

FLAT

Investor teaser

IPO on **Nasdaq First
North Growth Market**

Flat Capital AB (publ)



An EU Growth prospectus (**the "Prospectus"**) has been prepared in connection with the offer to subscribe for B-shares in Flat Capital AB (publ) (**the "Company" or "Flat Capital"**) (**the "Offering"**). The prospectus can be obtained at www.flatcapital.com and has been approved by the Swedish Financial Supervisory Authority (Finansinspektionen). The approval by the Swedish Financial Supervisory Authority must not be construed as an approval of the offered shares. The prospectus contains a description of risks associated with an investment in the Company and potential investors are advised to read the prospectus in its entirety before making an investment decision.

Please note that any decision to invest in Flat Capital shall be based on the prospectus in its entirety. The Board of Directors of Flat Capital has prepared the Prospectus in connection with the Offering and the forthcoming listing on the Nasdaq First North Growth Market. Augment Partners AB is financial advisor and Certified Adviser in connection with the Offering. The prospectus is also available at offers.augment.se.

The prospectus contains i.a. a presentation of Flat Capital, the Offering and the risks associated with an investment in Flat Capital and participation in the Offering. This investor teaser is not intended to replace the Prospectus as a basis for decisions to subscribe for shares in Flat Capital and does not constitute a recommendation to subscribe for shares in Flat Capital. Investors who want to, or are considering investing in Flat Capital are encouraged to read the Prospectus.

Investment company focusing on outstanding entrepreneurs

Introduction to Flat Capital

Business model and strategy

Flat Capital was founded in 2013 by Nina and Sebastian Siemiatkowski. Sebastian is co-founder and CEO of Klarna. Flat Capital is an investment firm that focuses on businesses with outstanding entrepreneurs in leading positions. The portfolio consists of thirteen (13) companies where the largest holdings are Klarna, Budbee and Truecaller.

Flat Capital wants to contribute with long-term capital to entrepreneur-led companies that are otherwise dependent on investors with a short-term horizon. Flat Capital is primarily a passive minority owner, the Company's experience and network are available to the extent of the entrepreneur's needs. The investments are made globally, but a large part of the current portfolio consists of Nordic companies given its natural proximity.

Flat Capital aims to achieve a well-balanced portfolio over time. New investment opportunities are analysed conti-

nuously 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 make several different types of investments; from founding new ventures, to investing in already listed companies. Each decision is made based upon maximizing long-term shareholder value. Sustainability factors such as environment, social responsibility and ethics are important aspects when assessing future investments opportunities.

Objective

Flat Capital's goal is to maximize shareholders' long-term return through the growth of the portfolio's net asset value.

13

Number of portfolio companies

184.3
MSEK

Net asset value

68.8
MSEK

Operating profit pro forma H1 2021

53%

Revenue growth 2020

5.1x

MOIC

40.8%

Annualised return



Co-founder **Sebastian Siemiatkowski:**

"The dream of an investor who's in it for the long-term, willing to take risks and who supports founders through thick and thin. The dream that EVERYONE in Sweden will have access to the most exciting companies. That dream now has a name, Flat."



CEO **Hanna Wachtmeister:**

"The IPO enables a broad range of investors to own shares in Flat Capital, in turn investing in driven, smart and passionate entrepreneurs, who have the ability to create outstanding companies. I am humbled and incredibly excited to be a part of this journey."

Strategy and geography

Investment strategy summarised



Outstanding entrepreneurs

Flat Capital invests in outstanding entrepreneurs in leading positions.



Attractive markets

Flat Capital invests in markets with meaningful size and potential, where the companies' growth is driven by underlying structural trends.



Growth stage companies

Flat Capital will predominantly invest in growth stage companies.

