience since its launch in 2016. Loaded with self-learning systems and tailored algorithms, Budbee reaches more than 35 million people in Sweden, Finland, Denmark, the Netherlands and Belgium, either through its extensive network of parcel lockers or through home deliveries.

To date, Budbee has facilitated the e-commerce experience for more than 7 million unique customers with same-day or next-day deliveries using bicycles, electric vehicles and biofuels. All deliveries in Sweden and Finland are made with completely fossil-free and renewable fuel, and the company is well on its way to offering the same level in all countries. Budbee's services are used by thousands of major e-retailers, such as ASOS, Zalando, Inditex and H&M. Budbee is well on its way to becoming the

CEO & Founder: Fredrik Hamilton

Headquarters: Stockholm, Sweden

Read more: www.budbee.com



LoveLocal

LoveLocal aims to digitize the USD 1.1 trillion 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


Read more: 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 5 million patients across Europe. In addition to digital care meetings, Kry also has over 20 physical care centers in Sweden, and is currently also present in England, Norway, France and Germany.

 **CEO & Co-Founder: Johannes Schildt**

 **Headquarters: Stockholm, Sweden**


 **Read more: www.kry.se**


LYST

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 150 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.

 **CEO & Co-Founder: Chris Morton**

 **Headquarters: London, United Kingdom**

 **Read more: www.lyst.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.

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


 **Headquarters: San Fransisco, USA**

 **Read more: www.figma.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 lifecycle, including through the use of responsibly produced fabrics and packaging. For example, the company creates vegan leather from grapes, down jackets filled with wild flowers 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.

 **Founder: Miroslava Duma
CEO: Eva Kruse**

 **Headquarters: London, United Kingdom**

 **Read more: www.pangaia.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 more than 35 countries worldwide. The list of owners includes Kinnevik, Temasek and Kleiner Perkins.

- CEO & Co-Founder: Naren Shaam
- Headquarters: Berlin, Germany
- Read more: www.omio.com



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, USA
- Read more: www.nylas.com



Flow Commerce Inc. ("Flow Commerce") provides a comprehensive e-commerce solution aimed at simplifying the management of cross-border e-commerce.

The solution helps companies increase their global growth. The platform can be adapted to each customer's needs, for example, through pricing modules. Through the platform, customers have shown 40 percent cost savings and a 50 percent increase in efficiency of international logistics.

In November 2021, Flow announced a takeover bid from the listed company Global-e. The acquisition will be paid for with 50 percent shares in Global-e and 50 percent in cash. The deal is expected to close in the first half of 2022.

- CEO & Co-Founder: Rob Keve
- Headquarters: Hoboken, NJ, USA
- Read more: <https://www.global-e.com/>

One True Holding Co ("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 Francisco, USA
- Read more: www.trueaccord.com



Steven AB 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.

➤ **CEO & Co-Founder: Jens Saltin**

➤ **Headquarters: Stockholm, Sweden**

➤ **Read more: <https://getsteven.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**

➤ **Read more: <https://prionapp.com/>**



Un Cadeau de la Providence AB (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**

➤ **Read more: <https://cdlp.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.

➤ **Founder: Miguel Amaro, Ben Grech, Mariano Kostelec
CEO: Cyril Jessua**

➤ **Headquarters: London, United Kingdom**

➤ **Read more: www.uniplaces.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. 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



Read more: <https://getir.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 everything 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 and Co-Founder: Jason Citron
Co-Founder: Stanislav Vishnevskiy**



Headquarters: San Fransisco, Californien



Read more: <https://discord.com/>

Corporate

Flat Capital AB (publ) is a Stockholm-based investment company, whose shares have been listed on Nasdaq First North Growth Market in Stockholm since October 2021. The external framework for corporate governance is the Companies Act, the Articles of Association and Nasdaq's rules for issuers on the First North Growth Market. The company complies with internal regulations issued by the Board of Directors, the most important of which are the Rules of Procedure of the Board of Directors, the instructions for the CEO and the company's information and insider policy. The company is not obliged to apply the Swedish Code of Corporate Governance, but does so to the extent that it is economically justifiable given the scope and nature of its operations.

Basics of corporate governance

Flat Capital's corporate governance aims to support the board and management to ensure that all activities create long-term value for shareholders and other stakeholders. Governance includes the maintenance of:

- An effective organizational structure
- Risk management and internal control systems
- Transparent internal and external reporting

Sustainability and ESG

Sustainability is expected to be a significant factor going forward, both in investment decisions and in Flat Capital's internal operations. As the company generally takes minority positions, there is limited opportunity to influence the portfolio companies' work on sustainability factors. As such, ESG screening will be an important component of the investment process, where Flat Capital has the ability to be selective and distance itself from investments in companies or industries that do not align with the company's view on sustainability.

Core values and principles

To facilitate decision-making, the company has developed a set of core values that the Board, management and employees can build on.

- Investment decisions should maximize long-term returns, but not at the expense of sustainability factors.
- A well-diversified team with different cultures and gender diversity promotes new perspectives and can in turn lead to better profitability, which is also sustainable in the long run.
- Through continuous internal training for management and employees, the company's collective knowledge in sustainability is expanded, which contributes to continued improvement in the area.
- Flat Capital works internally on sustainability and seeks portfolio companies that share the same values.
- Cooperation both internally and externally lays the foundation for successful operations.
- The company values integrity, and ethical standards should not be compromised under any circumstances.

