

Annual Report 2020

 FLEXQUBE®



INTRODUCTION

This is FlexQube

FlexQube is a global provider of flexible and robust industrial carts for material handling. The Group was founded in 2010 and in a short period of time has secured a large number of prominent companies as customers.

STANDARDIZED interfaces and modular building blocks enable a unique, efficient and scalable design process giving customers access to customized cart solutions.

Material presentation and transport, with help from configurable carts, streamline material flows, reduce accidents with forklifts, improve ergonomics and the work environment and increase flexibility.

Currently, FlexQube's sales organization focuses on Europe and North America with manufacturing in Sweden for the European market and in South Carolina, USA for the North American market. At the beginning of 2020, a strategic decision was made to start collaborations with distributors around the world to reach more markets. 



"If you loved to play with Lego® or Meccano® as a child, and as an adult strive for effective internal logistics, you will love this."

Per Augustsson – Inventor, co-founder and CTO at FlexQube®



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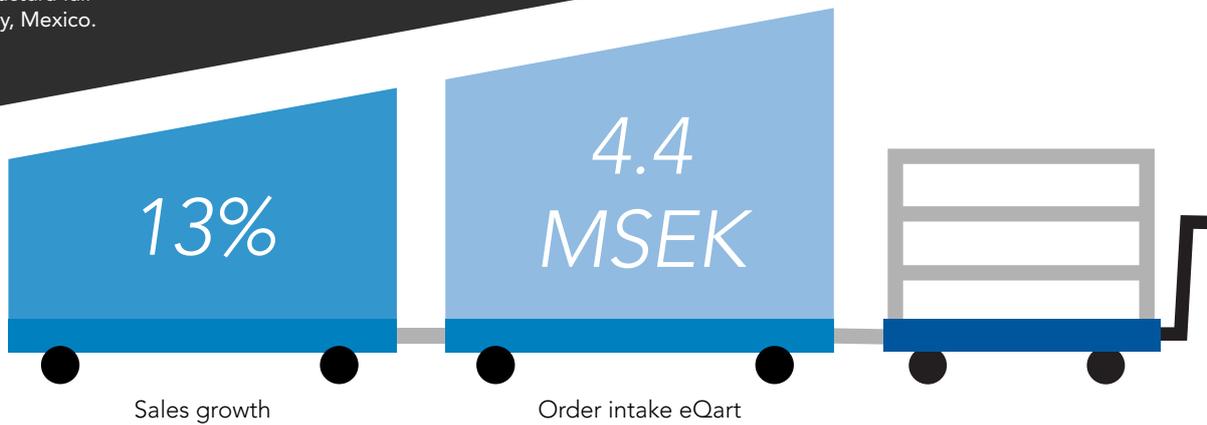
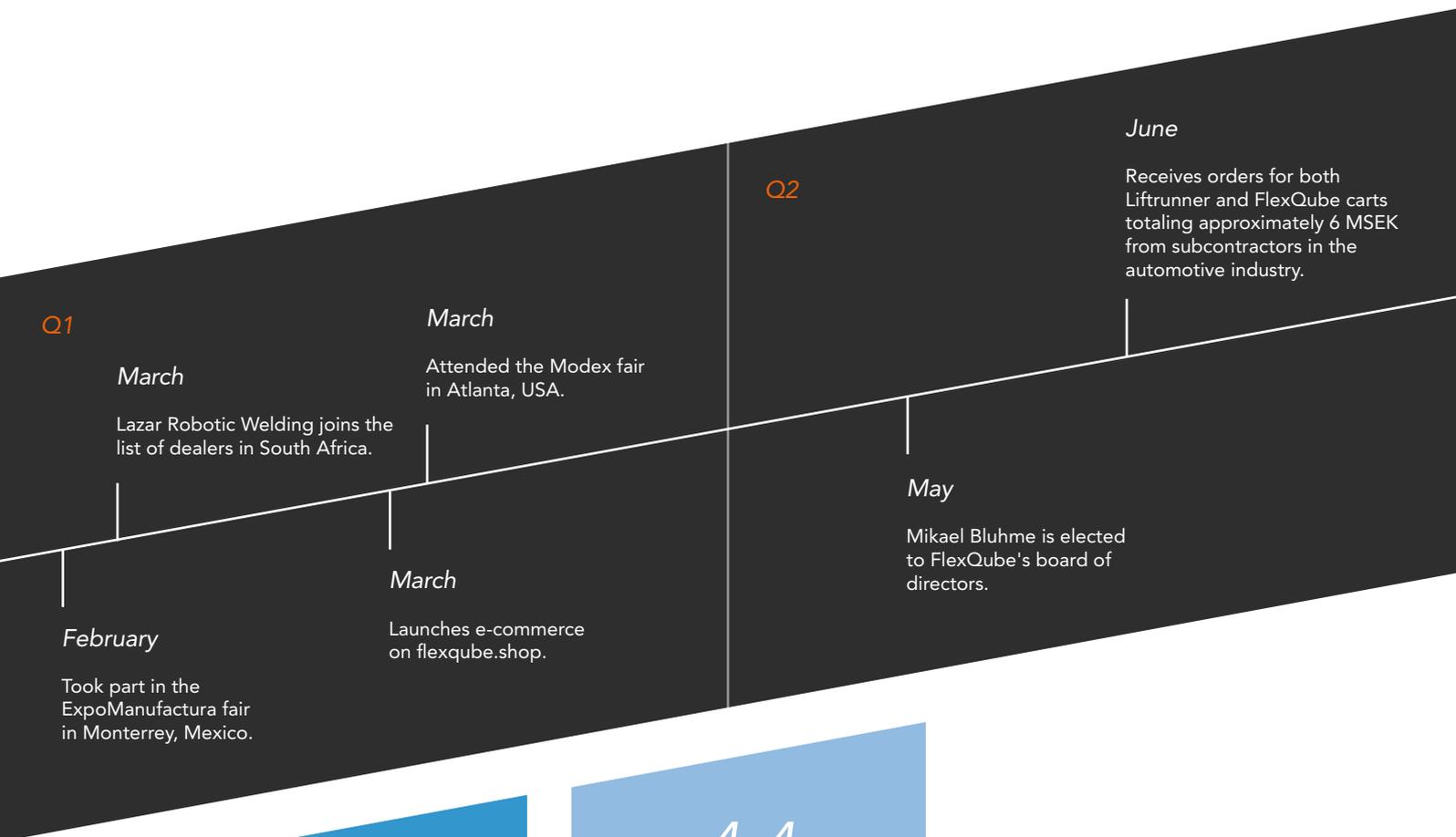
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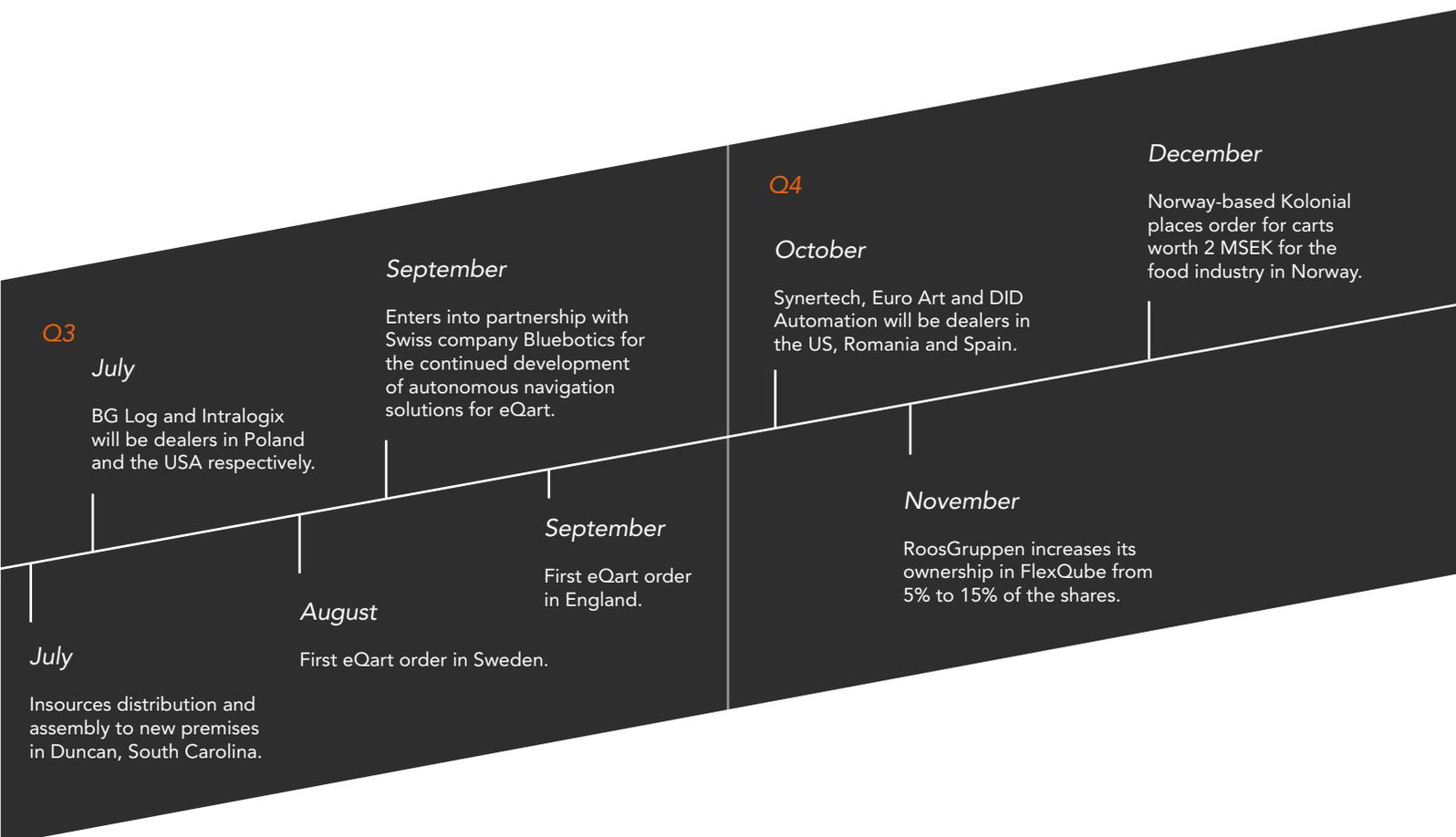
The year in brief

- Order intake was down 4 percent to 78.4 MSEK (81.2). Adjusted for the impact of exchange rates between comparative periods, order intake was unchanged.
- Net sales were up 13 percent to 82.2 MSEK (72.6). Adjusted for the impact of exchange rates between comparative periods, net sales increased by 17 percent.
- EBITDA amounted to -15.3 MSEK (-20.5) and EBIT amounted to -20.0 MSEK (-21.7).
- Profit before tax amounted to -20.1 MSEK (-21.8).
- Earnings per share amounted to SEK -2.7 (-2.9).
- Cash flow amounted to -4.6 MSEK (-42.3), of which -11.4 MSEK (-28.5) came from operating activities, -3.0 MSEK (-13.5) from investing activities and 9.8 MSEK (-0.3) from financing activities.
- The Board of Directors proposes that no dividend should be paid for the 2020 financial year. The dividend proposal is based on the fact that the company is in a strong growth phase.



Total number of customers, accumulated 2017-2020:

770



Number of countries FlexQube has sold to:

30

Number of new customers, 2020:

170



Our story – From mechanical to digital

The FlexQube story began 30 years ago in central Sweden, with small three boys who developed a love for playing with Lego®. They grew up and embarked on their professional careers, but the love of being able to build constructions in a seemingly endless number of permutations stayed with them.

While working for a global manufacturer of construction equipment, Per Augustsson (CTO, Chief Technical Officer, FlexQube) noticed that the handling of materials did not meet modern requirements. The industry's standards for welded solutions could not be sufficiently adapted to manage the constant changes within the industry.

Material carts used to transport items from the store to the assembly area were welded together based on a design modified according to the dimensions and weight of the items.

When a product life cycle was modified or an ongoing improvement was needed, a welded cart was not flexible enough to change.

Per Augustsson realized immediately that because the production lines were being changed more frequently, there was also an increasing need for adaptive material handling carts. "I realized that the need for a robust and flexible concept for creating material handling carts was great. The more I looked into it, the more I realized that a concept with a small number of standardized building blocks was what was needed", says Per.

This insight led to the birth of the three friends' FlexQube idea. With it, they created a professional, robust and flexible material handling concept based on standardized building blocks.

"The concept is inspired by Lego®. We use an interval of seven centimeters in all the components, so you can easily design and assemble them into different solutions. Regardless of how you connect our products together, you get the same interface— just like you do with Lego®", says Anders.

Thanks to the modular building blocks, creating solutions for FlexQube's customers is fast and efficient. FlexQube has grown since it started and today helps over 700 customers in 30 countries - and the customer base keeps growing. It has customers in a wide range of industries: automotive, construction and agriculture, heavy vehicle (buses, trucks, trains), distribution and storage, aviation, domestic appliances, consumer goods, energy, medical equipment and defense.

"We have created a whole new product segment within the accelerating logistics automation market."

