



Flat Capital AB (publ)

Year-end report

2022



Financial information

KSEK	Dec 31 2022	Dec 31 2021	Sep 30 2022	Sep 30 2021
Net Asset Value (NAV)	346 774	337 544	361 316	196 405
- of which Listed holdings	20 871	59 745	24 813	0
- of which Unlisted holdings	250 659	237 270	259 010	193 927
- of which Net cash	76 159	47 678	77 539	5 526
- of which Other net assets/-liabilites	-915	-7 148	-46	-3 049
Net Asset Value (NAV) per share, SEK	10.81	11.96	11.26	10.78
- of which Net cash per share, SEK	2.37	1.69	2.42	0.30

KSEK	Q4 2022	Q4 2021	FY 2022	FY 2021
Operating expenses	-1 671	-1 122	-5 389	-5 436
- of which listing costs	0	-112	0	-3 212
- of which operational costs	-1 671	-1 009	-5 389	-2 224
Profit for the year	-14 542	47 617	-64 648	67 741
Change in value of financial assets	-12 324	55 422	-66 235	79 966
- of which realized	0	0	24 160	9 231
Investments	31	47 665	54 347	137 535
Divestments	0	0	13 597	11 519
Operating expenses in relation to average NAV	0.47%	0.38%	1.55%	1.05%



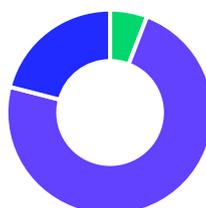
NAV
as of 2022-12-31



- Top 3 holdings¹ 2022-12-31, 57%
- Other holdings, 21%
- Net cash and other net assets/-liabilites, 22%



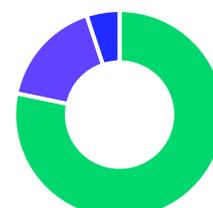
NAV per share
as of 2022-12-31



- Listed holdings, 6%
- Unlisted holdings, 72%
- Net cash and other net assets/-liabilites, 22%



Change in NAV
per share Q4/Q3



- Holdings in SEK, 78%
- Holdings in USD, 17%
- Other currencies, 5%

¹Top 3 holdings includes: Instabee, Truecaller and Klarna.

The period October - December

- The period was characterized by continued turmoil in the global economy where the investment climate for unlisted growth companies remained in negative territory, a result of, among other things, an increased focus on current profitability.
- Change in value of financial assets amounted to -12 324 KSEK (55 422). Changes in value include exchange rate effects of +5 253 KSEK. (For a specification of the calculation of change in value of financial assets see Note 2).
- Investments during the period amounted to 31 KSEK (47 665).
- Operating expenses for the period amounted to 1 671 KSEK (1 121) equivalent to 0.47% of the average NAV during the period. Out of the total operating expenses, personnel costs amounted to 822 KSEK (472).
- Operating profit amounted to -13 995 KSEK (54 300). The operating profit includes unrealized changes in value of -12 324 KSEK (55 422).
- Profit after tax amounted to -14 542 KSEK (47 617).
- Earnings per share amounted to -0.45 SEK (1.87).

The period January - December

- Investments during the period amounted to 54 347 KSEK (137 535).
- Change in value of financial assets amounted to -66 235 KSEK (79 966). Changes in value include exchange rate effects of +5 253 KSEK. (For a specification of the calculation of the change in value of financial assets see Note 2).
- Operating expenses for the period amounted to 5 389 KSEK (5 436) corresponding to 1.55% of average NAV during the period. Out of the total operating expenses, personnel costs amounted to 2 162 KSEK (561).
- Operating profit amounted to -71 624 KSEK (74 530). The operating profit includes unrealized changes in value of -90 395 KSEK (70 735) and realized value changes of 24 160 KSEK (9 232).
- Profit after tax amounted to -64 648 KSEK (67 741).
- Earnings per share amounted to -2.08 SEK (4.35).

Investments during the reporting period

- During the period, the company made an additional investment in the portfolio company Steven of 31 KSEK
- No other investments were made.

Other significant events during the period

- On 11 November, Antonio Melani was appointed as the company's new CFO.
- On 22 December, Board member Nina Siemiatkowski announced that she would leave the Board at the end of 2022.

Significant events after the end of the period

- On 3 February, Flat announced an investment of approx. 5.4 MSEK in DeepL, a German-based AI company that aims to eliminate language barriers worldwide through the use of artificial intelligence.