ESG

ESG is an acronym for Environmental, Social and Governance, i.e., issues related to the environment, social responsibility and corporate governance. Flat Capital strongly believes that companies that successfully integrate ESG into their operations

can outperform similar companies that operate without ESG, in both the short and long term. By incorporating ESG into their operations, companies can increase the value they create, for example, by reducing costs and improving efficiency. In addition, as the outside world places greater demands on sustainability, it is, in principle, a prerequisite for long-term profitability. To this end, the company has developed a framework for its decision-making, based on international ESG standards and guidelines, as well as the company's own positions.

For a more detailed description of Flat Capital's approach to sustainability in new investment decisions and ESG approaches, please refer to the company's latest prospectus published in February 2022 and available on the company's website, www.flatcapital.com.

Shareholders and the general meeting

Shareholders' influence in the company is exercised at the general meeting, which is the company's highest decision-making body. At a general meeting, each shareholder has the number of votes attached to the class of shares held by him/her.

Flat Capital has two classes of shares: A shares and B shares. Class A shares have a voting value of 10 times the voting value of Class B shares. At the date of the annual report, the company had 4,467,828 A-shares and 23,749,293 B-shares. That is a total of 28,217,121 shares in the company.

Board of Directors

According to Flat Capital's Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of ten members, including the Chairman of the Board. The Board currently consists of five ordinary members, three of whom are independent both from the company and its management and from the company's major shareholders. The company's Board of Directors is elected at the Annual General Meeting. The elected Board of Directors serves until the next annual general meeting. The company does not appoint special committees or committees for audit or remuneration matters; instead, the entire Board is involved in these matters.

The Board of Directors shall monitor the activities and actively support the company's development. The Board is composed of individuals with expertise and experience in business development, marketing, investment, finance and capital markets, among others.

Name	Role	Independence from largest owner	Independence from management
Sebastian Siemiatkowski	Chair	No	Yes
Amaury de Poret	Member	Yes	Yes
Dr. Marcelo Carvalho de Andrade	Member	Yes	Yes
Charlotte Runius	Member	Yes	Yes
Nina Siemiatkowski	Member	No	Yes

Proposals for the Board of Directors and auditors for the 2022 Annual General Meeting

Sebastian Siemiatkowski, Nina Siemiatkowski, Amaury de Poret, Charlotte Runius and Dr. Marcelo Carvalho de Andrade. It is proposed that Sebastian Siemiatkowski continue as Chairman of the Board.

Information on the Board members proposed for re-election is available on the company's website, www.flatcapital.com.

The Board of Directors has proposed the re-election of the registered audit firm Grant Thornton for the period ending after the next annual general meeting. If Grant Thornton is elected as auditor, Carl-Johan Regell, Certified Public Accountant, will be the auditor in charge.

Proposal for fees for the Board of Directors and the auditors

It is proposed that the Board fee remain unchanged at SEK 75,000 for the Chairman of the Board and per Board member per year.

It is proposed that the auditor's fee be paid on an ongoing basis according to the company-approved invoice.

Internal control

Based on governance documents decided by the Board, the CEO and management are responsible for designing, documenting, maintaining and testing the systems and processes needed to minimize risks in day-to-day operations and financial reporting.

In addition to policy documents, there are also delegation orders, process descriptions, checklists and employee mission

statements containing the employee's responsibilities and authorities, as well as standardized reporting procedures.

Information and communication

The annual report, financial statements, interim reports and other current information are prepared in accordance with Swedish law and practice.

Information must be transparent and reliable. In order to ensure that the external information to the stock market is correct, an information and insider policy is in place, which regulates how the information is to be provided. The ambition is to create understanding and confidence in the business among owners, investors, analysts and other stakeholders.

Flat Capital provides information to shareholders and other stakeholders through public press releases, year-end and interim reports, the annual report and the company's website. To enable Flat Capital's shareholders and stakeholders to follow the business and its development, up-to-date information is published on the company's website on an ongoing basis. Events deemed to have an impact on the share price are announced in press releases.

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The Board of Directors and the CEO of Flat Capital AB (publ) 556941-0110 are hereby authorized to present the Annual Report for the fiscal year 2021.

DIRECTORS' REPORT

The business in general

Flat Capital AB (publ) is an investment company that focuses on companies with prominent entrepreneurs in leading positions. The company was founded in 2013 by Nina Siemiatkowski and Sebastian Siemiatkowski, where Sebastian is co-founder and CEO of Klarna Holding AB.

Flat Capital creates shareholder value by investing in new companies in a structured way. At the same time, Flat Capital provides the public with exposure to unlisted companies that might otherwise be difficult to reach. An investment in Flat Capital can therefore be an opportunity for diversification of an individual's overall investment portfolio. The companies Flat Capital invests in are generally characterized by relatively high risk.

The company's portfolio consists of 16 companies as of December 31, 2021, of which the largest holdings are Klarna Holding AB, Budbee AB and True Software Scandinavia AB (Truecaller).

Flat Capital's objective is to maximize long-term returns to its shareholders through growth in the net asset value of its portfolio.

Business model & strategy

Flat Capital is an investment company that focuses on companies with prominent entrepreneurs in leading positions. The company provides long-term capital to entrepreneur-led companies that may otherwise rely on investors with a shorter time horizon. Flat Capital is essentially a passive minority shareholder, while the company's experience and network are available to the extent the entrepreneur wishes. Investments are made globally.