In December 2017, Anders, Christian and Per reached one of the interim goals when FlexQube was listed on Nasdaq First North in Stockholm, and in its first year as a listed company posted growth of around 140 percent.

A lot has already happened in the FlexQube story; a short story, so far, but the robust, modular concept has much more potential, and we are still at the beginning of our journey.

The biggest transformation in the company's history began in the same year as FlexQube was listed. A transformation from mechanical products to products with advanced electronics and software. The project, which was christened FlexQube 4.0, was started with the aim of bringing motorized, self-drive carts to market. Three years later, our first FlexQube 4.0 concept is fully developed; the eQart. The mechanical FlexQube building blocks have been supplemented with smart modules such as motors, batteries, sensors and controllers.

With the eQart, we have created a whole new product segment within the accelerating logistics automation market. Modular and flexible carts, which are available in different sizes and applications, and come with various degrees of self-drive capability. The eQart makes our offering unique and we are ready to take the next step in FlexQube's history.

**2010**

FlexQube is founded by Anders, Christian and Per in December 2010.

**2011**

The patent is granted.

**2012**

Sales launch.

**2013**

FlexQube Inc. is launched.

**2014**

"Made in USA".

**2015/16**

Ranked number one on the "33-listan" (the top 33 most innovative companies in Sweden) two years in a row and new logotype.

**2017**

Sales to 22 countries and listing on the Nasdaq First North.

**2018**

Sales to a total of 25 countries and growth of around 140%. FlexQube GmbH is launched and carries out a targeted new share issue of 62.7 MSEK.

**2019**

Expansion to the UK, cooperation with LR Intralogistik GmbH and launch of eQart®.

**2019**

Relocation of head office in Sweden.

**2020**

Relocation of US headquarters Initiated cooperation with 9 dealers in seven different countries. Increased sales and further development of eQart.

**2021**

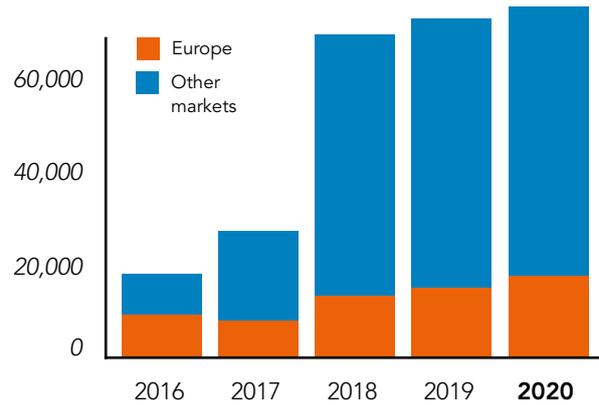
#1 Global supplier of vmaterial handling carts.

Key ratios

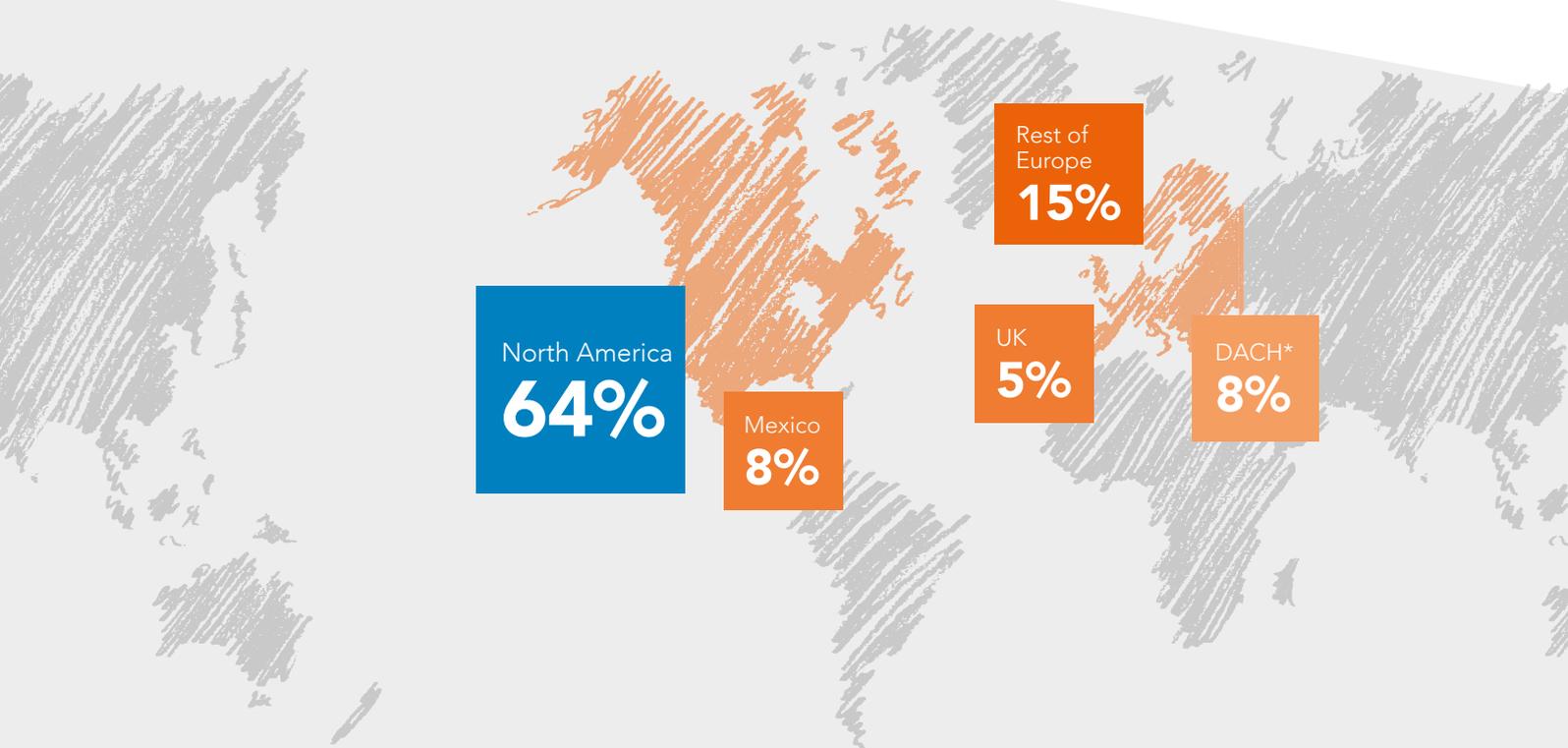
Order intake and net sales (kSEK)



Net sales per region (kSEK)



Order intake per market 2020



* Germany, Austria and Switzerland

Multi-year overview and KPIs

For definitions of key ratios, see Note 1 on page 55.

Earnings	Unit	2020	2019	2018	2017	2016
Order intake	kSEK	78,369	81,208	63,743	37,232	23,583
Net sales	kSEK	82,163	72,561	68,901	29,004	19,260
Group's sales growth	%	13%	5%	138%	51%	17%
EBITDA	kSEK	-15,303	-20,522	-5,971	-2,417	493
EBIT	kSEK	-19,979	-21,722	-6,714	-2,848	128
Operating margin	%	-24%	-30%	-10%	-10%	1%
Profit/loss before tax	kSEK	-20,124	-21,801	-6,901	-3,050	-44
Profit margin	%	-25%	-30%	-10%	-11%	0%
Earnings per share before and after dilution	SEK	-2.7	-2.9	-1.1	-2.5	-1.6
FINANCIAL POSITION						
Equity/assets ratio	%	56%	74%	81%	73%	4%
Net debt including shareholder loans	kSEK	-23,711	-45,175	-78,565	-33,451	2,009
Working capital	kSEK	27,547	32,989	24,496	2,692	4,101
Current ratio	%	240%	311%	502%	415%	133%
Working capital as a percentage of net sales	%	34%	45%	36%	9%	21%
Quick ratio including unused part of overdraft facilities	%	170%	205%	406%	382%	52%
Equity per share before and after dilution	SEK	5.7	8.9	11.7	5.7	8.3
CASH FLOW						
Cash flow from operating activities	kSEK	-11,379	-28,474	-23,541	248	-1,837
Cash flow from investing activities	kSEK	-2,957	-13,496	-5,278	-594	-2,251
Cash flow from financing activities	kSEK	9,778	-316	54,781	34,242	1,932
SHARES						
Number of shares at the end of the period before and after dilution	No.	7,433,333	7,433,333	7,433,333	6,333,333	50,000
Average number of shares before and after dilution	No.	7,433,333	7,433,333	6,384,566	1,224,155	50,000
EMPLOYEES						
Average number of employees	No.	30	24	17	11	12
Number of employees at the end of the period	No.	36	32	21	13	10



THE CEO HAS THE FLOOR

Growth, continued digitization and strengthened positions in a challenging year

DESPITE 2020 BEING UNDOUBTEDLY a tumultuous year with an unexpected pandemic that started to affect our business already at the end of the first quarter, our growth was higher in 2020 than it was in 2019. Sales totalled 82.2 MSEK, a growth of 13% compared to 2019.

After a very strong start to 2020 where we set a new order intake record in the first quarter we saw the effects of the lockdowns. Our sales cycles are usually 6-12 months and it was primarily in the third quarter that we saw the effects of the reduced project activity, but with some recovery towards the end of the year.

In our organization, there has been a great understanding of the quick measures we had to take to deal with the effects of the pandemic in the best way. Adapted working methods, and procedures and processes were also put in place.

Driven by our strong growth in North America, and the positive experience of insourcing the assembly and distribution in Sweden in 2019, we moved our main warehousing, distribution and assembly business from our subcontractor in Georgia, to in-house operations in South Carolina, USA. The move got under way in July and we are now pleased to announce that we have 15 new employees, employed directly by FlexQube and that, after initial challenges and adjustments, the business is becoming more efficient every month.

2021 will be a year without trade fairs in the customary fashion, so we need to think along new lines and work out how best to meet new and existing customers, present our products and initiate projects. Already in the summer we got started with virtual presentations of our eQart concept and we will be able to offer this from Sweden, the USA and Mexico from the beginning of next year . It has proved to be very successful and we

will continue to improve and expand this concept and present the rest of our product portfolio digitally in more detail than before.

As a way to process new markets, get closer to new potential customers and to emerge from the pandemic with wind in our sales, we accelerated the expansion of our dealer network from summer 2020. Until the beginning of 2021, we have concluded agreements with 14 dealerships and I am confident that this strategy will be key to our efforts of becoming a world leader in cart-based internal logistics.

Looking ahead, we do so with three very strong product areas, all of which complement each other through our basic concept of modular building blocks. The basic idea of standardized building blocks combined with customized material handling solutions for both material presentation and material transportation continues to be the core of our business.

In combination with the highly efficient rail transport solution Liftrunner, which we are exclusive dealers for in North America, and the eQart concept, we have reached a truly holistic approach to efficient transport by carts.

Automation

From the next decade until 2030 the focus will be very much on automation when it comes to intralogistics.

In the manufacturing industry where we have our primary target group, many companies are currently testing and evaluating different technologies and solutions to streamline material flows. From our eQart development work since 2017, we have learned a lot about different customer challenges that are mainly linked to the technology of navigation. Through meetings with companies that are truly at the forefront of automation in internal logistics, we get confirmation that we are on the right track and have the right approach with our products.

At the end of 2020, order intake for our eQart carts increased to 2.5 MSEK in the fourth quarter. Automation and efficiency are the drivers of development in the industry and robotized carts are an important cog in our trajectory of growth. This is where we see the greatest development opportunities in the next few years.

FlexQube is in a very interesting period, where we are taking important steps forward every week in our development of robotics solutions for intralogistics. I would like to thank all the shareholders who are with us on this journey and continue to be our driving force in taking the company to new heights. 



Anders Fogelberg
CEO FlexQube AB (publ)



"Looking ahead, we do so with three very strong product areas, all of which complement each other through our basic concept of modular building blocks."

Anders Fogelberg, CEO



FlexQube's worldwide dealers

In order to reach more markets and thereby also more customers, FlexQube made a strategic decision in early 2020 to sell FlexQube's concept through international dealers.

A company from South Africa contacted us at the end of 2019 to discuss the possibility of starting a partnership. A successful initiative that has yielded good results. It turned out to be a fortuitous time to adjust our sales structure. Since the launch of Lazar Intralogistics in South Africa in March 2020, we have recruited 14 dealers from seven different countries.

For us, using dealers brings many advantages. It enables us to reach new markets that we have not previously prioritized. We also have more capacity to provide better service to our key customers. By providing more FlexQube specialists in different areas, we can provide better advice and support to our customers.

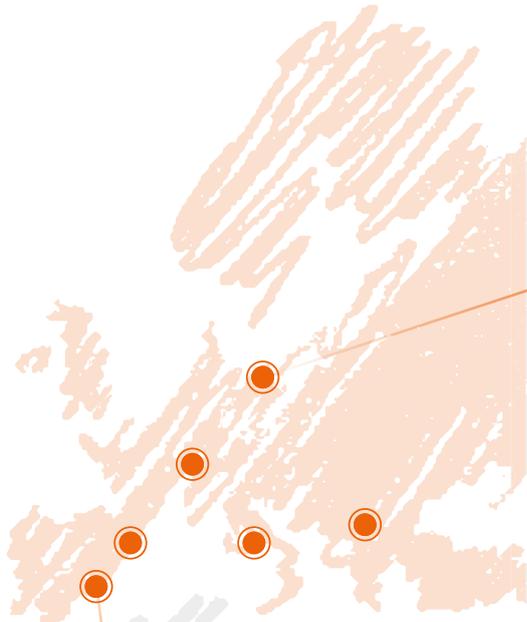
We are proud and delighted with the change in our sales structure in 2020 and look forward to continuing to operate and develop our distributor network in 2021.