<50%

Minority

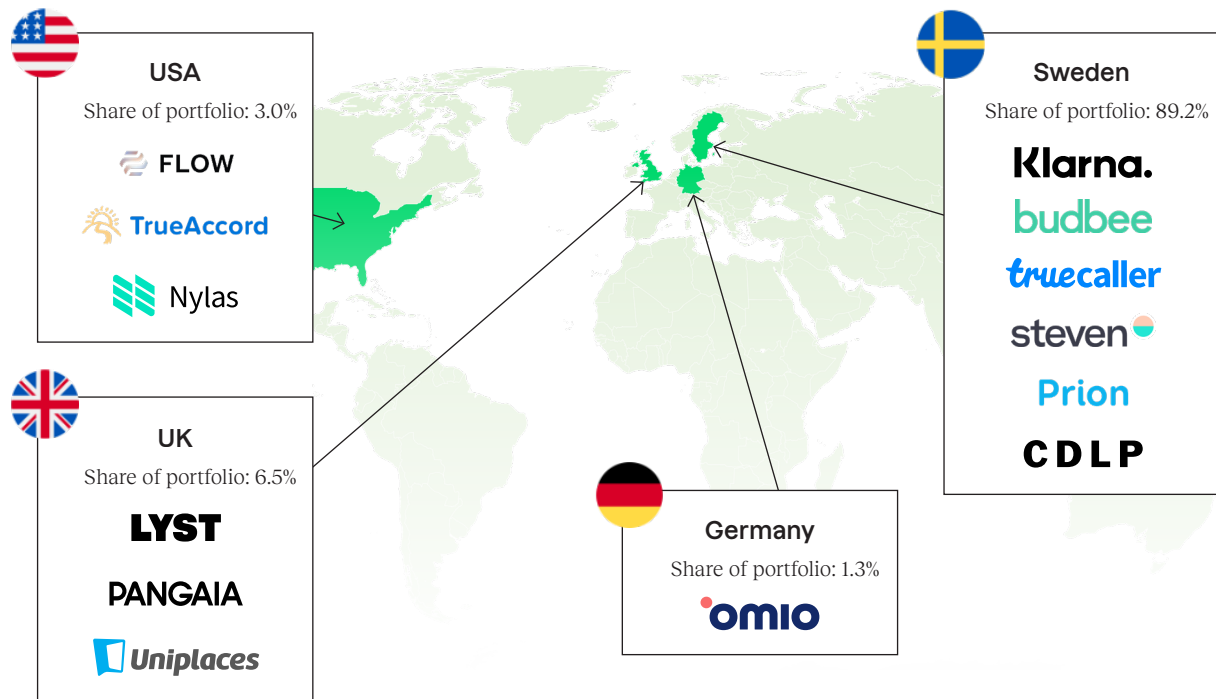
Flat Capital primarily pursues minority stakes in the portfolio companies.



Global investments









The investments are made globally, but a large part of the current portfolio consists of Nordic companies given its natural proximity.

The portfolio's geographical spread



Portfolio overview

- Since established in 2013, the current portfolio (excluding Klarna) has had an annualised return of 40.8 percent.
- Besides the companies listed in the overview, Flat Capital has previously invested in additionally five companies. A total of approximately SEK 1.5 million was invested in three companies that were sold for a total of SEK 47 thousand, i.e. a total loss of approximately SEK 1.5 million.
- The Company has also invested in Depop Ltd. which was sold for SEK 11.5 million in connection with a takeover bid from Etsy Inc. in 2021, and in Scrive AB which was sold for SEK 1.5 million in 2020.
- In total, excluding Klarna and including all historical investments, Flat Capital has had an annualised return of 38.9 percent.
- The portfolio company Truecaller announced on 15 September 2021 its intention to float on Nasdaq Stockholm. Flat Capital's current valuation of its holding in Truecaller is based on a primary transaction in 2019.
- Flat Capital continuously analyses new investment opportunities and an overall assessment of a number of potential new investments is currently being carried out.

Company	Initial investment (year)	Total invested capital (SEK)	Value as of 29 September 2021 (SEK)	IRR ¹	MOIC ²	Description
Klarna.	N/A ³	N/A	76,900,739	N/A	N/A	Bank, payments & shopping services
 budbee	2013	2,726,460	66,998,742	61.0%	24.6x	Logtech (tech with logistical services)
 truecaller	2013	600,600	11,496,240	44.6%	19.1x	Telco service platform
LYST	2015 ⁴	3,600,314	7,540,137	16.8%	2.1x	Global fashion search platform
PANGAIA	2021	3,462,156	3,462,156	0.0%	1.0x	Materials science for fashion
 omio	2015	817,662	2,343,760	19.2%	2.9x	Multi-mode travel planning platform
 Nylas	2021	2,100,427	2,100,427	0.0%	1.0x	Productivity infrastructure for modern software
 FLOW	2015	3,032,545	1,696,163	-10.8%	0.6x	Cross-border e-commerce solutions
 TrueAccord	2019	655,088	1,572,211	54.9%	2.4x	AI debt collection for consumers
 steven	2017	602,609	1,544,954	29.0%	2.6x	Financial Services Platform
Prion	2016	1,008,660	1,205,674	4.3%	1.2x	Multi-media parent platform for preschools
CDLP	2018	668,503	1,198,880	23.5%	1.8x	Innovative materials fashion house
 Uniplaces	2015	659,871	554,353	-2.9%	0.8x	Global accommodation platform
Portföljen		19,934,895	178,614,436	40.8%⁵	5.1x⁵	