Flat Capital aims to have a well-balanced portfolio over time. New investment opportunities are analyzed on an ongoing basis, and existing portfolio companies can be supported in new financing rounds. Holdings may also be sold if, for example, a market listing is carried out. Flat Capital has the opportunity to invest in a variety of ways, ranging from being involved in creating new companies to investing in already listed companies. Each decision is made based on the assessment of what maximizes long-term shareholder value.

In future investment decisions, sustainability factors such as the environment, social responsibility and ethics will be important to the company.

Significant events in 2021

During the year, the company made a total of seven investments of a total value of SEK 54,179 thousand. In addition, the company has acquired 5,200 shares in Klarna Holding AB and 61,324 shares in Lyst Ltd through contribution of the holdings from a company controlled by Flat Capital's main owner. During the year, the holding in Depop Ltd. was also sold with a realized profit of SEK 9,241 thousand, corresponding to a return of 406 percent. In October, the company's portfolio company Truecaller was listed on Nasdaq Stockholm. On November 24th, the portfolio company Flow Commerce announced a takeover offer

from listed Global-e.

On October 18th, the company's shares were admitted to trading on Nasdaq First North, and the first day of trading was October 20th. The listing was preceded by a change of name from Rockwood AB to Flat Capital AB (publ) and the election of a new Board of Directors. In July, Hanna Wachtmeister was appointed CEO.

The company believes that Covid-19 did not have a negative impact on the company's operations in 2021 and will not have a negative impact in 2022.

Significant events after the reporting period

- On February 18, the Board of Directors decided to carry out a rights issue of approximately SEK 190 million. A total of 3,860,588 shares were subscribed, bringing the company approximately SEK 77.2 million. The company considers that the issue outcome was negatively affected by the Ukraine crisis, as the issue started on the same day that the invasion of Ukraine began.
- On March 3, the company invested SEK 19 million in Discord.
- The Ukraine crisis affects the financial markets, which negatively impacts Flat Capital. It may also complicate the valuation of the unlisted holdings, but is not expected to have an impact on the company's long-term value creation. The value of the company's only listed holding, Truecaller, has fallen by 43 percent since the balance sheet date.

Results

Changes in value of securities holdings during the year amounted to SEK 79,966 (34,115) thousand, including unrealized changes in value of SEK 70,735 (33,519) thousand. Operating profit amounted to SEK 74,530 (33,895) thousand. Profit for the year amounted to SEK 67,741 (33,764) thousand.

Cash flow and investments

Cash flow from operating activities during the year amounted to SEK -4,499 (-218) thousand. Cash flow from investing activities amounted to SEK -42,826 (647) thousand.

Cash flow from financing activities amounted to SEK 93,524 (1,049) thousand and consisted of cash flow from the new share issue in connection with the company's listing.

Liquidity and financing

As at December 31, 2021, the company's net cash amounted to SEK 47,678 (-6 513) thousand, of which interest-bearing liabilities amounted to SEK 0 (7,992) thousand.

Financial risks

Valuation risks

As of December 31, 2021, 79.9 percent of Flat Capital's total investment portfolio consisted of unlisted investments. Estimates of the fair value of unlisted portfolio companies are complex and are based on observable market data or, in the absence of such data, other valuation techniques at the time of valuation and assumptions about future developments, which may be incorrect and not be realized as expected. There is a risk that fair value estimates are inaccurate and that these values may change materially, which in turn would have a significant impact on Flat Capital's profit and financial position. For example, the ability to make accurate valuations may be adversely affected by outbreaks of pandemics or infectious diseases or health problems, such as Covid-19, and this may also result in significant changes in valuations and therefore in Flat Capital's results. In addition, the realized gain on an investment may differ materially from the

Liquidity risk

Liquidity risk refers to the risk that a company will not be able to meet its payment obligations. In the event that existing resources do not meet Flat Capital's requirements, Flat Capital may need to seek additional funding. The availability of additional funding depends on a number of factors, such as market conditions, the general availability of credit, the volume of business, the overall availability of credit to the financial services sector, and Flat Capital's creditworthiness and credit capacity.

Disruptions, uncertainty or volatility in the capital and credit markets may also limit Flat Capital's access to the capital necessary to conduct its business. Such market conditions may limit Flat Capital's ability to pay maturing debt in a timely manner, to generate fee income and market-related revenues to meet liquidity needs and to access the capital necessary to grow its business or to fund the operations of Flat Capital's portfolio companies, such as by participating in raising of capital. As a result, Flat Capital may be forced to defer raising of capital or be forced to bear an unattractive cost of capital, which may reduce Flat Capital's profitability and significantly reduce its financial flexibility. Furthermore, if Flat Capital is unable to participate in the capital raising of its portfolio companies, this may result in dilution, which in turn may have a negative impact on the value of Flat Capital's financial assets and income in the form of changes in the value of the company's securities holdings.

If any of the above risks materialize, it could have a substantial adverse effect on Flat Capital's liquidity, business and financial condition.