Wolter Group

Location USA

Wolter Group is a company located in Wisconsin, USA, with a solid history and more than 55 years in the industry. The Group operates in a wide range of business areas and offers forklifts, material handling equipment, automation and warehousing services. Wolter Group represents a number of companies whose common interest and goal is to meet the internal logistics needs of manufacturing companies in the US.



Intralogix

Location Poland

Intralogix was founded in 2003 with a mission statement of providing forklift accessories. In line with customer demand for more developed and customized intralogistics, the company has continued to develop products together with customers. Intralogix currently specializes in helping customers with logistics trains, pallet changers and material handling trolleys.



DID Automation

Location Spain

DID Automation is based in Valencia, Spain, and works with customers in automation and industry 4.0. DID Automation focuses on the electricity, automotive and food sectors in the Valencia region. FlexQube's products and the value they create are exactly what DID Automation's target segments demand.



Lazar Intralogistics

Location South Africa

Lazar Intralogistics was founded in 2014 and was originally a customized steel processing company. The company later began to work more with intralogistics and today they focus on helping companies create efficient material handling in their plants. Lazar is located close to many car manufacturers and vendors in South Africa, to whom they provide material handling trolleys, scaffolding, the manufacture of certain steel parts and maintenance services. All aimed at creating efficient internal logistics.



Dealers

Lazar Intralogistics in South Africa

Lazar Intralogistics in Pretoria, South Africa, was FlexQube's first dealer in the first quarter of 2020. The collaboration started at the end of 2019 when the founder of Lazar Intralogistics, Ranzel Louw, visited FlexQube's head office in Sweden.

FlexQube had previously opted not to prioritize the African market, but a dealer network has opened up opportunities to create a presence in the African market. After a successful meeting with Ranzel Louw, the decision was taken to enter into a partnership with Lazar Intralogistics.

The collaboration officially began in March 2020, and since then Lazar and FlexQube have been working together to find potential customers in the South African market. The process has yielded many new insights and lessons for both Lazar and FlexQube, but proved to be the right decision. FlexQube has helped Lazar train its sales representatives and

designers in the FlexQube concept and trained their fitters on how to assemble a FlexQube cart.

Lazar Intralogistics has also attracted great interest in eQart by holding demonstrations on site at the largest manufacturers in the country. This is a great achievement considering the difficulties of navigating the lockdowns due to COVID-19.

Since the partnership began, Lazar has opened discussions with many OEMs and their suppliers. It has transpired that South Africa is a manufacturing

center for large parts of the southern hemisphere, which FlexQube will benefit from. Lazar has introduced the FlexQube concept at Ford's manufacturing plant in South Africa with great success. Several carts and pallet racks are now used in Ford's plant to test and evaluate the FlexQube concept.

In 2021, Lazar Intralogistics and FlexQube look forward to expanding their relationship with Ford in South Africa and partnering up with their suppliers.



Core values

FlexQube's four core values communicate what drives the company now and in the future as well as the fundamental values that build the brand. Trust, customer focus, courage and industry leadership – these keywords permeate throughout everything the organization and its employees do. Our core values ensure that we act consistently in all our markets, at all times.

We show and create

TRUST

- We supply safe products
- We mean what we say and deliver what we promise
- We build relationships based on trust between employees and with partners
- We make ourselves available and give support when it is most needed, both internally and externally

We are

CUSTOMER-FOCUSED

- We have the highest level of service
- Focusing on our customers' best interests, we act on the basis of honesty and loyalty
- We have the most professional approach



We have

COURAGE

- We set ambitious targets and we are driven to think outside the box
- We seek inspiration in technology and behavior outside our own industry
- We are not afraid of mistakes, and mistakes are a major source of our know-how

We are

INDUSTRY LEADERS

- We inspire our customers
- Our competitors look up to us
- We have the greatest and most advanced knowledge in intralogistics

"WHY, HOW and WHAT"

"WHY" is the reason for our existence

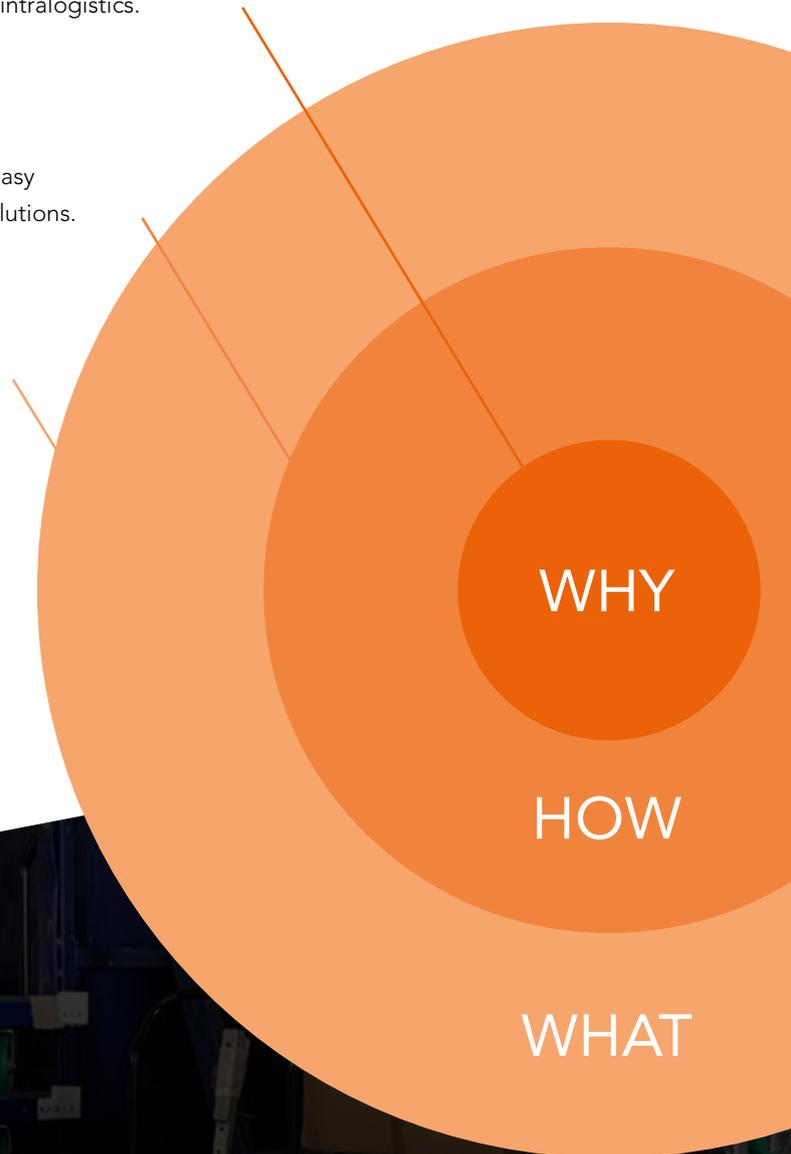
We exist in order to make our customers world leaders in intralogistics.

"HOW" is how we fulfill our core values and our "WHY"

Our expertise and dynamic modular technology make it easy to simple, use and customize the best internal logistics solutions.

"WHAT" is what our business does to fulfill our core values and our "WHY"

We offer module-based, standardized building blocks in order to create future-proofed, sustainable internal logistics solutions that, together with our knowledge database, customized solutions and comprehensive Solutions Library™, create the best opportunities for making our customers world leaders in internal logistics.



VISION

"A world free from welded industrial carts"



Move to Duncan

New US headquarters

In the fourth quarter of 2019, FlexQube opened for discussion the possibility of moving its US headquarters for FlexQube Inc.

For us this is a large and ambitious project that involves relocating production to our own plant. There are many advantages to your own production plant. It gives you better control over the process in

the supply chain and ensures that the customer is in focus every step of the process. After completing investigations and discussions in which the advantages of an in-house production facility were definitely

convincing, the decision was taken to move the production facility. In July 2020, the head office moved from Swainsboro, Georgia, to Duncan, South Carolina.

“In conclusion, the project of moving our US production plant is an important strategic decision for FlexQube, which has so far proved to be very successful.”

The USA is FlexQube's largest market, which contributed to the decision to move to our own plant, giving us better control across the whole value chain, and was a natural next step for FlexQube Inc. Since moving to Duncan, we have also expanded our sales representation in the area by hiring two new colleagues, DJ Jackson as sales representative and Michael Gore as Sales Manager for North America. They join our colleague, Shawn Lynch, to secure FlexQube's market area in the South East and to help ensure that it becomes our key area in the US.

The project was a natural step for FlexQube. Despite major challenges and tribulations that resulted from moving during the corona pandemic, it has been very successful. We have adhered to the restrictions that have been in place. The fact that it has been implemented so smoothly is largely thanks to our employees on site in the new facility. Our new team on site has with good results taken great responsibility and stamped its mark on FlexQube's corporate culture.

In conclusion, the project to move our production facility in the USA is an important and strategic decision for FlexQube, which has so far proved to be very successful. With added and improved customer focus in our production, we will now be able to provide even better service to our customers, which is in line with our vision of making our customers world leaders in intralogistics.





eQart

We are seeing an increased need for a systems approach for customers to succeed in their internal logistics.

The main application of the FlexQube concept is in internal logistics. We help our customers deliver world-class services and products by offering them flexible and innovative logistics solutions. In simple terms, we help our customers move material from one point to another. Simple in theory, but a challenge in reality.

Internal logistics high on corporate agendas

Consumer demand for unique products and the e-commerce trend has pushed internal logistics high up on many companies' agendas. Good internal logistics is the key to a high level of efficiency.

For example, a plant that manufactures cars has changed from primarily assembling cars more towards handling and preparing the material to be assembled. The complexity is huge, with different colors, drive lines, stylings and a large number of extra items of equipment to choose from. Components for building

cars must be prepared and picked from a warehouse and then delivered to the right place at the right time. The material must also be presented in a way that enables efficient, ergonomic selection.

Our customers need flexibility

Given the growing amount of internal logistics it is only natural that interest in automation is growing, and that the use of logistics robots in warehousing, distribution and manufacturing is expected to increase rapidly.

In truth, however, the implementation has barely begun. If you visit a factory today, forklifts and trains are still used as the primary means to move materials. Although pilots and tests are being carried out, the full-scale implementation has yet to take shape. The big journey still remains ahead of us and it will be a challenge both for those who deliver the technology and the customers who implement it. Our conviction is that the transformation must be a step-by-step process. We believe in flexible solutions where the customer can gradually increase their level of automation and have the freedom to find the right solution for the right application.

Internal logistics consists of material presentation + movement

FlexQube should be a leader in approaching internal logistics as a system. Simply described, internal logistics consists of two subsystems that need to work in tandem.

(1) a load carrier that contains the goods being transported on site, e.g. a cart.

(2) a transport device for moving the load carrier, such as a forklift, a towing train or an AGV.

An interaction between these is crucial for the customer to have a functioning system. We see countless examples of customers buying technologically-advanced robots from one supplier, load carriers from another supplier, without having any clear responsibility for the overall solution. The outcome will be a non-functional solution where a lot of focus must be placed on the technical integration rather than on what really counts; that the material is delivered reliably and efficiently and creates real value for the users.

A unique product offering

At present, few companies can offer a systems approach where both transport and load carriers are included in the same product offering. People are either experts in load carriers or in transportation. This puts FlexQube in a unique position. Since 2010, we have delivered nearly 35,000 carts in 3,500 different configurations, created with our patented building block concept. I am confident that very few companies, if any, have the know-how about material presentation that FlexQube has. We are a world leader, with a broad experience of many different industries including manufacturing, warehousing, distribution and e-commerce.

We can also offer the customer a wide range of different transportation options for the carts. Our smart eQart modules transform traditional FlexQube carts into self-driving robots. Through partnerships, we can offer complete systems with FlexQube carts integrated with different variants of traction trains.

“Given the increased amount of internal logistics, it is natural that interest in automation is growing, and that the use of logistics robots in warehousing, distribution and manufacturing is expected to increase rapidly.”

Focus on the future

Our focus going forward is to create the best system for internal logistics. Both through innovative product development, but also through close partnerships with the best in the industry. We will offer a complete system with cart and transport solutions living in symbiosis. This will give the customer the most reliable and most efficient logistics system in the market. A customer who invests in FlexQube's carts should know that they are future-proof and have created the right conditions for building an automated plant or warehouse.

Per Augustsson
CTO FLEXQUBE GROUP



Sustainability

The majority of FlexQube's customers are large international companies with world-class products and manufacturing. They have strict requirements for their products in terms of sustainability, but manufacturing and factories are also becoming increasingly important from an environmental point of view.

Constantly reducing energy consumption and greenhouse gas emissions from factories is becoming increasingly important in meeting tougher requirements from customers, consumers and authorities.