1. IRR stands for internal rate of return, which corresponds to the average annual return on the investment.

2. MOIC stands for Multiple On Invested Capital and it functions as a return measure that compares the present value of an investment with invested capital.

3. The shares in Klarna were added to Flat Capital through a non-cash issue.

4. Added to Flat Capital through a non-cash issue.

5. IRR and MOIC for the existing portfolio. Klarna is excluded from the calculation.

Flat Capital's strengths

Track-record

- Flat Capital has a strong track record in terms of value development. Since established in 2013, the current portfolio (excluding Klarna) has had an annualised return of 40.8 percent and a MOIC of 5.1x.
- The Company displayed a pro forma operating profit of SEK 68.8 million during the first half of 2021 and a revenue growth of 53 percent for the full year 2020.

Long term investments

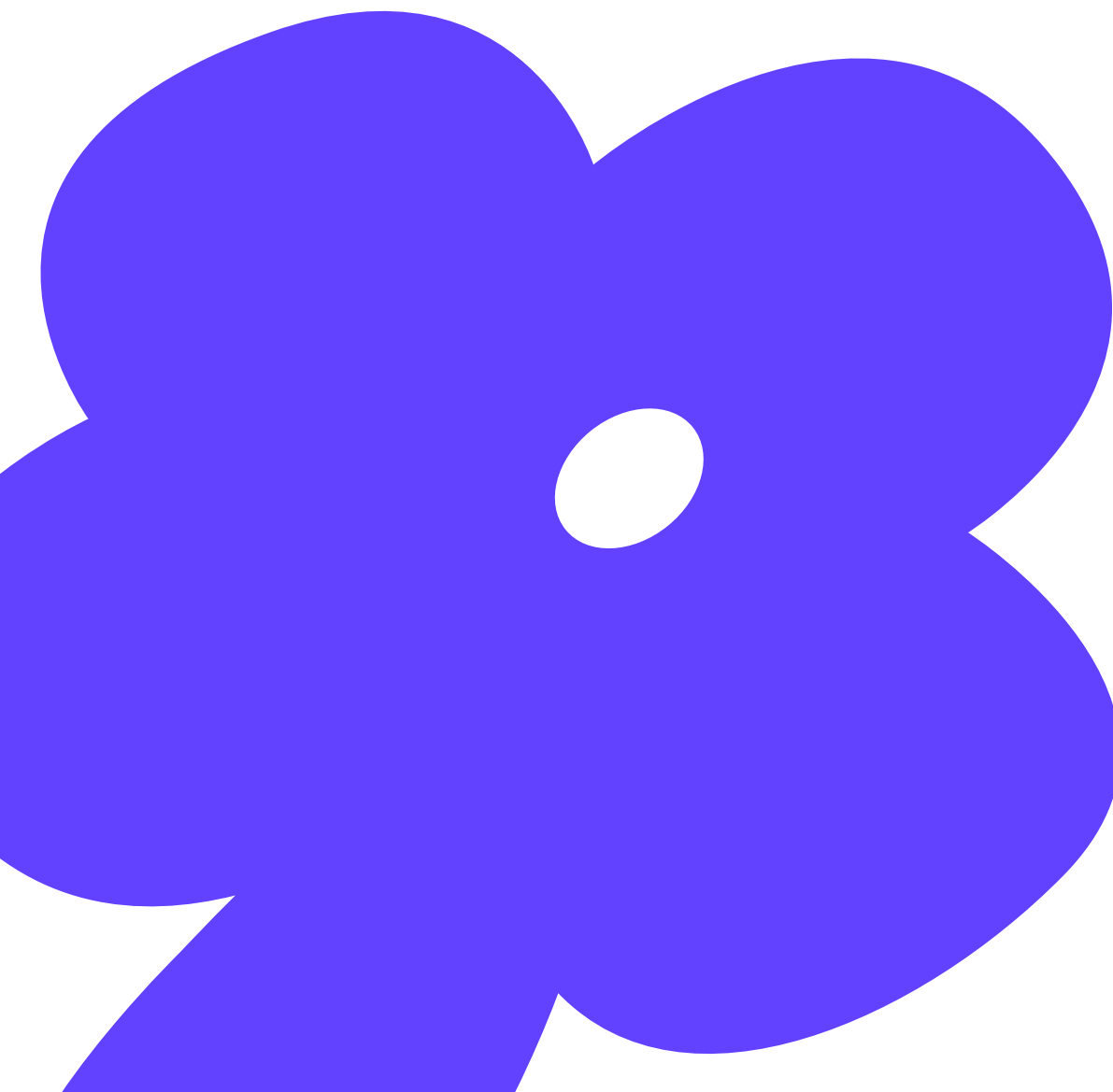
- Flat Capital wants to contribute with genuine long-term capital to entrepreneur-led companies that are otherwise dependent on investors with a short-term horizon.
- In the selection process, Flat Capital seeks entrepreneurs who can create fantastic companies, who are passionate, and 100 percent dedicated to their companies.
- Flat Capital's experience and network are available to the extent of the entrepreneur's needs.