Summary of the year 2022:

Q1:

- In a turbulent market, Flat raised approx. 77 MSEK through a rights issue.
- Flat invested in two new portfolio companies; approx. 19 MSEK in Getir and approx. 19 MSEK in Discord.
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Q2:

- Budbee closed a capital round in May, which for Flat meant that Flat revalued its holding in Budbee by approx. 95 MSEK (approx. +140%). Flat also participated in the capital round with approx. 5 MSEK.
- Klarna was revalued in a new capital round in June, which for Flat meant a change in value in Klarna equivalent to approx. -80 MSEK (approx. -84%). Flat also participated in the capital round with approx. 2 MSEK.
- In addition to Budbee and Klarna, three further investments were made; approx. 2 MSEK in the existing holding CDLP, and in two new portfolio companies; approx. 1 MSEK in Quartr and approx. 5 MSEK in Remote.
- To reflect the rapidly changing market environment, Flat also chose to make a write-down of the holdings that had not raised capital during Q2 by -30%, equivalent to approx. -26 MSEK.

Q3:

- Adobe announced a takeover bid for Figma, the bid represented an indicative valuation of Flat's holding of approx. +4.5 MSEK (approx. +100%).
- Budbee announced its intention to merge with Instabox to create Instabee, which for Flat implied an indicative value adjustment of approx. 37.5 MSEK (approx. +22%). However, the value changes were not reflected as the processes were subject to shareholder and competition authority approval.

Q4:

- Getir acquired its main European competitor Gorillas, thereby strengthening its leading position.
- When Flat looks back at the general market trend and how comparable listed companies performed during H2-2022 and for the full year 2022, the need for an additional market adjustment of -20% on certain holdings was assessed. This adjustment is applied on the one hand to those holdings that raised capital in Q2 (and thus were not adjusted in H1-2022) and on the other to those holdings whose comparable listed companies and relevant indices are deemed to exceed the previous change in value of -30% that was applied in H1-2022.
- The change in value from the market adjustment in Q4 is approx. -48 MSEK. The change in value of -20% also includes Flat's holding in Instabee (formerly Budbee), and is applied to the underlying valuation set at the time of the merger between Budbee and Instabox in Q4.

Summary of Flat's value changes from market adjustment in full year 2022:

- Total market adjustment for the full year 2022 implies a writedown of approx. -68 MSEK (equivalent to approx. -21% of Flat's portfolio of unlisted holdings). This does not include company-specific changes in value, and if you include, for example, Klarna's write-down of approx. -80 MSEK in connection with their capital round in May 2022, this means a total downward adjustment of -148 MSEK, equivalent to approx. -37% of Flat's portfolio of unlisted holdings.

CEO's comments

Dear shareholders and all other interested readers,

New Year's resolutions have a tendency to be broken and bring lower self-esteem rather than self-fulfillment, so I stick mainly to strategic goals. However, I am a strong supporter of honest reflection and setting clear goals, something I spent the first few weeks after the New Year doing. 2022 was undoubtedly a year that demanded a lot from all of us, as we were confronted with a new, more troublesome reality. A reality where, as a result of macroeconomic and geopolitical factors, investors clearly shifted their focus from rewarding future growth to current profitability.

Although 2022 brought a series of positive company-specific news, we are not unaffected by what is happening in the world and in the capital markets. Our primary task in reporting is to value our holdings and reflect a so-called fair value, resulting in an aggregate net asset value. As a result of being a passive investor in our portfolio companies, this generally means limited insight into our portfolio companies, and we therefore keep our valuation methodology pragmatic. This means that we primarily reflect valuations after recent capital rounds, but in particularly negative circumstances it is important to also consider external factors. 2022 was one such special year with extreme movements. In H1-2022, we therefore decided to adjust down those holdings that had not raised capital in Q2-2022, of which these holdings were adjusted down by -30% in line with market developments.

Looking back on the second half of 2022, we have analyzed our holdings in relation to the market environment and found continued negative development for some of these holdings. As a result, we have chosen to adjust down the underlying values of those holdings that we did not previously adjust in H1-2022 by -20%, and some holdings by a further -20%, where we clearly saw that comparable listed companies have continued to perform negatively. This results in a total market adjustment of approx. -68 MSEK for full year 2022. This does not include company-specific changes in value, such as Klar-na's write-down of approx. -80 MSEK in connection with their capital raising in Q2-2022.

Overall, our Net Asset Value (NAV) for the quarter is SEK 347 million or SEK 10.81 per share. The NAV-development per share since the beginning of the year is thus down about 9.6%, or 4.0% for the quarter. The development should be seen in light of the fact that there were a lot of activities in the portfolio companies during the year, both positive and negative (see summary on page 3).

So to some reflections on 2022. Here are three insights that have crystallized for me over the past year:

Make things happen!