Credit risk

Credit risk is the risk that a counterparty to a transaction will cause a loss to the company by failing to perform its contractual obligations. Within Flat Capital's portfolio, credit risk may arise from long-term or short-term borrowings. As of December 31, 2021, Flat Capital had long-term loans receivable of SEK 58 thousand. For investments in loan receivables, there are no formal restrictions in relation to the creditworthiness of the counterparty. Flat Capital is also exposed to counterparty credit risk on cash and cash equivalents and deposits with banks and financial institutions. For investments in bank accounts, the company primarily uses major credit institutions for which there is relatively low credit risk. In addition, Flat Capital continuously monitors banks' credit ratings. If a counterparty is unable or unwilling to meet its obligations to Flat Capital, this could have a material adverse effect on Flat Capital's business, results of operations and financial condition.

Currency risk

Flat Capital has a global investment mandate and is therefore exposed to currency risk arising from various currency exposures, primarily in SEK, USD and GBP. The exchange rates of these and other operating currencies therefore affect, directly or indirectly, the value of investments and any profit distributions. Flat Capital's accounts are prepared in SEK, as this is the functional currency. If the USD/SEK exchange rate had fluctuated +/-10 percent, Flat Capital's restated earnings would, all else equal, have been approximately SEK 4,290 thousand higher/lower for the fiscal year 2021. Taken together, this means that fluctuations in exchange rates can affect the net holding of the portfolio in various ways that do not necessarily reflect real economic changes in the underlying assets. Changes in exchange rates may therefore have a material adverse effect on Flat Capital's foreign exchange differences, operations, financial position and results.

For a description of other risks, please refer to the company's latest prospectus published in February 2022 and available on the company's website, www.flatcapital.com

Group structure

Flat Capital AB (publ) has no subsidiaries or associated companies.

Staff

The company had a salaried CEO and a CFO on a consulting basis as of 12/31/2021. Beyond that, the company has no employees.

Multiannual overview

SEK thousand	2021	2020	2019	2018
Change in value of securities holdings	79,966	34,115	22,317	0
Results after financial items	74,424	33,764	22,041	-937
Equity ratio %	97.9	91.3	88	60.9

Proposal for profit appropriation

The following retained earnings will be appropriated by the annual general meeting:

Retained earnings	79,931,521
Shareholder contributions received	12,909,669
Share premium reserve	175,551,265
Total	336,133,180

The Board of Directors and the CEO propose that the retained earnings of 336,133,180 be carried forward to the next fiscal year.

Income statement

SEK thousand	Note	Full year 2021	Full year 2020
Operating income			
Change in value of securities holdings	2	79,966	34,115
Operating expenses			
Personnel costs	3	-561	0
Other external costs	4	-4,875	-220
Total operating expenses		-5,436	-220
Operating result		74,530	33,895
Result from financial items		-106	-131
Profit after financial items		74,424	33,764
Taxes	5	-6,684	0
Profit for the year		67,741	33,764
Earnings per share before dilution, SEK	6	4.35	3.38
Earnings per share after dilution, SEK	6	4.35	3.38
Number of shares outstanding at the end of the period		28,217,121	10,000,000
Average number of shares before dilution		15,556,136	10,000,000
Average number of shares after dilution		15,578,994	10,000,000

Balance sheet

SEK thousand	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in listed companies	7	59,745	0
Shares in unlisted companies	8	237,270	90,800
Other long-term receivables		58	0
		297,073	90,800
Total fixed assets		297,073	90,800
Current assets			
Short-term receivables			
Other receivables		0	803
Prepaid expenses and accrued income		2	0
		2	803
Cash and cash equivalents		47,678	1,479
Total current assets		47,680	2,282
TOTAL ASSETS		344,753	93,082

SEK thousand	Note	Dec 31, 2021	Dec 31, 2020
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		1,411	50
Total restricted equity		1,411	50
Non-restricted equity			
Share premium reserve		175,551	0
Accumulated profit		92,841	51,127
Profit for the year		67,741	33,764
Total non-restricted equity		336,133	84,891
Total equity		337,544	84,941
Provisions			
Deferred tax liabilities	5	6,684	0
Non-current liabilities			
Loans from shareholders		0	7,992
Current liabilities			
Trade payables		81	0
Other liabilities		42	0
Accrued expenses and deferred income		402	150
Total current liabilities		525	150
TOTAL EQUITY AND LIABILITIES		344,753	93,082

Change in company equity

SEK thousand	Share capital	Share premium reserve	Accumulated profit/loss	Profit/loss for the year	Total equity
Opening equity	50	0	51,127	33,764	84,941
Results					
Carryover of previous year's profit/loss			33,764	-33,764	0
Profit for the year				67,741	67,741
Transactions with shareholders					
Unconditional shareholder contributions			7,983		7,983
Fund issue	450		-450		0
Non-cash issue	411	82,945			83,356
Cash warrants			417		417
New share issue	500	99,550			100,050
Issuing costs		-6,944			-6,944
Closing equity	1,411	175,551	92,841	67,741	337,544

Cash flow statement

SEK thousand	Full year 2021	Full year 2020
Profit after financial items	74,424	33,764
Adjustments for items not included in cash flow	9	-33,929
Cash flow from changes in working capital	938	-53
Cash flow from operating activities	-4,499	-218
Investments in financial assets	-54,345	-805
Sale of financial assets	11,519	1,452
Cash flow from investing activities	-42,826	647
Borrowings	0	1,049
New share issue	100,468	0
Issuing costs	-6,944	0
Cash flow from financing activities	93,524	1,049
Cash flow for the year	46,199	1,477
Cash and cash equivalents at the beginning of the period	1,479	1
Cash and cash equivalents at the end of the period	47,678	1,479

Accounting policies and notes

Note 1 Accounting and valuation principles

General information

The annual report has been prepared in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Standards Council's general guidance BFNAR 2012:1 Annual accounts and consolidated accounts (K3).