Team and network

- The board and management have extensive experience and thorough understanding of building companies and investments.
- New opportunities are evaluated in close collaboration with management and the board, making the investment process swift but thorough.
- Interesting investment opportunities are continuously obtained through the team's network, creating a difficult-to-replicate portfolio.

Difficult-to-reach growth companies

- Flat Capital primarily invests in growth stage companies that operate in a market with significant potential, where growth is driven by underlying structural trends.
- Flat Capital provides an opportunity for exposure towards prominent companies such as Klarna, Budbee and True-caller, as well as a number of other interesting companies both in the Nordics and globally.



Summary of the Offering and preliminary timetable

Size of the Offering:	The Offering amounts to SEK 87.0 million, corresponding to 8,700,000 B-shares, with an over-allotment option of approximately SEK 13.1 million, corresponding to 1,305,000 B-shares in order to cover a possible over-allotment.
Use of proceeds:	<ul style="list-style-type: none"> • Investments in new companies, approximately 60-80 percent. • Investments in existing portfolio companies, approximately 20-40 percent.
Net asset value:	As of 29 September, 2021, Flat Capital has a net asset value including net cash of SEK 184.3 million, which corresponds to SEK 10.12 per share.
Motive:	The motive for the Offering and listing on Nasdaq First North Growth Market is to continue to create shareholder value by investing in new companies in a structured manner. Simultaneously, the public is given the opportunity to gain exposure to unlisted companies that otherwise may be difficult to reach.
Subscription price:	The subscription price in the Offering is SEK 10.00 per share, which corresponds to a pre-money valuation of the Company of approximately SEK 182.1 million.
Subscription commitment:	Prior to the Offering, key individuals Hanna Wachtmeister (CEO), Björn Petersson (CFO), Charlotte Runius (Board member) and Amaury de Poret (Board member) have signed subscription commitments corresponding to a total of SEK 3.85 million.
Underwriting commitment:	The Company's Chairman of the Board Sebastian Siemiatkowski has made an underwriting commitment corresponding to SEK 83.35 million. No compensation is paid for the underwriting commitment which only will be used if the Offering is not fully subscribed. In total, the Offering is thus covered by subscription commitments and an underwriting commitment corresponding to a total of 100 percent.
Minimum subscription:	The minimum subscription is 500 B-shares, corresponding to 5,000 SEK.
Lock-up:	100 percent of the shares in the Company prior to the Offering, as well as all new shares subscribed for by key individuals, are subject to a lock-up period of 60 months.
Subscription period:	30 September - 13 October 2021
Announcement of outcome:	15 October 2021
Settlement date:	18 October 2021
First day of trading:	20 October 2021

Subscription of shares

- Nordnet is Selling Agent in the Offering and customers can register via Nordnet's website.
- Furthermore, registration can be made via your custodian bank, contact your institution for more information.
- Registration can also be made via a registration form which can be obtained from the websites of Flat Capital and Nordic Issuing.
- Registration for subscription of shares must take place during the period 30 September to 13 October.