The factory of the future must therefore not only be smart and flexible; it must also manufacture products in an environmentally-friendly and sustainable way. There are several examples that illustrate this. Audi announced last year that its new factory for

the e-tron electric car will have completely CO₂-neutral manufacturing and several other automobile manufacturers are working with similar initiatives.

As a supplier of carts, FlexQube clearly cannot do everything, but there are several areas where the concept brings a great environmental benefit and can contribute to a more sustainable factory and supply chain.



Possibility of reconfiguring an existing cart fleet

In comparison with welded carts, the FlexQube modular concept makes it easier to update and rebuild an existing cart fleet. Rebuilding carts rather than buying new ones has a large positive impact on climate emissions. For every ton of cart that can be reused, CO2 emissions are reduced by 1.7 tons. In addition, customized carts that are optimized for the purpose ensure that material can be moved as efficiently as possible. This reduces traffic and energy consumption in the factory.



Energy-efficient transport to the customer

The FlexQube modular concept makes it possible to send carts as "flat packages" and be assembled on site. This means that less empty space is transported and fewer lorries are required for transportation. "Flat packages" have been sent from FlexQube's plant in Duncan, South Carolina to both Mexico and the US west coast. As a bonus, the customer's transport costs are lower.



Digital sales and design meetings

FlexQube's digital sales and design tool allows carts to be created efficiently without any need to visit the customer. This reduces the number of flights and automobile journeys considerably. In 2020, we have also seen a great interest in our so-called virtual demos where the customer can remotely get a product review and even control eQarts online.



Reuse

In the longer term, FlexQube sees opportunities for customers to return or sell back carts they no longer require in their operations. Thanks to the standardized concept, FlexQube can reuse many of the constituent building blocks in a cart. For example, FlexBeams™, which accounts for a large proportion of the value and function in a cart, can be renovated and repainted and then used by other customers and projects.

The customer in focus



Modular concept

The FlexQube concept offers standardized building blocks specifically designed with material handling carts in mind. This ensures that function and performance are optimized for the tough environment to which the carts are exposed.



Autonomous carts

FlexQube's eQart consists of the same standardized building blocks, but it is also equipped with a motor, battery, cameras and sensors that enable it to navigate autonomously. The eQart is designed to be the operator's best friend, and it is extremely easy to maneuver thanks to a large, clear, ergonomic screen supplied with each cart. The eQart is not a specific size or cart, but rather a concept that enables all FlexQube carts, both new and existing, to become smart.



Design standard

FlexQube's carts are designed using a step-by-step process with standardized choices at every step. This makes it easy to develop quality-assured solutions, even though each cart looks different and has different functions.



Expert in material handling

By working with many different customers in different industries and regions, FlexQube is building up a large knowledge bank. FlexQube gathers all solutions in its SolutionsLibrary™, which is available to all customers via FlexQube's website. The more solutions that are generated, the larger the knowledge bank and the greater the likelihood of finding a cart that already has a design that meets a customer requirement. In addition to the SolutionsLibrary™, FlexQube has a high level of knowledge concerning logistics development, strategies for this and what the future trends are.



Scalable and global concept

Thanks to FlexQube's standardized building blocks and standardized design process, sales can be established quickly in new markets. A design can be created for a customer regardless of geographical location, and the concept makes it possible to send FlexQube's products unassembled for quick, cheap transportation. Manufacturing and assembly can also be established quickly if necessary.



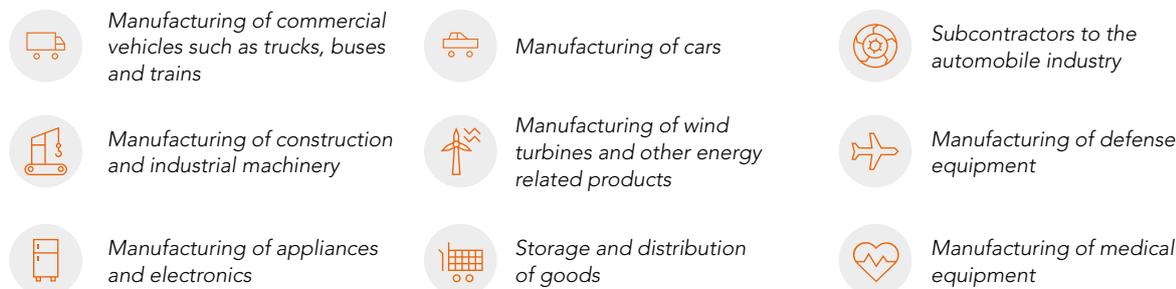
Simple integration

The factories of the future require interaction between different processes and equipment to create efficient material flows. FlexQube, thanks to its flexibility, can easily create carts that can be integrated with equipment from third parties. This applies above all to trolley vehicles, mother-daughter trains and solutions for automatic material robots, which are the most common integrations.

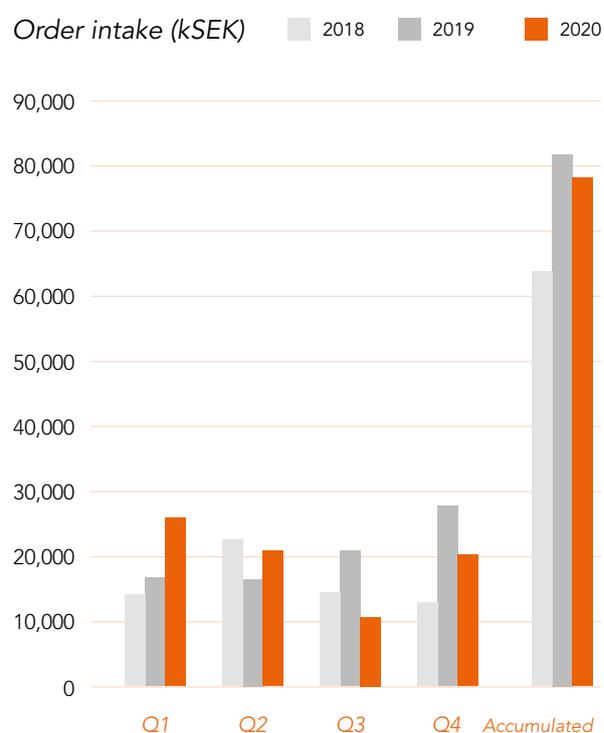
Customer Base

FlexQube's customers are found in different industry segments and regions. As at December 31, 2020, FlexQube had an active customer base of

approximately 700 customers distributed across 30 different countries. Below are the segments in which FlexQube operates:



ORDER INTAKE DECREASED by 4 percent in 2020 compared to 2019 and is an effect of the corona pandemic with many customer projects being shelved particularly during the second and third quarters. In the fourth quarter, however, order intake increased by 80% compared to the third quarter. Order intake is one of FlexQube's most important metrics and will be communicated to the market to the extent that the Group considers a single order to be sufficiently important. Even though there is an existing customer base with very prominent customers and great potential, FlexQube is still young, and large continuous sales are not self-evident, even if they continue to accrue daily. FlexQube offers a concept where the benefits are greatest for customers who implement it broadly, but where implementation is to a certain extent governed by the projects in progress. Historically, FlexQube has not seen a customer stop buying products but rather that their need consistently increases over time. With the new products within the eQart concept, there is a greater opportunity to increase sales to existing customers over time. At the same time, this need is governed by other customer projects in progress, which may vary from year to year. 📌



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Number of new customers, 2020

Strategies

Strategy	Why	Impact on growth/profitability	Examples of activities in 2021
Focus on increased awareness.	Participation in more, and bigger, procurements. A hygiene factor for a small, newly started company.	Winning large reference projects is important for future procurements and new customer sales.	Expand our digital presence through virtual demos, search engine campaigns and digital meetings. Expand the sales and dealership organization to get closer to customers.
Be a leader in concept and technology development related to intralogistics.	Create trust in our capacity for both innovation and becoming a long-term intralogistics partner for our customers.	Increase the chances of larger framework agreements and becoming a global supplier to large groups. Building a vision for the future together with our customers is an order winner and makes it possible to maintain a higher price level.	Our focus going forward is to create the best system for internal logistics. Through innovative product development and close partnerships with the best in the industry, we will offer the customer the most secure and most efficient logistics system in the market.
Improve scalability in our supply chain.	Be able to offer our concept with even shorter lead times for larger volumes in both Europe and North America, but also create a model for establishment in other markets.	Short lead times give us the ability to win new business. Exploit the fact that we have standardized fundamental concepts, which with good planning give scope for improved profitability.	Further develop integration with our key suppliers and processes in our distribution centers, to ensure our ability to supply larger volumes.
Work toward an increased gross margin	Achieve an improved level of profitability to give scope for investments in both the organization and product development.	Economies of scale from a volume increase, together with improved production methods, mean relatively large improvement potential for the gross margin.	Further investments in production methods and improvement projects in storage and distribution operations, working even more actively with the supplier structure, implementation of design improvements in products and applications. Working with dynamic pricing and new financing structures for our customers for large projects.
Ensure profitability and positive cash flow.	The company is starting to reach such volumes where we will be able to achieve positive results without reducing ongoing investment.	Positive results will create the conditions for even greater investment going forward.	Continued focus on increasing growth in order intake combined with activities to increase the gross margin and reduce working capital in relation to sales volume.

Goals

In the short term, FlexQube's goals are to

- Continue very active sales work to drive growth and increase market shares in all relevant markets.
- Continue building up own sales organization, strengthen customer and sales cooperation with various partners, establish new dealerships on main markets and continue developing internal sales processes to increase conversion.
- Find new production logistics solutions through close-to-market development work, improve product technology and the product manufacturing process to lower manufacturing costs and increase the gross margin.
- Ensure an increased delivery capacity for our products in North America and Europe.
- Further develop our digital presence and e-commerce.
- Broaden the customer base to achieve an increased spread to more customers in distribution and warehousing, and to strive to increase the number of new customers significantly.
- Ensure full focus across the organization for ongoing eQart rollout.

In the medium term, FlexQube's goals are to

- Strengthen our market position through continued broadening and expansion of the customer base and recurring sales to existing customers, and by reaching out to and establishing ourselves in new markets.
- Continue the strong increase of market shares in North America, primarily in the USA but also in Mexico, in terms of both the existing concept and the eQart concept.
- Continue the strong increase in market shares in Europe, primarily Germany and the UK, and also gain a foothold in other European countries with our own sales companies or dealers. Both in terms of the existing concept and the eQart concept.

In the long term, FlexQube's ambition is to

- Become the market-leading supplier of material carts for internal logistics. FlexQube will be the go-to solution for tomorrow's production, warehousing and distribution logistics, and for making its customers world leaders in intralogistics. A necessary condition for this is having a presence and infrastructure – in sales, manufacturing and distribution – in all parts of the world.
- Further develop more products linked to Industry 4.0 and be a pioneer in technology that can be used to increase productivity, safety and ergonomics in intralogistics.

Share capital, the share and ownership

FlexQube shares

The company's stock has been listed on the Nasdaq Stockholm First North under the FLEXQ symbol since December 14, 2017. FlexQube had sales of around 2.5 million shares during the period January 1 to December 31, 2020. This resulted in an average turnover of approximately 9,779 shares per trading day worth SEK 237,281. The average price of the share during the period was around SEK 29.3. The last closing at the end of the period was SEK 30, meaning that it was unchanged from the subscription price associated with its listing on December 14, 2017 or a decrease of 20 percent from the closing rate on December 31, 2019.

Shareholders in FlexQube

As of December 31, 2020 FlexQube had approximately 1,500 shareholders. The table below shows the company's largest shareholders as of December 31, 2020.

Share capital

FlexQube's share capital amounted to 0.7 MSEK on December 31, 2020, divided among 7,433,333 outstanding shares. According to FlexQube's Articles of Association, the share capital must amount to at least 0.5 MSEK and at most 2.0 MSEK, and the number of shares must be at least 5,000,000 and at most 20,000,000. The quota value of the shares is 0.1 SEK. The shares in FlexQube are not, and have not been, the subject of an offer due to a mandatory bid, squeeze-out right or sell-out right. Neither have the shares been the subject of any public takeover bid. The shares have been issued in accordance with Swedish legislation and are denominated in Swedish kronor. There are no restrictions on the right to transfer shares freely.

Shareholders	Capital	Capital and votes %
Christian Thiel through Feldthusen Invest AB	1,945,000	26.2
Per Augustsson through Augutech AB	1,458,443	19.6
Anders Fogelberg through Birdmountain Invest AB	1,256,483	16.9
Roosgruppen	1,111,529	14.9
Nils-Robert Persson	376,204	5.1
Others	1,285,674	20.3
Total	7,433,333	

Certain rights associated with the shares

FlexQube has only one type of share. All rights associated with a share are assigned to the person registered in the share register maintained by Euroclear Sweden. The rights associated with shares issued by the company, including those following from the Articles of Association, can only be changed in accordance with the procedures laid down in the Swedish Companies Act (2005: 551).

Voting rights

Each share entitles the holder to one vote at general meetings of shareholders. Each shareholder is entitled to vote for the number of votes corresponding to the shareholder's total number of shares in FlexQube.