Financial instruments

Shares in listed and unlisted companies

The company measures its holdings at fair value on an ongoing basis in accordance with 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

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 products, 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 portfolio companies, which means that additional valuation methods need to be used.

If there are no quoted prices in an active market, the company estimates fair value using various valuation techniques. 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 models that have been proven in the past to provide reliable estimates of prices.

If the fair value is based on recent transactions, this is done in consultation with the other valuation methods. If the company considers that there have been significant changes since the transaction was carried out, another method is used instead. 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.

The fair value of assets is restated at each reporting date. If the value of a holding is based on a recent transaction, the valuation is usually retained for 12 months, after which time the company switches to one of the other models. However, transaction-based values are adjusted at each reporting date if the company determines that the fair value has changed.

Flat Capital'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.

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 as the utilization of tax losses is uncertain, no tax claim is recorded.

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.

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

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 securities holdings

SEK thousand	2021	2020
Unrealized change in value of holdings	70,735	33,519
Gain/loss on disposal	9,232	596

Note 3 Personnel costs

Average number of employees

Since July 2021, the company has had one female employee. The average number of employees in 2021 was one.

Wages, salaries and social security costs

SEK thousand	2021	2020
Salaries and other remuneration of the CEO	249	0
Board fees	200	0
Social security costs	78	

Remuneration to the CEO has been paid at a fixed salary of SEK 65 thousand per month. No variable remuneration has been agreed.

Board fees amount to SEK 75 thousand per member.

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. Each warrant entitles the holder to subscribe for one new B-share in the company at a subscription price of SEK 25.00 during the period from October 20, 2026, to November 3, 2026.

The second incentive program is aimed at the CEO of the company and comprises 364,243 warrants. Each warrant entitles the holder to subscribe for one new B-share in the company at a subscription price of SEK 25.00 during the period from October 20, 2025, to November 3, 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.

Note 4 Other external costs

SEK thousand	2021	2020
Operating expenses	1,663	220
Costs related to the listing of the company's share	3,212	0
Total	4,875	220

Elected auditor fees

Audit assignment refers to the examination of the annual accounts and financial statements and the management of the Board of Directors and the Chief Executive Officer. The fees relate in full to Grant Thornton.

SEK thousand	2021	2020
Audit assignment	223	97
Other services	478	94
Total	701	191

Note 5 Taxes

SEK thousand	2021	2020
Profit before tax	74,424	33,764
Non-taxable income	-47,420	-34,115
Tax deficit	5,542	-75
Fiscal result	32,446	0
Tax, 20.6% (21.4%)	6,684	0

Note 6 Earnings per share

Earnings per share are calculated by dividing the net profit for the year by a weighted average number of shares outstanding. Diluted earnings per share are calculated by dividing the net profit for the year by the average of the number of shares outstanding during the year, adjusted for the dilutive effect of potential shares from outstanding warrants.

SEK thousand	2021	2020
Profit for the year	67,741	33,764
Weighted average number of shares outstanding	15,556,136	10,000,000
Earnings per share before dilution	4.35	3.38
Weighted average number of shares after dilution	15,578,994	10,000,000
Diluted earnings per share	4.35	3.38

Note 7 Shares in listed companies

Shares in listed companies relate entirely to True Software Scandinavia (Truecaller), which was listed on Nasdaq Stockholm on October 8th.

SEK thousand	12-31-2021	12-31-2020
Carrying amounts	0	0
Reclassification	11,496	0
Revaluation for the year	48,249	0
Carrying amount	59,745	0
Accumulated changes in value recognized in the income statement	59,144	0

Note 8 Shares in unlisted companies

SEK thousand	12-31-2021	12-31-2020
Carrying amounts	90,800	57,333
Reclassification	-11,496	0
Revaluation for the year	22,717	33,062
Investments	137,535	805
Sales	-2,287	-400
Carrying amount	237,270	90,800
Accumulated changes in value recognized in the income statement	98,302	77,480

Note 9 Adjustments for items not included in cash flow

SEK thousand	12-31-2021	12-31-2020
Unrealized changes in value	70,734	33,062
Unpaid interest expense	-105	-186
Gain on sale of fixed assets	9,232	1,052
Total	79,861	33,929

Stockholm, 04-04-2022

Sebastian Siemiatkowski
Chairman of the Board

Amaury de Poret
Board member

Dr. Marcelo Carvalho de Andrade
Board member

Our audit report was submitted 04-04-2022
Grant Thornton Sweden AB

Carl-Johan Regell
Certified Public Accountant

Note 10 Contingent liabilities

The Board has not identified any contingent liabilities.

Note 11 Collateral provided

The company has no collateral.

Note 12 Related party transactions

In early 2021, all shares in Upcomer AB were sold to the company's main shareholder, Sebastian Siemiatkowski. In June, an unconditional shareholder contribution of SEK 7,983 thousand was made through the conversion of a receivable.

During the third quarter, the company acquired shares in Klarna

Holding AB (publ) and Lyst Ltd. from the company's main shareholders.

The acquisitions were made through an issue in kind.

The transactions were carried out at market value.