Building great companies takes time - usually years - which means having to deal with several tough situations to succeed over time. At the same time, reality can change very quickly, and it is undeniably important to be agile and responsive to the new situation. Most likely, transition also means an opportunity to evolve, and to create an even stronger position. I have great respect and admiration for all the entrepreneurs and

companies that demonstrated these abilities in 2022. For us on the investor side, the new investment climate means huge opportunities to identify these entrepreneurs and companies and thus be able to make attractive investments going forward.

The importance of long-term capital

The importance of having shareholders with a long-term perspective and the ability to provide support in both ups and downs is clearer than ever. This does not come naturally, but very much depends on the ability of founders to attract the right owners and build trust with them over time. Our belief that value creation is built over time as long as you develop remains - perhaps even more so in bad times. Here, too, there are opportunities for Flat to act, for example by investing in existing portfolio holdings at lower valuations.

Access to dealflow is everything

Access to the best investment opportunities and dealflow is key. We are far from alone in recognizing that the new investment climate also provides opportunities. However, with a changing valuation environment, capital rounds are generally smaller in both size and scope and therefore harder to access. It is thus particularly clear that a strong network is critical to get access to attractive investment opportunities. Here I would argue that Flat remains in a strong, if not unique, position.

The reflections on company building are largely inspired by how brilliantly the dedicated entrepreneurs and founders of the portfolio companies performed in 2022. Together with their teams, they continue to develop companies in leading positions that are also exposed to structurally growing markets. Other positives include the fact that, through their choices, they have built strong trust with their shareholders, who generally have deep pockets and a long-term perspective. In addition, the vast majority of our holdings have money at the bank and thus a long runway, with the potential to take them to profitability, which of course bodes well.

At year-end, we have cash equal to 22% of net asset value, which we intend to invest in both new and existing holdings. The new market situation offers opportunities for those who can, and our ambition is to take advantage of this. We also aim to grow with our existing, and potentially new, shareholders over time on this long-term journey. We are closely following our network of leading VC players and what they are engaged in these days, and of course I - like most people - am extremely fascinated by AI and what it might mean for humanity going forward. Not only have we been able to try out various AI services, saving us both time and money - we have also been able to invest in the AI company DeepL, an AI-translation service that we have been using almost daily for some time (as in this report, for example). I believe and hope that we will uncover more interesting investment opportunities within the AI field in the future.

This is ultimately a long-term journey that has only just begun, and I look forward to sharing more news and developments in 2023. We firmly believe in long-term investment through our network, and continue to learn in a spirit of curiosity. After all, our promise to our shareholders, no matter what day of the year, is to keep doing what we believe in order to create maximum return over the long term.

// Hanna

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 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 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 unique 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-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 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, Flat's 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.



Unlisted growth stage companies

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



Passive minority-owner

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



Global investments

Flat Capital invests globally.

Our holdings

Company name	Short description of the company	Initial investment (yr)	Webpage
Instabee	Technology company with logistics solution	2013	
truecaller	Platform for telephony services	2013	
Klarna.	Global bank, payment and shopping solutions	2021	
CDLP	Fashion house based on innovative materials	2018	
Discord	VoIP and instant messaging social platform	2022	
Figma	Interactive design platform	2021	
Global e	Cross border e-commerce solutions	2015	
getir	Tech and hyper-fast delivery company	2022	
kry	Physical and digital healthcare provider	2021	
LoveLocal	Digital grocery shopping in India	2021	
LYST	Global fashion search platform	2021	
Nylas	Software for productivity infrastructure	2021	
omio	Travel planning platform	2015	
PANGAIA	Material science fashion company	2021	Pangaia.com
Prion	Platform for preschool activities	2016	Prionapp.com
Quartr	Digital platform for IR-solutions	2022	Quartr.com
remote	Global payroll, HR and compliance solution	2022	
steven	Shared economy platform	2017	
TrueAccord	Debt management platform for consumers	2019	
uniplaces	Platform for booking accommodation	2015	

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 and 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

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

Klarna.

Since 2005, Klarna has been working to revolutionize the banking industry. With more than 150 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 450,000 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

CDLP

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

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

CEO & Co-founder: Andreas Palm

Headquarters: Stockholm, Sweden

More info: cdlp.com

Brief description of our holdings (2/5)



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 och Co-founder: Jason Citron

Headquarters: San Fransisco, U.S.

More info: 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



Global-e envisions a world where international e-commerce growth is both simple and profitable for retailers. By making selling globally as simple as selling locally, Global-e seeks to create a borderless e-commerce world, connecting shoppers and brands all over the world.