Entitlement to dividend and balance in the event of liquidation

The shares give equal rights to a share in the company's assets, earnings and any surplus in the event of liquidation. If FlexQube decides to issue new shares, warrants or convertibles through a cash or set-off issue, the shareholders have preferential subscription rights in proportion to the number of shares they already hold. There are, however, no provisions in the company's Articles of Association that limit the possibility of issuing new shares, warrants or convertibles, in accordance with the provisions of the Companies Act, with a deviation from the shareholders' preferential rights.

Dividend and dividend policy

FlexQube's strategy is continued international expansion and strong organic growth of sales over the next three to five years. In line with

the company's strategy, growth will be prioritized over dividends over the next few years, and future decisions on dividends will be taken with regard to FlexQube's development and opportunities for growth. Decisions concerning dividends are made by the Annual General Meeting, and dividends are paid via Euroclear Sweden.

Payment of dividends will be made in SEK. A dividend may only be paid to such an amount that, after the dividend, there is full coverage for the company's restricted equity, and only if the dividend appears justified with regard to

- the requirements that the nature, scope and risks of the business place on the size of its equity; and
- the company's requirements for consolidation, liquidity and position in other respects (the so-called precautionary rule).

The right to dividend is assigned to the person who is registered as a holder of shares in the share register maintained by Euroclear Sweden on the record day set for the dividend by the Annual General Meeting. If a shareholder cannot be reached through Euroclear Sweden, the shareholder's claim on the company remains with respect to the amount of the dividend and is limited in time only by rules on ten-year limitation. In the event of limitation, the amount of the dividend accrues to the company. Neither the Companies Act nor FlexQube's Articles of Association contain any restrictions on the right to dividend of shareholders outside Sweden. Apart from any restrictions imposed by banking or clearing systems in the jurisdictions concerned, payment is made to such shareholders in the same way as to shareholders resident in Sweden.



Central safekeeping of securities

FlexQube's shares are registered in a central security deposit register in accordance with the Swedish Central Securities Depository and Financial Instruments Accounts Act (1998:1479). The account operator is Euroclear Sweden AB, Box 7822, 103 97 Stockholm, Sweden. No share certificates have been issued for the company's shares. The ISIN code for FlexQube's shares is SE0010547075.

Development of share capital

Since the company was formed in October 2012, the share capital in FlexQube has changed as shown in the following table.

Year	Event	Number of shares		Share capital (SEK)	
		Change	Total	Change (SEK)	Total (SEK)
2012	Start-up	50,000	50,000	50,000	50,000
2017	Bonus issue	-	-	450,000	500,000
2017	Share split 100:1	4,950,000	5,000,000	-	500,000
2017	New issue	1,333,333	6,333,333	133,333	633,333
2018	New issue	1,100,000	7,433,000	110,000	743,333

Convertibles, warrants, etc.

FlexQube has no outstanding warrants, convertibles or other share-related financial instruments.

Incentive program

FlexQube has not entered into any incentive, share-based or employee share-option program as at the close of the accounts 2020.

Agreements with current shareholders

As far as the Board of Directors of FlexQube is aware, there are no agreements or the equivalent between shareholders that aim at joint influence over FlexQube or that may later lead to a change in the control of FlexQube.

Report of the Board of Directors

The Board of Directors and CEO of FlexQube AB (publ), CIN 556905-3944, with registered office in Gothenburg, Sweden, hereby submits the Annual Report for the Parent Company and the Group for the financial year 2020.

Business

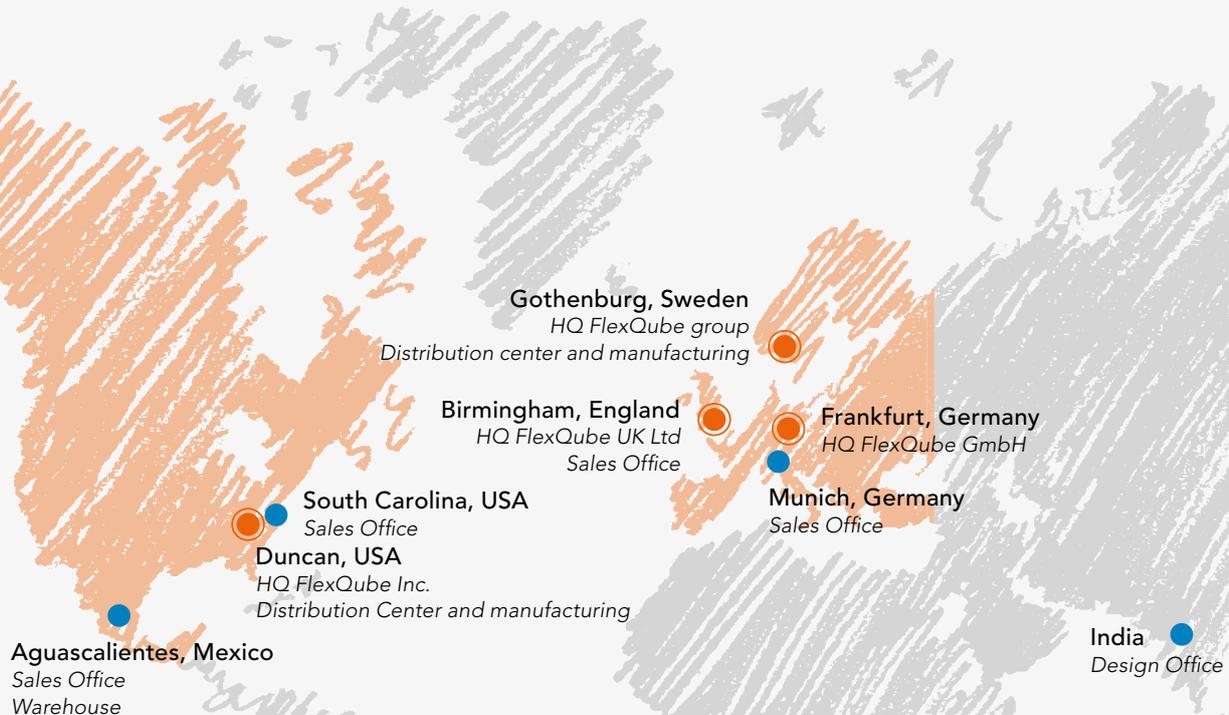
FlexQube is a global supplier of flexible and robust industrial carts in the field of material handling. The Group was founded at the end of 2010, with sales starting in the second half of 2012, and has in a short period of time secured a large number of prominent companies as customers. Standardized interfaces and modular building blocks allow for a unique, efficient, scalable design process where customers have access to unique future-proof cart solutions.

Material presentation and transport with the aid of configurable carts creates, among other things,

more efficient material flows, fewer accidents with forklift trucks and improved ergonomics and environment.

Currently, FlexQube's sales organization focuses on Europe and North America, with manufacturing in Gothenburg, Sweden for the European market and in South Carolina, USA, for the North American market.

At the beginning of 2020, a strategic decision was made to start collaborating with distributors around the world to reach more markets.



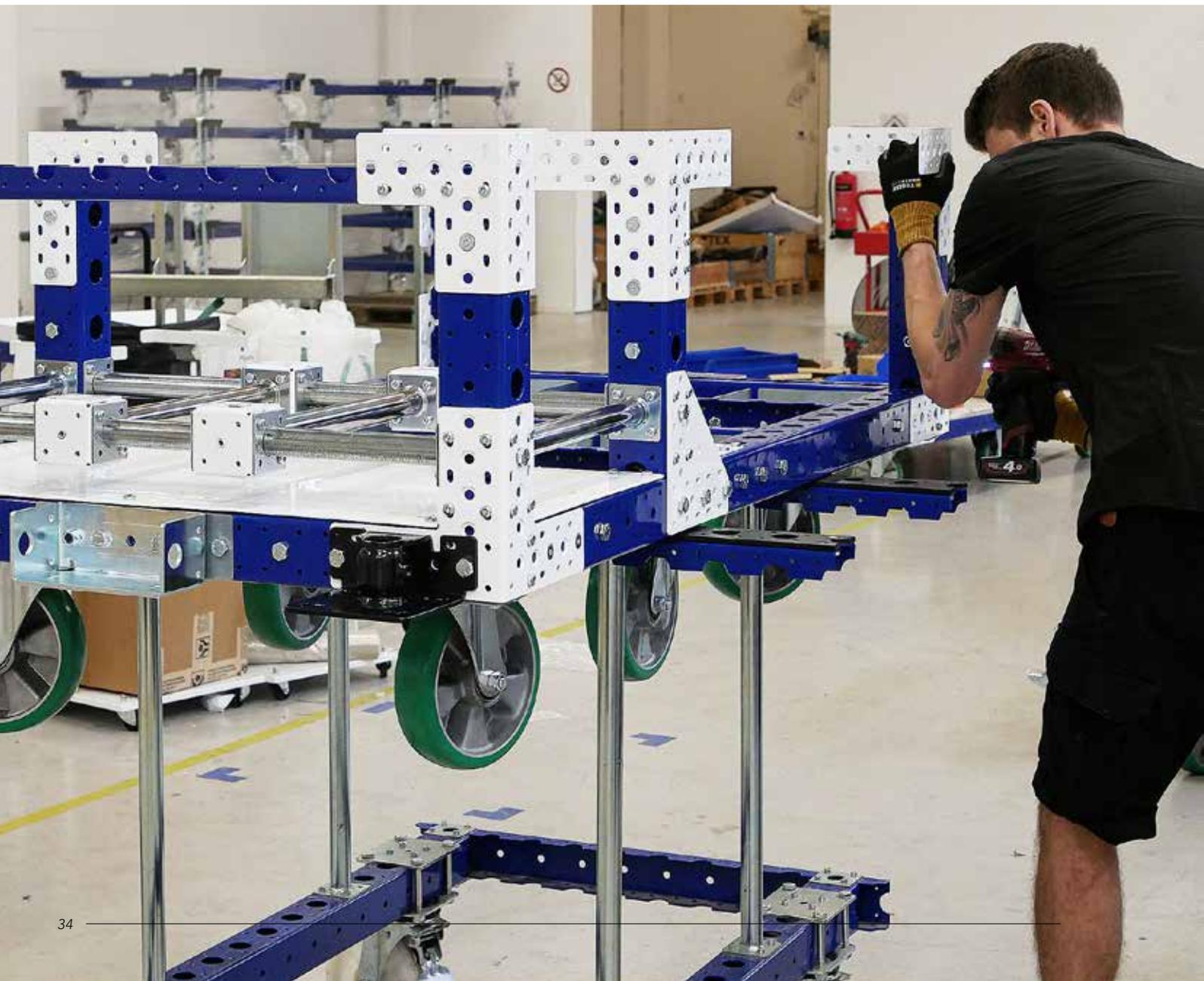
Market and trends

FlexQube is a global provider of modular and robust industrial carts for material handling. The Group was founded in 2010 and has since then had the ambition to create a whole new market. Today, the Group has a sales organization that focuses on Europe and North America. Manufacturing takes place in Sweden for the European market and in Duncan, South Carolina, USA for the North American and Mexican markets.

The industries and segments that FlexQube operates in are undergoing major challenges in the field of material handling, with today's consumers expecting more products and variants to choose from. The paradigm shift, called "mass customization", began in the late 1980s and has since developed into a situation where the number of products and variants on offer has increased significantly.

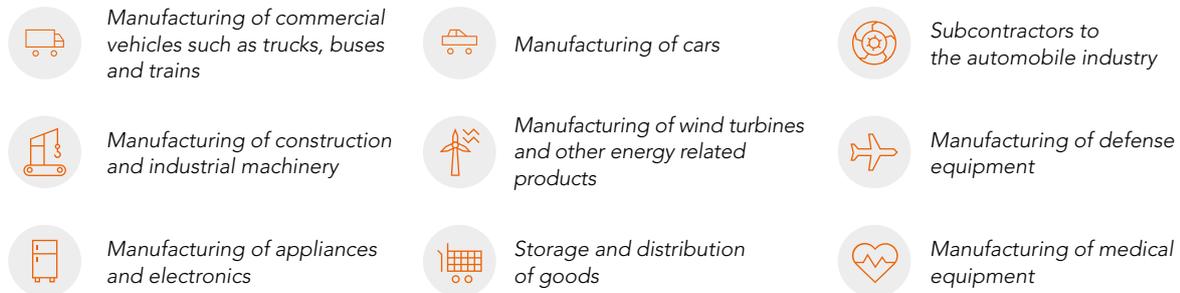
The mass customization phenomenon drives a huge need for products offered by FlexQube, such as the need to switch from truck-based to cart-based material handling, as the demand for reliable and frequent transports increases. In addition to this paradigm shift, there is global uncertainty, rapid changes in volume and mix, and rapid technological development, imposing greater demands on flexibility and the ability to re-configure the carts.

FlexQube's goal is to help its customers improve their internal logistics and achieve this by creating unique material carts with modular building blocks, an innovative design process and a high level of intralogistics skill.



Customer Base

FlexQube's customers are found in different industry segments and regions. As at December 31, 2020, FlexQube had an active customer base of approximately 700 customers in 30 different countries. Below are the segments in which FlexQube operates:



The product

The FlexQube concept can be divided into hard and soft products. The hard products are the building blocks and the customer-unique carts that are built using these blocks, while the soft products are system tools and processes for quickly and easily creating the design that the customer needs.