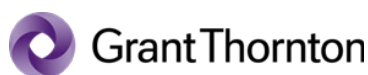
Note 13 Significant events after the balance sheet date

- On February 18, the Board of Directors decided to carry out a rights issue of approximately SEK 190 million. A total of 3,860,588 shares were subscribed, bringing the company approximately SEK 77.2 million. The company considers that the issue outcome was negatively affected by the Ukraine crisis, as the issue started on the same day that the invasion of Ukraine began.
- On March 3, the company invested SEK 19 million in Discord.
- The Ukraine crisis affects the financial markets, which negatively impacts Flat Capital. It may also complicate the valuation of the unlisted holdings, but is not expected to have an impact on the company's long-term value creation. The value of the company's only listed holding, Truecaller, has fallen by 43 percent since the balance sheet date.

Nina Siemiatkowski
Board member

Charlotte Runius
Board member

Hanna Wachtmeister
CEO



AUDIT REPORT

To the General Meeting of Flat Capital AB (publ)

Business reg. no. 556941-0110

Report on the annual report

Statements

We have audited the annual report of Flat Capital AB (publ) for the year 2021. The company's annual report is included on pages 16-24 of this document.

In our opinion, the financial statements have been prepared in accordance with the Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of Flat Capital AB (publ) as at December 31, 2021, and of its financial performance and its cash flows for the year in accordance with the Annual Accounts Act. The management report is consistent with the other parts of the annual report.

We therefore recommend that the General Meeting approve the income statement and the balance sheet.

Basis for statements

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are described in more detail in the section "Responsibilities of the Auditor." We are independent in relation to Flat Capital AB (publ) in accordance with Swedish generally accepted auditing standards and have otherwise fulfilled our professional responsibilities in accordance with those standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Information other than the annual report

This document also contains information other than the Annual Report and can be found on pages 1-15 and 27-29. It is the Board of Directors and the Chief Executive Officer who are responsible for this other information.

Our opinion on the financial statements does not cover this information, and we have not expressed an audit opinion on this other information.

In connection with our audit of the financial statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the financial statements. In performing our review, we also consider the other knowledge we have obtained during the audit and whether the information otherwise appears to be materially misstated.

If, based on the work performed on this information, we conclude that the other information contains a material misstatement, we are required to report it. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the CEO are responsible for the preparation and fair presentation of the annual accounts in accordance with the Swedish Annual Accounts Act. The Board of Directors and the Chief Executive Officer are also responsible

for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual report, the Board of Directors and the Chief Executive Officer are responsible for assessing the company's ability to continue as a going concern. They disclose, where applicable, conditions that may affect the ability to continue as a going concern and to use the going concern assumption. However, the going concern assumption does not apply if the Board of Directors and the Chief Executive Officer intend to liquidate the company, cease operations or have no realistic alternative to doing any of these things.

Responsibilities of the auditor

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement if one exists. Errors may arise from irregularities or mistakes and are considered material if, individually or in combination, they could reasonably be expected to influence the financial decisions that users make on the basis of the financial statements.

As part of an ISA audit, we use professional judgment and maintain a professional skeptical attitude throughout the audit. In addition:

- we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures, among other things, based on those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement due to an irregularity is higher than for a material misstatement due to error, as irregularities may include collusion, falsification, deliberate omissions, misrepresentation or breach of internal control.

- we get an understanding of the company's internal control relevant to our audit, to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- we evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.

- we draw a conclusion on the appropriateness of the Board of Directors' and the Executive Director's use of the going concern assumption in preparing the financial statements. We also conclude, based on the audit evidence obtained, whether there is any material uncertainty about events or conditions that may cast significant doubt upon the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we must draw attention in the auditor's report to the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, modify the opinion on the financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may make it impossible for a

- we evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present fairly the underlying transactions and events.

We must inform the Board of Directors of the planned scope and focus of the audit and its timing. We must also disclose significant observations made during the audit, including any significant deficiencies in internal control that we have identified.

Report on other legal and regulatory requirements statutes

Statements

In addition to our audit of the financial statements, we have also audited the management of Flat Capital AB (publ) for the year 2021 by the Board of Directors and the Managing Director, and the proposed appropriation of the company's profit or loss.

We recommend that the Annual General Meeting approve the appropriation of profits as proposed in the Directors' Report and discharge the Directors and the Chief Executive Officer from liability for the fiscal year.

Basis for the statement

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities are described in more detail in the section "Responsibilities of the Auditor."

We are independent in relation to Flat Capital AB (publ) in accordance with Swedish generally accepted auditing standards and have otherwise fulfilled our professional responsibilities in accordance with those standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for proposing the appropriation of the company's profit or loss. For dividend proposals, this includes an assessment of whether the dividend is justified in view of the requirements that the type, scope and risks of the company's business place on the size of the company's equity, consolidation needs, liquidity and position.

The Board of Directors is responsible for the organization of the company and the management of its affairs. This includes, among other things, assessing the company's financial situation on an ongoing basis and ensuring that the company's organization is designed to provide adequate control over accounting, cash management and the company's financial

affairs in general. The CEO shall carry out the day-to-day management in accordance with the guidelines and instructions of the Board of Directors and shall take the measures necessary to ensure that the company's accounts are kept in accordance with the law and that the funds are managed in a satisfactory manner.