Global-e paves the way for brands to expand globally with simplicity, breaking through the cross-border barriers that prevent international shoppers from purchasing, enabling retailers to sell to and from anywhere in the world, and global consumers to buy online seamlessly. Global-e is headquartered in Israel, but since 2021 is listed on Nasdaq (USA) under the ticker "GLBE".

CEO & Co-founder: Amir Schlachet

Headquarters: London, U.K.

More info: www.global-e.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

Brief description of our holdings (3/5)

kry

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

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

CEO & Co-founder: Johannes Schildt

Headquarters: Stockholm, Sweden

More info www.kry.se

LYST

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



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

More info: www.lovelocal.in



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

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



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



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



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

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



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

More info: www.getsteven.com



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

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

CEO & Co-founder: Ohad Samet

Headquarters: San Fransisco, U.S.

More info: www.trueaccord.com



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

Group structure

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

Number of employees as of 2022-12-31

The company has two employees, a CEO and a CFO.

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 reinvested. The company seeks steadily increasing dividends over time.

For 2022, the Board proposes that no dividend is to be paid.

The Share

At the end of the financial year, the share capital amounted to 1 604 KSEK (1 411).

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 30 December 2022 was SEK 9.4.

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.

Shareholders as of 2022-12-31

Shareholders	# of A-shares	# of B-shares	Capital (%)	Votes (%)
Sebastian Siemiatkowski	4 429 222	-	13.8	61.6
Double Sunday IV AB*	-	8 212 121	25.6	11.4
Nina Siemiatkowski	-	4 750 000	14.8	6.6
Försäkringsaktiebolaget Avanza Pension	-	1 295 496	4.0	1.8
Cicero Fonder AB	-	895 304	2.8	1.2
Nordnet Pensionsförsäkring	-	877 038	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	-	9 782 750	30.5	13.6
Total	4 429 222	27 648 487	100.0	100.0

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

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 material related party transactions during the period, except for salaries and remuneration of management and board members.

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 2021 Annual Report. That description remains relevant.

Upcoming reporting dates

Annual report	2023-03-31
Interim report Jan-Mar	2023-04-28
Annual General Meeting	2023-05-04
Interim report Apr-Jun	2023-07-14
Interim report Jul-Sep	2023-10-25
Year-end report	2024-02-15

Annual General Meeting

Flat Capital AB's Annual General Meeting will be held 4 May 2023 in Stockholm.

The annual report will be available on the company's website, www.flatcapital.com, no later than 31 March 2023.

Audit

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

Certified Adviser

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

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.

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	Note	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Operating income					
Change in value of financial assets	1-2	-12 324	55 422	-66 235	79 966
Operating expenses					
Personnel costs	3	-822	-472	-2 162	-561
Other external costs	4	-848	-650	-3 225	-4 875
Depreciation		-1	0	-2	0
Total operating expenses		-1 671	-1 122	-5 389	-5 436
Operating profit		-13 995	54 300	-71 624	74 530
Profit from financial items	5	-547	0	292	-106
Profit after financial items		-14 542	54 300	-71 332	74 424
Taxes		0	-6 684	6 684	-6 684
Profit for the period		-14 542	47 617	-64 648	67 741
Earnings per share before dilution, SEK		-0.45	1.87	-2.08	4.35
Earnings per share after dilution, SEK		-0.45	1.87	-2.08	4.35
# of shares outstanding at the end of the period		32 077 709	28 217 121	32 077 709	28 217 121
Average number of shares before dilution		32 077 709	25 437 954	31 125 930	15 556 136
Average number of shares after dilution		32 077 709	25 530 145	31 125 930	15 578 994

Balance sheet

KSEK	Dec 31 2022	Dec 31 2021
ASSETS		
Fixed assets		
Inventory and tools	18	0
Financial fixed assets		
Shares in listed companies	20 871	59 745
Shares in unlisted companies	250 659	237 270
Other long-term receivables	0	58
	271 530	297 073
Total fixed assets	271 548	297 073
Current assets		
Short-term receivables		
Prepaid expenses and accrued income	111	2
	111	2
Cash and cash equivalents	76 159	47 678
Total current assets	76 270	47 680
TOTAL ASSETS	347 818	344 753
KSEK	Dec 31 2022	Dec 31 2021
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	1 604	1 411
Total restricted equity	1 604	1 411
Non-restricted equity		
Share premium reserve	249 236	175 551
Accumulated profit	160 582	92 841
Profit for the period	-64 648	67 741
Total non-restricted equity	345 170	336 133
Total equity	346 774	337 544
Provisions		
Deferred tax liabilities	0	6 684
Current liabilities		
Trade payables	66	81
Other liabilities	93	42
Accrued expenses and deferred income	886	402
Total current liabilities	1 044	525
TOTAL EQUITY AND LIABILITIES	347 818	344 753