FlexQube has developed a toolbox of smart, modular building blocks that are combined to create customer-unique carts for material handling. FlexQube has four basic building blocks:

1. FlexQube®
2. FlexPlate™
3. FlexBeam™
4. FlexTube™

All building blocks are equipped with FlexQube's standardized interfaces (couplings), which are used to connect the building blocks with one another. No matter how and which building blocks are combined, the same interface is always created. FlexBeam™ and FlexTube™ come in different lengths to make it possible to create different-sized carts. The lengths are also standardized and come in intervals of seven centimeters; the blocks are based on a modular conception where it must always be possible to combine all building blocks with one another.

In addition to FlexQube's basic building blocks, screws, couplings, shelves and wheels are also used

to create a complete solution for the customer. All accessories connected to FlexQube's building blocks are equipped with FlexQube's standardized interface, which makes integration straightforward. FlexQube is, as far as the company is aware, the only player on the market with a modular concept that is 100 percent designed for creating material handling carts.

FlexQube's motorized cart, the eQart, consists of the same standardized building blocks, but is also equipped with smart modules such as a motor, battery, cameras and sensors that enable it to navigate automatically. The eQart is not a specific size or cart, but a concept that enables all FlexQube carts, both new and existing, to become self-drive. For more information, please see pages 22-23.



STRATEGY AND GOALS

For information concerning the company's strategy and goals, please see pages 28-29.

Research and development

Innovation and product development are an important area for FlexQube. Developments in logistics and automation are gathering momentum. FlexQube tries to work closely with its customers to ensure the value of the new innovations, while constantly monitoring trends and technological developments.

Interest in automation solutions is steadily increasing among FlexQube's customers. It is mainly in the warehousing, distribution and manufacturing industries that logistics robots are predicted to be implemented on a very large scale in coming years.

Modularization a key strategy for FlexQube. It creates the flexibility to quickly upgrade the product with new technology, but above all, facilitates a well thought-out modular concept that customized solutions can be easily created from.

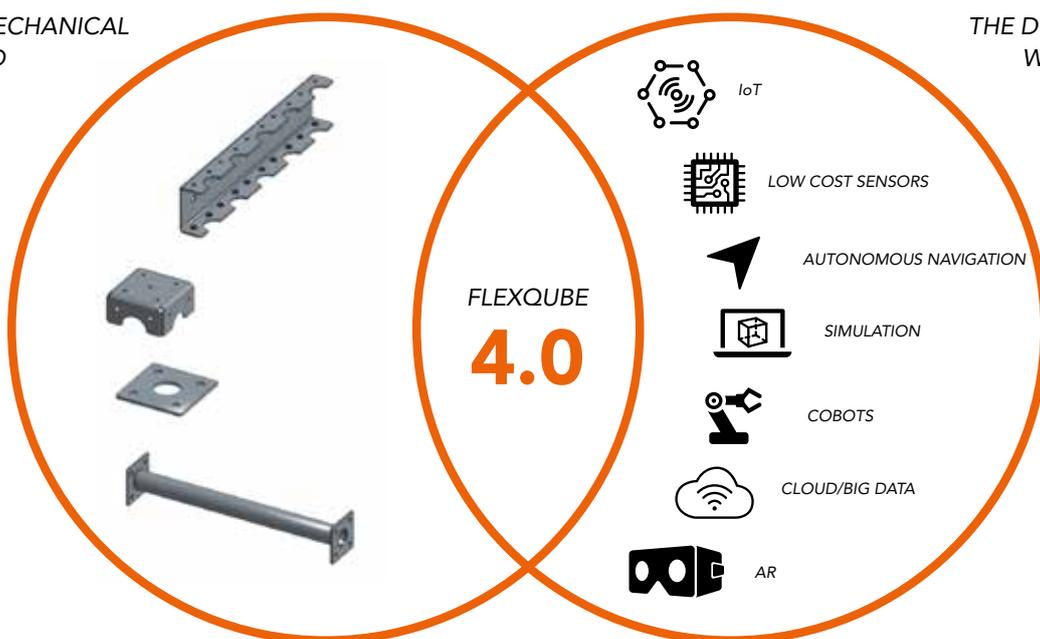
A large part of FlexQube's development work is linked to the development of smart modules; such as engines, batteries, and navigation modules. These smart building blocks together with FlexQube's mechanical concept

enable customer-unique logistics robots, also known as eQarts, to be easily and speedily configured to solve the customers' unique logistics problems. A special need for flexibility exists especially in the manufacturing industry, where the variation in size and shape of the object to be moved varies greatly.

An important strategy is partnerships with market-leading technology providers in the industry. Mainly in battery, engine and navigation technology. This enables both development costs and development time to be kept down. It also ensures a high level of quality and reliability in the solutions developed. The smart building blocks have standardized interfaces with FlexQube's carts and enable scalability at the technological level. As an example, two variants of the navigation module can be offered. One with optical line tracking, and one with fully autonomous navigation. The same applies to batteries where a system of interchangeable batteries is offered, and also innovative inductive charging with market-leading performance.

The mechanical building blocks are also being developed and one of the strategies for 2021 is to develop a scalable and flexible concept for manufacturing them that paves the way for more customer order-driven manufacturing with reduced inventory and faster delivery times as a result.

THE MECHANICAL
WORLD



THE DIGITAL
WORLD

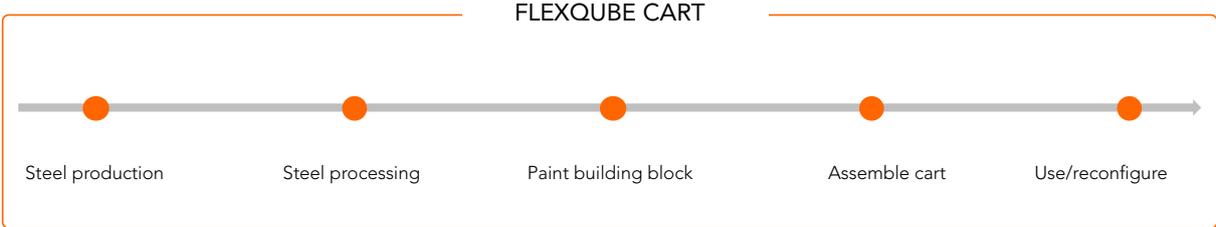
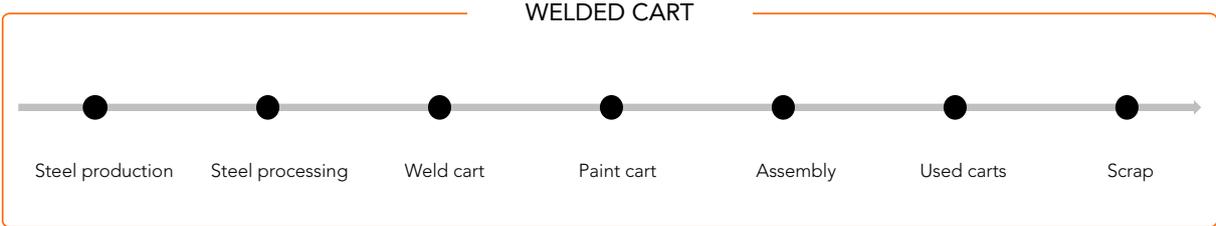


Production and environment

In September 2019, FlexQube moved its production for the European market from its subcontractor in Värmland to its own production facility in Gothenburg. This has led to major savings in terms of lead times to customers and closer cooperation with suppliers. In July 2020, the same process was carried out in the USA when production was moved in-house from an external supplier to Duncan, South Carolina. We expect the same positive effects as well as greater exchange in production methods and processes between our operations in Sweden and the US.

The main supplier for the Group has particular commitments governed by contracts with FlexQube, which must be fulfilled regarding ability to deliver, quantity, quality and delivery time, where the processes are designed to comply with applicable legislation and with directives in the field of safety and environment.

The FlexQube concept enables clear environmental gains, since the modular design is easy to customize. For more information about sustainability, please see pages 24-25.





Personnel and organization

The number of employees at FlexQube reflects the scalable business model that the Group actively works with in order to take advantage of economies of scale in the long term and, at the same time, limit the risk. As at December 31, 2020, there were 36 employees, of whom 10 were women. The average number of employees for the full-year was 30, of whom 7 were women.

Although the number of employees in the company is relatively low, the company still has a wide range of

expertise in relevant areas, stemming from the background, education and experience of its employees. In addition, if necessary, the company will hire staff to gain the necessary skills and to a large extent cooperate with the company's subcontractors. It can thus be noted that, given the company's business model, the company has an additional 20 to 30 employees working at suppliers and external consultants.



Multi-year overview

For definitions of key ratios, see Note 1 on page 55.

Earnings	Unit	2020	2019	2018	2017	2016
Order intake	kSEK	78,369	81,208	63,743	37,232	23,583
Net sales	kSEK	82,163	72,561	68,901	29,004	19,260
EBIT	kSEK	-19,979	-21,722	-6,714	-2,848	128
FINANCIAL POSITION						
Equity/assets ratio	%	56%	74%	81%	73%	4%
Working capital	kSEK	27,547	32,989	24,496	2,692	4,101
Current ratio	%	240%	311%	502%	415%	133%
Quick ratio including unused part of overdraft facilities	%	170%	205%	406%	382%	52%

Comments on financial developments in 2020

Numerical data in brackets in this Annual Report refers to comparisons with the period January – December 2019 or the balance sheet date December 31, 2019. FlexQube's accounting currency is the Swedish krona (SEK). When converting the income statement of foreign subsidiaries, the Group applies an average rate based on the average exchange rate for the year, for the comparison period 2019 an average rate is applied based on each quarter.

Revenue

Net sales for the year amounted to 82.2 MSEK (72.6), an increase of 13 percent compared with the previous year. Total revenue was up 10 percent, totaling 83.9 MSEK (76.6) at the end of the period. The Group has a lower share of activated work and smaller exchange rate gains from the previous year.

Costs

The cost of goods for resale, which includes purchases of materials and related expenses, such as freight and packaging, amounted to 44.9 MSEK (42.4), which is an increase of 6 percent compared to the previous year.

Other external costs amounted to 31.5 MSEK (35.0), a decrease of 10% compared to the previous year. The decrease is attributable mainly to reduced marketing costs and generally reduced operating costs such as travel as a result of the corona pandemic.

Personnel costs amounted to 21.2 MSEK (19.8), an increase of 8%. The increase between the periods is attributable to the planned expansion and the fact that distribution and assembly were insourced in North America during the year.

Earnings

EBITDA amounted to -15.3 MSEK (-20.5) and EBIT amounted to -20.0 MSEK (-21.7). Profit before tax amounted to -20.1 MSEK (-21.8) and profit after tax amounted to -20.1 MSEK (-21.8). Deferred tax assets on loss carryforwards have not been recognized.

Balance sheet

The company's total assets as at December 31, 2020, amounted to 75.3 MSEK (88.7). Intangible fixed assets amounted to 16.3 MSEK (17.6). This item consists mainly of expenses linked to development costs for FlexQube's self-driving cart eQart. Other items which are included in intangible fixed assets are expenses for development work on IT and software solutions for customers, patents, trademarks, and the conceptual development of FlexQube's mechanical building blocks. Current assets amounted to 56.5 MSEK (67.9) on the balance sheet date. Inventories amounted to 18.7 MSEK (25.4), accounts receivable amounted to 18.6 MSEK (20.5) and cash and cash equivalents amounted to 13.4 MSEK (18.1). Equity amounted to MSEK 42.5 (65.9) at the end of the period. Short-term liabilities amounted to 23.6 MSEK (21.8), consisting mainly of accounts payable combined with accrued costs and deferred income.

Cash flow for the period amounted to -4.6 MSEK (-42.2), of which cash flow from operating activities amounted to 11.4 million MSEK (-28.5) and is mainly driven by reduced inventories and the change in working capital. Cash flow from investment activities amounted to -3.0 MSEK (-13.5). The change between the comparison periods is due to reduced investments for intangible fixed assets linked to the development program for FlexQube's eQart self-driving cart. Cash flow from financing activities amounted to 9.8 MSEK (-0.3) where the change is due to a new loan during the period.





Risk and uncertainties

FlexQube is an internationally active company that is exposed to a number of market and financial risks. The company constantly monitors identified risks and takes measures to reduce the risks and their effects if necessary.

Examples of financial risks are market, liquidity and credit risks. Market risks consist mainly of currency risk. The Board of Directors of FlexQube is ultimately responsible for managing and monitoring the Group's financial risks. Currency and liquidity risks represent the most significant financial risks, while interest, financing and credit risks can be assigned lower risk.

The currency risk is due to the fact that part of the Group's revenues are in EUR for the European market, while operating costs are mainly in SEK. The US unit has local manufacturing and a supply chain in the US and only limited purchases are made in currencies other than USD. Consequently, the US unit experiences limited currency risk, excluding any intra-Group transactions.

The liquidity risk is primarily due to the fact that the Group's major customers require long payment periods and that the Group is in an expansion phase. The Group is actively working to reduce these risks, and existing global financing agreements ensure a satisfactory cash flow. Liquidity risk is managed on an ongoing basis in cooperation with the Group's lenders and other financial partners.