Responsibilities of the auditor

Our objective in relation to the audit of the management, and hence our opinion on the discharge from liability, is to obtain audit evidence to provide a reasonable level of assurance as to whether any Director or the Chief Executive Officer has in a material way:

- taken any action or committed any omission that could give rise to a liability to pay compensation to the company; or

- otherwise acted in breach of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective in auditing the proposed appropriation of the company's profit or loss, and hence our opinion thereon, is to obtain reasonable assurance about whether the proposed appropriation of the company's profit or loss is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but no guarantee that an audit performed in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that may give rise to a liability for damages against the company, or that a proposed disposition of the company's profit or loss is not in accordance with the Swedish Companies Act.

As part of an audit in accordance with good auditing practice in Sweden, we use professional judgment and maintain a professionally skeptical attitude throughout the audit. The audit of the management and the proposal for the appropriation of the company's profit or loss is based primarily on the audit of the accounts. The additional audit procedures performed are based on our professional judgement based on risk and materiality. This means that we focus the review on those actions, areas and conditions that are material to the business and where deviations and breaches would have a particular impact on the company's situation. We review and examine the decisions taken, the decision-making documents, the actions taken and other matters relevant to our discharge opinion. As a basis for our opinion on the Board of Directors' proposal for the appropriation of the company's profit or loss, we have examined whether the proposal is in accordance with the Swedish Companies Act.

Stockholm, 2022

The stock

At the end of the fiscal year, the share capital amounted to SEK 1,411 (50) thousand.

The company's shares have been listed on the Nasdaq First North Growth Market since October 20, 2021. The issue price was SEK 10 per share. The share price on December 30, 2021, was SEK 31.26.

The company has two outstanding incentive plans. One for directors Amaury de Poret, Marcelo Carvalho de Andrade and Charlotte Runius, comprising a total of 273,183 warrants. Each warrant entitles the holder to subscribe for one new B-share in the company at a subscription price of SEK 25.00 during the period from October 20, 2026, to November 3, 2026.

The second incentive program is aimed at the CEO of the

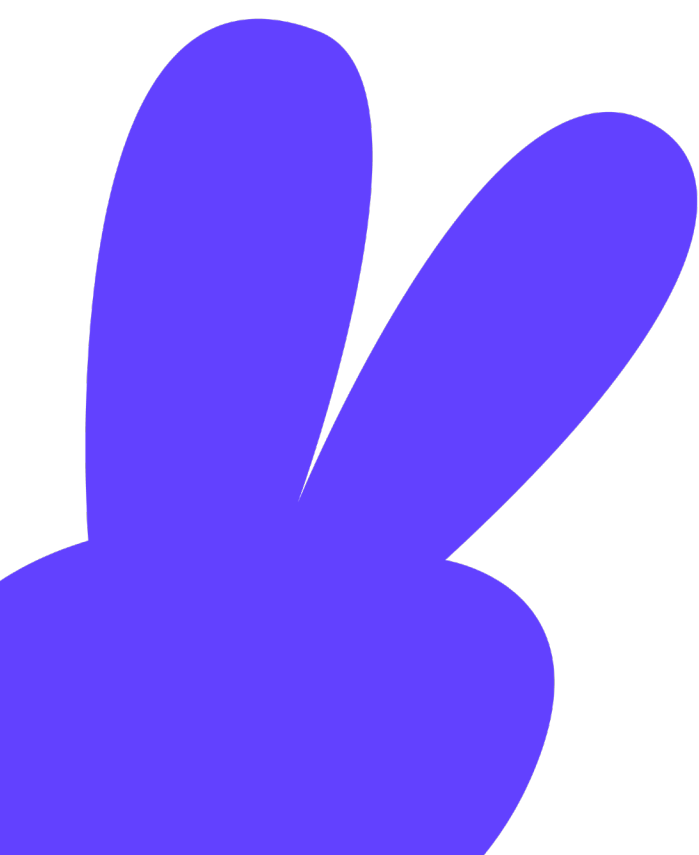
company and comprises 364,243 warrants. Each warrant entitles the holder to subscribe for one new B-share in the company at a subscription price of SEK 25.00 during the period from October 20, 2025, to November 3, 2025.

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.

Shareholders as at 12-31-2021

Shareholders	Number of A shares	Number of B shares	Capital (%)	Votes (%)
Sebastian Siemiatkowski	4,467,828	-	15.8	65.3
Double Sunday IV AB*	-	8,212,121	29.1	12.0
Nina Siemiatkowski	-	4,750,000	16.8	6.9
Försäkringsaktiebolaget Avanza Pension		832,929	3.0	1.2
Amaury de Poret		650,000	2.3	0.9
Nordnet Pensionsförsäkring AB		599,455	2.1	0.9
LC Viared 2 AB		400,000	1.4	0.6
Cicero Fonder AB		390,932	1.4	0.6
WRLD Foundation		282,172	1.0	0.4
Aktiespararna Småbolag Edge		220,000	0.8	0.3
Other shareholders	-	7,411,684	26.3	10.8
Total	4,467,828	23,749,293	100.0	100.0

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



2022 Annual General Meeting

The shareholders of Flat Capital AB (publ) (the "company"), with registration number 556941-0110, are hereby invited to attend the Annual General Meeting on Monday, May 9, 2022, at 11:00 am – 12:30 pm at Advokatfirman Vinge Smålandsgatan 20, 111 46 Stockholm, Sweden. The Board of Directors has decided that shareholders may also exercise their voting rights at the Annual General Meeting by mail-in ballot.