Change in company equity

KSEK	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Opening equity	361 316	196 405	337 544	84 941
Profit for the period	-14 542	47 616	-64 648	67 741
Transactions with shareholders				
Unconditional shareholder contributions	0	0	0	7 983
New share issue	0	100 467	77 212	183 823
Issuing costs	0	-6 944	-3 334	-6 944
Closing equity	346 774	337 544	346 774	337 544

Cash flow statement

KSEK	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Profit after financial items	-14 542	54 299	-71 332	74 424
Adjustments for items not included in cash flow	12 321	-55 422	66 233	-79 861
Cash flow from changes in working capital	871	-2 584	470	938
Cash flow from operating activities	-1349	-3706	-4 628	-4 499
Investments in financial assets	-31	-47 665	-54 347	-54 345
Divestments of financial assets	0	0	13 597	11 519
Investments in fixed assets	0	0	-19	0
Cash flow from investing activities	-31	-47 665	-40 769	-42 826
New share issue	0	100 468	77 212	100 468
Issuing costs	0	-6 944	-3 334	-6 944
Cash flow from financing activities	0	93 524	73 878	93 524
Cash flow for the period	-1380	42 152	28 481	46 199
Cash and cash equivalents at the beginning of the period	77 539	5 526	47 678	1 479
Cash and cash equivalents at the end of the period	76 159	47 678	76 159	47 678

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 ÅRL. The interim report has been prepared in accordance with the accounting principles applied in the Annual Report 2021.

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 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.

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 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.

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.

Note: Up until 2022-12-31, changes in exchange rates were only adjusted on an annual basis and reported in the year-end report.

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.

Not 2 Change in value of financial assets

KSEK	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Unrealized changes in value				
Change in value Instabee (Budbee) incl. market adjustment	-2 936	-6	91 669	-6
- of which change in value excl. market adjustment	+37 977	0	+132 582	-6
- of value change from market adjustment	-40 913	0	-40 913	0
Change in value Klarna	0	2 855	-80 046	2 891
Change in value Truecaller	-2 541	32 445	-42 545	48 249
Change in value from market adjustment, Other holdings	-6 935	0	-27 096	0
Change in value Other holdings, incl. FX	88	20 128	-32 377	19 599
	-12 324	55 422	-90 395	70 735
Realized changes in value				
Flow Commerce	0	0	24 160	0
Depop Limited	0	0	0	9 232
Total	-12 324	55 422	-66 235	79 966

As of 2022-12-31, a market adjustment has been applied to the unlisted holdings that have not been adjusted during H1-2022, as a result of raising capital. However, the assessment is that the market environment has remained challenging in the second half of 2022 and therefore an additional discount has been applied to those companies, as well as those companies that were assessed comparable listed companies have continued to experience poor share price performance. In order to estimate fair value, a number of factors have been analyzed, of which the weighted share price performance of comparable listed companies in the second half of 2022 and relevant indices have been the main basis for the adjustment. As a passive investor, transparency into our portfolio companies is limited and therefore these assumptions are considered appropriate. The change in value of Instabee (Budbee) in Q4 of SEK -2.9 million relates to the net revaluation in connection with the merger with Instabox (SEK 38 million) and impairment due to market adjustment of -20% (SEK -41 million).

Note: Other changes in value include exchange rate effects (FX) of SEK +5,253 thousand.

Note 3 Personnel costs

KSEK	Q4 2022	Q4 2021	Helår 2022	Helår 2021
Salaries and other remuneration of the CEO	351	272	1 342	361
Board fees	275	200	469	200
Other personnel	196	0	351	0
Total	822	472	2 162	561

Note 4 Other external expenses

Other external expenses for 2022 amounts to 3 225 KSEK (4 875), of which 1 395 KSEK (2 761) is related to direct costs of being listed and legal costs.

Note 5 Result from financial items

Result from financial items refers to exchange rate changes on the company's USD currency account and interest income.

Note 6 Number of shares outstanding

Total number of shares outstanding amounts to 32 077 709 as of 2022-12-31.

Note 7 Significant events after the reporting period

On 3 February, Flat announced an investment of approx. SEK 5.4 million in DeepL, a German-based AI company that aims to eliminate language barriers worldwide through the use of artificial intelligence. The transaction is not expected to have a significant direct effect on Flat Capital's Net asset value ("NAV") compared to the reported NAV as of 31 December 2022.

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.

FLAT

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