A new risk for the company in 2020 is the spread of the coronavirus. It is very difficult to foresee the potential consequences of the ongoing pandemic.

However, the pandemic can have both direct and indirect effects on the company's operations in the form of production difficulties due to sick leave, problems with component deliveries from external suppliers, reduced demand for the Group's products in the context of an economic downturn or closed customer operations, difficulties in leading the company if senior executives or other key employees take longer sick leave, credit losses on accounts receivable, government action and similar.

Shares

FlexQube's shares have been listed on Nasdaq First North in Stockholm since December 14, 2017, under the designation FLEXQ. FlexQube's share capital amounted to 0.7 MSEK on December 31, 2020, divided among 7,433,333 outstanding shares with equal rights. For more information concerning the share, see Share capital, the share, and ownership on pages 30–32.

Parent Company

FlexQube AB (publ) in Gothenburg, Corp ID No. 556905-3944 is the Group's parent company. In connection with the company's public offering, the Parent Company has established a management function for the Group, within the framework of corporate management and governance. All other business-related transactions that do not concern Group management, with external and/or intra-Group parties, are carried out primarily by the subsidiaries.

Other significant events during the financial year

eQart

Development of the first commercial version of the eQart was completed in 2019. The product was finally certified in September and the first orders were placed by Daimler in Germany. The eQart was officially launched at the end of 2019 and in 2020 the company has conducted sales and product demonstrations while continuing to refine the product. The corona pandemic put a spanner in the works for a wide range of planned meetings and demonstrations, but especially towards the end of 2020, we saw an increase in order intake on the eQart concept. In the long term, we see the corona pandemic as something that will create a need for faster automation rates within the world's plants.

Sales and marketing

Despite the corona pandemic, the company has posted another record year when it comes to sales, with net sales totaling 82.1 MSEK, or growth of 13%. The targets for the year were higher, but given the prevailing conditions around the world, we are pleased with the outcome. As physical visits have been kept to a minimum, the company has focused significantly on digital presence and the launch of our "virtual demos" concept. The customer connects via the internet and receives a full product review mainly of eQart from FlexQube employees, tailored to the customer's needs. The concept is currently live in all markets and has been very popular both with existing and future potential customers.

Organization and capacity

FlexQube continued to grow in 2020 and has boosted the organization in all areas, both through our own employees and also by increasing resources among our external partners. The number of employees increased from 32 to 36 between December 2019 and December 2020.

In July, the company decided to insource all assembly and distribution for North America to new premises in Duncan, South Carolina. The entire company's US operations are now located under one roof instead of, as before, outsourced to external suppliers, which contributes to higher efficiency and increased

collaboration. The company has been supplemented with resources in management, sales and purchasing. These consolidations are expected not only to increase the gross margin, but also to lead to better quality in both products and processes.

The corona pandemic

The corona pandemic has defined 2020 and therefore affected the company's business in all markets. At the beginning of 2020, the company had some delivery problems of components primarily from Asia, but this stabilized in the second quarter and onwards. The company's sales increased by 13% compared to the previous year, which we are pleased with, despite being well below the targets set before the corona pandemic. Primarily in the third quarter, order intake was lower than expected as many customer projects were moved forward and there was no possibility to visit customers physically in all markets. The corona pandemic has also had an impact on our processes as we have invested significantly in our digital presence, both when it comes to marketing but also more innovative products such as our "virtual demos" that were launched in 2020.

The company has benefited from government funding programs linked to the corona pandemic, primarily in the form of personnel lay-offs and deferral of tax payments. As a result of the restriction on physical meetings, costs are also significantly lower for e.g. travel and trade fairs.



Proposed distribution of profits and dividends

In view of the fact that the Group is in an expansion and growth phase and the result for 2020, the Company's Board of Directors proposes that the profits should be carried forward to a new account and that no dividend be paid to shareholders.

With regard to the Group's and the Parent Company's earnings and financial position in general, please refer to the following balance sheet and income statement, statement of changes in equity, cash flow statements, and notes. The Corporate Governance Report may be found on pages 68-75.

The following funds in the Parent Company (SEK) are at the disposal of the Annual General Meeting:

Profit carried forward	3,015,705
Share premium reserve	93,816,463
Profit for the year	-1,534,483
	95,297,685

The Board of Directors proposes the following amount to be carried forward on new account

95,297,685





Group's consolidated income statement

SEK	Note	2020	2019
Net sales		82,163,260	72,560,757
Work performed by the company for its own use and capitalized		605,262	2,176,746
Other operating income*	2, 22	1,181,184	1,890,922
Total operating income		83,949,706	76,628,425
OPERATING COSTS			
Goods for resale		-44,890,696	-42,353,695
Other external costs	4	-31,490,268	-35,042,532
Personnel costs	3	-21,248,332	-19,754,275
Depreciation of fixed assets	5	-4,676,066	-1,199,899
Other operating costs*	6	-1,623,794	-
Total operating costs		-103,929,156	-98,350,402
EBIT		-19,979,450	-21,721,977
INCOME FROM FINANCIAL ITEMS			
Other interest income and similar profit/loss items		11,386	-
Operating costs and similar profit/loss items		-155,786	-78,978
Total financial items		-144,400	-78,978
Profit/loss after financial items		-20,123,850	-21,800,955
Tax on profit for the period	8	-12,756	-12,771
Profit for the year		-20,136,606	-21,813,726
ATTRIBUTABLE TO:			
the Parent Company's owners		-20,136,606	-21,813,726
Minority interest		-	-
Earnings per share attributable to the Parent Company's owners		-2.7	-2.9

*Includes exchange rate fluctuations of operating items.

Group's consolidated balance sheet

Assets

SEK	Note	12/31/2020	12/31/2019
ASSETS			
Fixed assets			
Intangible fixed assets 9			
Capitalized expenditure for development and similar work		12,633,982	13,364,095
Concessions, patents, licenses, trademarks		2,766,798	2,755,213
Other intellectual property rights		869,364	1,500,181
Total intangible fixed assets		16,270,144	17,619,489
Tangible fixed assets 10			
Plant and machinery		1,388,768	2,035,739
Equipment, tools and fixtures and fittings		1,097,902	1,062,767
Total tangible fixed assets		2,486,670	3,098,506
Total fixed assets		18,756,814	20,717,995
Current assets			
Inventories	13	18,741,353	25,401,813
Total inventories, etc.		18,741,353	25 401 813
Current receivables			
Accounts receivable		18,646,438	20,522,335
Other receivables		1,783,696	2,278,076
Prepaid expenses and accrued income	14	3,939,717	1,666,402
Total current receivables		24,369,851	24,466,812
Cash and bank balances	21	13,389,249	18 091 453
Total current assets		56,500,453	67,960,078
TOTAL ASSETS		75,257,266	88,678,073

Group's consolidated balance sheet

Equity and liabilities

SEK	Note	12/31/2020	12/31/2019
EQUITY			
Share capital	15	743,333	743,333
Total restricted equity		743,333	743,333
Other paid-up capital		97,069,463	97,069,463
Profit carried forward, etc.		-35,208,207	-10,105,606
Profit for the year		-20,136,606	-21,813,726
Total non-restricted equity		41,724,650	65,150,131
Total equity		42,467,983	65,893,464
Non-current liabilities			
Liabilities to credit institutions	16	8,589,770	-
Other non-current liabilities		634,990	955,407
Total non-current liabilities		9,224,760	955,407
CURRENT LIABILITIES			
Accounts payable		9,840,428	12,935,412
Liabilities to credit institutions	16	1,405,230	-
Current tax liability		4,095	4,660
Other current liabilities		3,475,979	1,163,678
Accrued expenses and deferred income	18	8,838,792	7,725,451
Total current liabilities		23,564,523	21,829,201
TOTAL EQUITY AND LIABILITIES		75,257,266	88,678,073

Group's consolidated changes in equity

SEK			Other equity	Total equity
	Share capital	Other paid-up capital	Profit carried forward, etc.	
Opening balance 1/1/2019	743,333	97,172,163	-10,760,521	87,154,975
Profit for the year			-21,813,726	-21,813,726
Exchange rate differences when calculating foreign subsidiaries			654,915	654,915
Issue costs*		-102,700		-102,700
CLOSING BALANCE 12/31/2019	743,333	97,069,463	-31,919,332	65,893,464
Opening balance 1/1/2020	743,333	97,069,463	-31,919,332	65,893,464
Profit for the year			-20,136,606	-20,136,606
Exchange rate differences when calculating foreign subsidiaries			-3,288,875	-3,288,875
CLOSING BALANCE 12/31/2020	743,333	97,069,463	-55,344,813	42,467,983

*Issue costs for new share issue in December 2018.

Group's consolidated cash flow statement

SEK	Note	2020	2019
Operating activities			
Operating profit/loss before financial items		-19,979,450	-21,721,977
<i>Adjustments for non-cash items</i>			
Depreciation/amortization		4,676,066	1,199,899
Other non-cash items	20	-3,167,839	2,735,899
Interest received		11,386	-
Interest paid		-155,786	-78,978
Income tax paid		-13,321	29,828
Cash flow from operating activities before changes in working capital		-18,628,944	-17,835,330
<i>Cash flow from changes in working capital</i>			
Changes in inventories		6,600,125	-8,753,644
Changes in operating receivables		96,911	-3,925,048
Changes in operating liabilities		553,102	2,040,378
Cash flow from operating activities		-11,378,805	-28,473,644
INVESTING ACTIVITIES			
Acquisition of intangible fixed assets		-2,344,524	-12 000 472
Acquisition of tangible fixed assets		-776,274	-1,495,616
Sale of property, plant and equipment		164,229	-
Cash flow from investing activities		-2,956,569	-13,496,088
FINANCING ACTIVITIES			
New issue*		-	-102,700
Borrowings		10,000,000	-
Amortization of financial lease liabilities		-222,444	-213,038
Cash flow from financing activities		9,777,556	-315,738
Cash flow for the period		-4,557,818	-42,285,470
Cash and cash equivalents at beginning of period		18,091,453	60,065,111
Exchange rate differences in cash and cash equivalents		-144,385	311,812
CASH AND CASH EQUIVALENTS AT END OF PERIOD		13,389,249	18,091,453

*Costs for new share issue 2018.

Parent Company's income statement

SEK	Note	2020	2019
Net sales		1,547,605	946,772
Other operating income	2, 22	-	390,384
Total operating income		1,547,605	1,337,156
OPERATING COSTS			
Other external costs	4	-863,595	-1,146,606
Personnel costs	3	-812,637	-732,112
Other operating costs	6	-2,966,059	-
Total operating costs		-4,642,290	-1,878,718
EBIT		-3,094,685	-541,561
INCOME FROM FINANCIAL ITEMS			
Other interest income and similar profit/loss items		1,560,202	1,820,015
Operating costs and similar profit/loss items		-	-14,161
Total financial items		1,560,202	1,805,854
Profit/loss after financial items		-1,534,483	1,264,293
Appropriations	7	-	-1,258,000
Tax on profit for the period	8	-	-
Profit for the year		-1,534,483	6,293

Parent Company's balance sheet

SEK	Note	12/31/2020	12/31/2019
ASSETS			
Fixed assets			
Financial assets	11		
Shares in Group companies	12	57,308,175	34,058,351
Receivables from Group companies		31,359,990	48,887,178
Total financial assets		88,668,165	82,945,529
Total fixed assets		88,668,165	82,945,529
Current assets			
Current receivables			
Receivables from Group companies		796,282	2,066,519
Other receivables		-	18,602
Prepaid expenses and accrued income	14	46,837	50,200
Total current receivables		843,119	2,135,321
Cash and bank balances	21	7,674,460	15,130,351
Total current assets		8,517,579	17,265,672
TOTAL ASSETS		97,185,743	100,211,201
Equity			
Share capital	15	743,333	743,333
Total restricted equity		743,333	743,333
Share premium reserve		93,816,463	93,816,463
Profit carried forward		3,015,705	3,009,414
Profit for the year		-1,534,483	6,293
Total non-restricted equity		95,297,685	96,832,169
Total equity		96,041,018	97,575,502
Current liabilities			
Accounts payable		-	37,670
Liabilities to Group companies		-	1,624,300
Other current liabilities		366,554	-
Accrued expenses and deferred income	18	778,171	973,729
Total current liabilities		1,144,725	2,635,699
TOTAL EQUITY AND LIABILITIES		97,185,743	100,211,201

Parent Company's changes in equity

SEK	Share capital	Share premium reserve	Profit carried forward, etc.	Total equity
Opening balance 1/1/2019	743,333	93,919,163	3,009,413	97,671,910
Profit for the year			6,293	6,293
Issue costs*		-102,700		-102,700
CLOSING BALANCE 12/31/2019	743,333	93,816,463	3,015,706	97,575,502
Opening balance 1/1/2020	743,333	93,816,463	3,015,706	97,575,502
Profit for the year			-1,534,483	-1,534,483
CLOSING BALANCE 12/31/2020	743,333	93,816,463	1,481,223	96,041,018

*Issue costs for new share issue in December 2018.