The information on the decisions taken at the meeting will be published on Monday, May 9, 2022, as soon as the results of the voting have been finalized.

Shareholders and stakeholders are also invited to attend the investor meeting in connection with the AGM and listen to the views of the CEO and Chairman on the future of Flat Capital. There will also be an opportunity to ask questions during the meeting. The Investor Day meeting can also be followed online via the company's website, www.flatcapital.com, but without the possibility to ask questions. More information will be announced separately in a press release.

Registration

Participation in the conference room

Shareholders who wish to attend the meeting in person or by proxy must:

- (i) be included in the printout of the share register made by Euroclear Sweden AB on Monday May 2, 2022,
- (ii) register and, if applicable, state the number of assistants the shareholder wishes to bring, no later than Friday, May 6, 2022.

Notification of participation should be made via **bolagsstamma@flatcapital.com**. The notification should state the name, national identification number or business registration number, address, telephone number (daytime), number of shares and, if applicable, the number of assistants you wish to bring along.

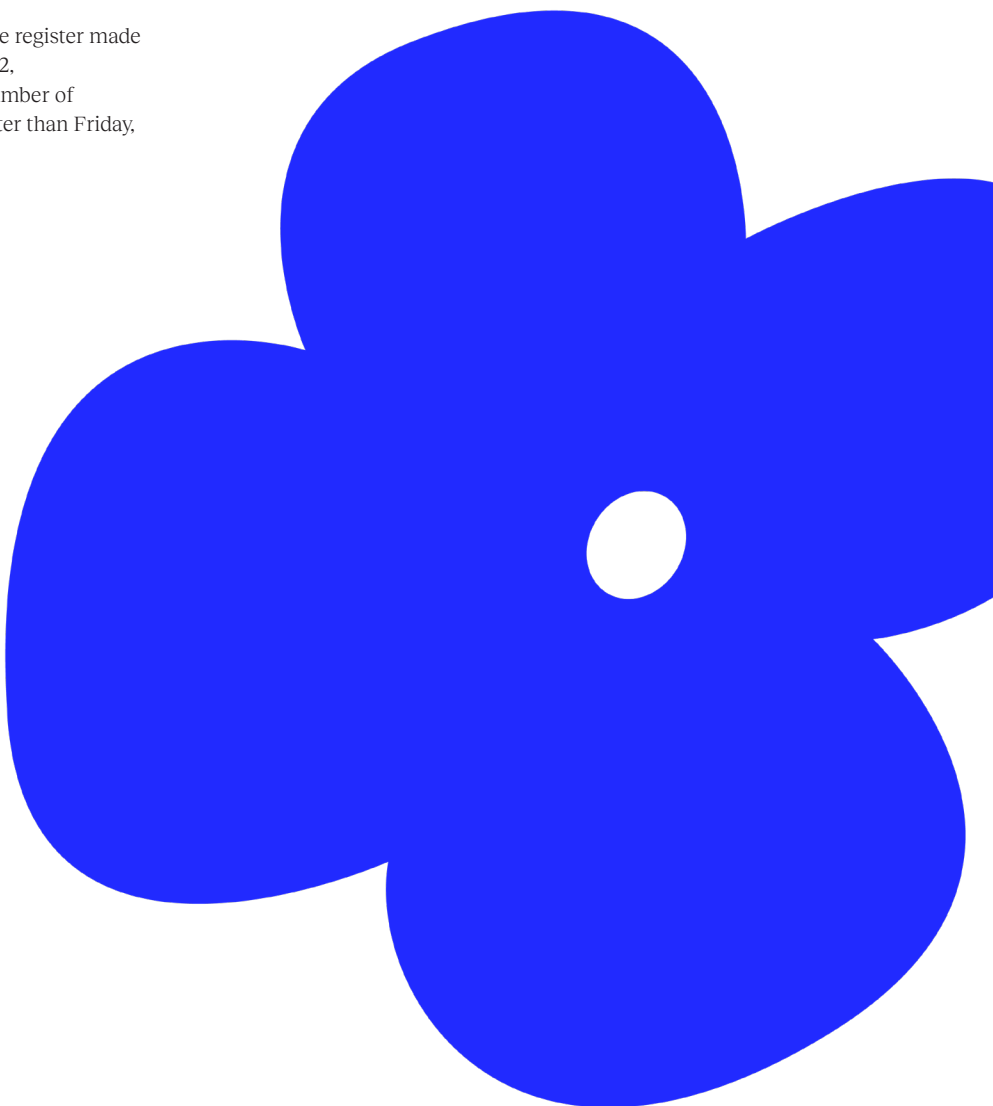
Participation by mail

A special form will be used for the mail-in vote which, together with further instructions for mail-in voting, will be available on the company's website www.flatcapital.com, as of Monday, April 11, 2022.

Shareholders voting by proxy must submit a dated and signed proxy attached to the mail-in voting form, together with the certificate of registration or other authorization for owners who are legal entities.

Proxy forms are available on the company's website, www.flatcapital.com, and sent by mail to shareholders who request it and provide their mailing address.

The completed form must be received by the company no later than Friday, May 6, 2022, by e-mail to **bolagsstamma@flatcapital.com**.





Contact details:

Malmskillnadsgatan 32, c/o WeWork, 111 51 Stockholm,
Sweden
+46 (0) 8 650 17 77
hello@flatcapital.com