Parent Company's cash flow statement

SEK	Note	2020	2019
Operating activities			
Operating profit/loss before financial items		-3,094,685	-541,561
<i>Adjustments for non-cash items</i>			
Other non-cash items	20	1,659,139	-390,384
Interest received		1,560,202	766,811
Interest paid		-	-14,161
Cash flow from operating activities before changes in working capital		124,656	-179,295
<i>Cash flow from changes in working capital</i>			
Changes in operating receivables		1,292,202	-85,589
Changes in operating liabilities		-1,490,973	-155,264
Cash flow from operating activities		-74,115	-420,147
INVESTING ACTIVITIES			
Capital contribution received		-23,249,824	-18,826,100
Loans granted to Group companies		-16,392,472	-22,074,214
Repayments received from group companies		32,260,520	-
Cash flow from investing activities		-7,381,776	-40,900,314
FINANCING ACTIVITIES			
New issue*		-	-102,701
Group contributions paid		-	-316,194
Cash flow from financing activities		-	-418,895
Cash flow for the period		-7,455,891	-41,739,356
Cash and cash equivalents at beginning of period		15,130,351	56,869,706
Cash and cash equivalents at end of period		7,674,460	15,130,351

*Costs for new share issue 2018.

NOTES **Apply to both the Group and the Parent Company**

Note 1 ACCOUNTING AND VALUATION PRINCIPLES

The current financial information has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Board's BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). The accounting principles have not changed from the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

Companies in which FlexQube holds the majority of votes at the Annual General Meeting are classified as subsidiaries and consolidated in the consolidated financial statements. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases. The consolidated financial statements have been prepared in accordance with the acquisition method. The acquisition date is the date on which the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair value on the acquisition date. Goodwill/Negative goodwill is the difference between the acquired identifiable net assets at the acquisition date and the acquisition value including the value of the minority interest, and is initially valued at the acquisition value. The Group has never reported any goodwill.

Transactions between Group companies have been eliminated in their entirety.

Subsidiaries in other countries prepare their annual reports in foreign currency. Upon consolidation, the items in these subsidiaries' balance sheets and income statements are translated at the exchange rate on the balance sheet date or the spot rate on the day each transaction took place. The exchange rate differences arising from the translation of the balance sheet for foreign subsidiaries are reported as accumulated exchange rate differences under consolidated equity.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are measured at the spot rate on the balance sheet date. Transactions in foreign currency are translated in accordance with the spot rate on the date of the transaction.

Revenue

Sales of goods are recognized when significant risks and benefits are transferred from sellers to buyers in accordance with the terms of sale. Sales are recognized after deduction of VAT and discounts. Sales of services are reported when the service in question has been carried out under the agreed terms.

Public grants

Contributions from the government are recognized at fair value when there is reasonable assurance that the grant will be received and that the Group will meet the conditions associated with the grant. Government grants related to cost recovery are accrued and recognized in the income statement over the same periods as the costs the grants are intended to cover. Government grants are presented as other income in the consolidated income statement.

Leases

Leases that essentially transfer the economic risks and benefits of owning an asset from the lessor to the lessee are classified in the consolidated financial statements as financial leases. Financial leases entail that rights and obligations are recognized in the balance sheet as assets and liabilities, respectively. The asset and liability is initially measured at the lower of the asset's fair value and the present value of the minimum lease payments. Expenses directly attributable to the lease are added to the value of the asset. Leasing fees are allocated on interest and amortization according to the effective interest rate method. Variable fees are recognized as an expense in the period they arise. The leased asset is depreciated on a straight-line basis over the estimated service life.

Leases where the economic benefits and risks that are attributable to the leasehold item remain in essence with the lessor are classified as operating leases. Payments, including a first increased rent, under these agreements are recognized on a straight-line basis over the term of the lease.

Employee benefits (short-term benefits)

Short-term benefits in the Group consist of salary, social security contributions, paid vacation, paid sick leave, health care and bonuses. Short-term benefits are reported as an expense and a liability when there is a legal or informal obligation to pay compensation.

Compensation after termination of employment

The Group only has defined contribution plans. In defined contribution plans, the company pays fixed fees to another company and has no legal or informal obligation to pay anything further even if the other company cannot fulfill its commitment. The Group's profit/loss is charged for expenses as employees' pensionable services are performed.

Income tax

Current taxes are measured based on the tax rates and tax rules applicable on the balance sheet date. Deferred taxes are measured based on the tax rates and tax rules determined prior to the balance sheet date.

Intangible fixed assets

Intangible fixed assets are recognized at cost less accumulated amortization and impairment losses.

The capitalization model for internally generated intangible fixed assets is applied in the consolidated financial statements, which means that:

Development expenditure directly attributable to the development and testing of identifiable, unique software products controlled by the Group is reported as intangible fixed assets when the following criteria are met:

- it is technically possible to complete the software so that it may be used,
- the company's intention is to complete the software and to use or sell it,

- there are conditions for using or selling the software,
- it can be shown how the software generates likely future financial benefits,
- adequate technical, financial and other resources for completing the development and for using or selling the software are available, and
- the expenses attributable to the software during its development can be calculated in a reliable manner.

Directly attributable expenses capitalized as part of a development program include expenses for employees and a reasonable proportion of indirect costs. Capitalized development expenditure is reported as intangible assets and amortized from the time when the asset is ready to be used.

Amortization is carried out on a straight-line basis over the estimated useful life. The amortization period for internally generated intangible fixed assets is from three to ten years.

Tangible fixed assets

Tangible fixed assets are reported at cost less depreciation. Cost includes expenses directly attributable to the acquisition of the asset. Expenses for ongoing repairs and maintenance are reported as expenses. Capital gains and losses on the disposal of capital assets are reported as Other operating income and Other operating expenses respectively.

The following depreciation periods are applied:

Inventories, 2 to 5 years.

Cars, 3 to 6 years.

Financial instruments

Financial instruments are reported in accordance with the rules in Chapter 11 of K3, which means that valuation is based on cost. Financial instruments recognized in the balance sheet include accounts receivable and other receivables, accounts payables and loan liabilities. The instruments are recognized in the balance sheet when FlexQube becomes party to the instrument's contractual terms. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with ownership. Financial liabilities are derecognized from the balance sheet when the obligations have been canceled or otherwise terminated.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method (FIFO). The reported value of stock includes a deduction for obsolescence in accordance with phased obsolescence which has been defined for the Group. Phasing means that on the basis of a consistent equation, write-down is calculated at different intervals, based on the turnover rate of the individual product. This write-down rule is also supplemented by an assessment of the individual product group.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The reported cash flow only includes transactions that have resulted in incoming or outgoing payments. The company classifies cash as cash and cash equivalents.

PARENT COMPANY ACCOUNTING AND VALUATION PRINCIPLES

The same accounting and valuation principles apply to the Parent Company as to the Group, except in the cases listed below:

Shares and shares in subsidiaries

Shares and shares in subsidiaries are reported at cost less any impairment losses. Cost includes the purchase price paid for the shares as well as acquisition costs. Any capital contributions are added to cost when they are paid. Dividends from subsidiaries are reported as income.

Group contributions

Group contributions from the Parent Company to subsidiaries and Group contributions received by the Parent Company from subsidiaries are reported as appropriations.

Equity

Equity is divided into restricted and unrestricted equity, in accordance with the Annual Accounts Act.

ITEMS AFFECTING COMPARABILITY

Items affecting comparability are accounted for separately where necessary to explain the Group's results. Items affecting comparability are substantial income or expense items that should be noted because of the importance of their nature or amount.

ASSESSMENTS AND ESTIMATES

Assessments and estimates are made continuously on the basis of historical outcomes and expectations of future developments that can be considered reasonable given prevailing conditions.

DEFINITIONS OF KEY RATIOS

Current ratio: Current assets as a percentage of current liabilities.

EBIT: Earnings before interest and tax.

EBITDA: Earnings before interest, tax, and depreciation and amortization.

Equity per share: Equity at the end of the period divided by the adjusted number of shares at the end of the financial period.

Sales growth: The difference in net sales between two periods, divided by net sales during the first period.

Quick ratio: Current assets excluding inventories and including unused overdraft facilities as a percentage of current liabilities.

Net debt: Gross debt, i.e. total non-current and current borrowings, including any used part of the overdraft facilities, minus cash and cash equivalents, current receivables and easily realized assets.

Order intake: Value of orders received during the specified period.

Earnings per share: Earnings for the period in relation to the adjusted average number of shares during the financial period.

Working capital: Inventories and accounts receivable less accounts payable.

Operating margin: Operating profit/loss after depreciation/amortization as a percentage of net sales.

Equity/assets ratio: The ratio of the company's equity to the total assets in the company's balance sheet.

Profit margin: Profit before tax as a percentage of net sales.

Definitions of alternative key ratios

Quick ratio including unused part of overdraft facilities: Current assets excluding inventories plus unused overdraft facilities as a percentage of current liabilities.

Working capital as a percentage of net sales: Total current assets less current liabilities in relation to net sales in percent.

Note 2	OTHER OPERATING INCOME	2020	2019
	OTHER OPERATING INCOME, GROUP		
	Other income	223,442	463,318
	Grants received*	530,594	0
	Exchange gains from operating activities (net)	427,148	1,427,604
	Total other operating income, Group	1,181,184	1,890,922
	OTHER OPERATING INCOME, PARENT COMPANY		
	Exchange gains on receivables from Group companies	0	390,384
	Total other operating income, Parent Company	0	390,384

*Government grants related to Covid-19 refer to support for lay-offs and amount to SEK 461,256. Government grants are presented as other income in the consolidated income statement. There are no unfulfilled conditions or contingent liabilities attached to these grants.

Note 3	PERSONNEL	2020	2019
	AVERAGE NUMBER OF EMPLOYEES IN THE GROUP		
	The average number of employees was	30	24
	-Of whom women	7	5
	Hired staff	31	40
	GENDER DISTRIBUTION IN BOARD AND MANAGEMENT AS AT THE BALANCE SHEET DATE		
	Number of Board members	5	5
	-Of whom women	0	1
	Number of other senior executives, incl. CEO	3	3
	-Of whom women	0	0
	SALARIES, REMUNERATION, ETC. TO BOARD, PARENT COMPANY		
	Ulf Ivarsson, Chairman of the Board	233,333	250,000
	Anders Ströby	140,000	150,000
	Kristina Ljunggren	50,000	150,000
	Christian Thiel	140,000	0
	Mikael Bluhme	90,000	0
	Per Augustsson	0	0
	Total salaries, remuneration etc. to Board	653,333	550,000
	Total social security contributions	175,583	148,423

The Board has not received any variable remuneration, pension or other benefits.

	SALARIES, REMUNERATION, ETC. TO EMPLOYEES, SUBSIDIARIES		
	Anders Fogelberg (CEO)*	1,257,601	1,246,574
	Other senior executives (2)	1,820,722	2,295,395
	Other employees	13,659,010	10,936,156
	Total salaries, remuneration, etc. to employees	16,737,333	14,478,125
	Total social security contributions	3,142,691	3,219,090

Note 3	PERSONNEL (contd.)	2020	2019
	<i>*Benefits in addition to salary and pension have been awarded to the CEO in the amount of 110,958 SEK (121,692).</i>		
	PENSION COSTS, SUBSIDIARIES*		
	Anders Fogelberg (CEO)	90,606	89,437
	Other senior executives (2)	243,596	187,476
	Other employees	422,249	371,977
	Total pensions to employees	756,451	648,891
	Total special payroll tax on pension costs	147,982	131,553
	<i>*Pension costs consist of contract premiums paid during the year in accordance with defined contribution pension plans. No pension was paid by the Parent Company in 2020 or 2019.</i>		
Note 4	REMUNERATION TO THE AUDITORS	2020	2019
	REMUNERATION TO AUDITORS, GROUP		
	Audit, PwC	175,000	160,000
	Other assignments, PwC	45,000	0
	Tax advice, PwC	50,000	0
	Total remuneration to auditors, Group	270,000	160,000
	REMUNERATION TO AUDITORS, PARENT COMPANY		
	Audit, PwC	175,000	160,000
	Other assignments, PwC	45,000	0
	Tax advice, PwC	50,000	0
	Total remuneration to auditors, Parent Company	270,000	160,000
Note 5	DEPRECIATION/AMORTIZATION		
	Amortization of intangible fixed assets in the Group amounts to 3.6 MSEK (0.4). Depreciation of tangible fixed assets in the Group amounts to MSEK 1.1 (0.8). No depreciation/amortization was carried out in the Parent Company.		
Note 6	OTHER OPERATING COSTS	2020	2019
	OTHER OPERATING COSTS, GROUP		
	Capital losses	5,224	0
	Depreciation/amortization	99,239	0
	Exchange loss from operating activities (net)	1,519,331	0
	Total other operating costs, Group	1,623,794	0
	OTHER OPERATING COSTS, PARENT COMPANY		
	Exchange loss from operating activities (net)	2,966,059	-
	Total other operating costs, Parent Company	2,966,059	0
Note 7	APPROPRIATIONS	2020	2019
	APPROPRIATIONS, PARENT COMPANY		
	Group contributions paid	0	1,258,000
	Total appropriations, parent company	0	1,258,000

Note 8	TAX	2020	2019
TAX ON PROFIT FOR THE YEAR, GROUP			
	Swedish companies	0	0
	Foreign companies	-12,756	-12,771
	Total current tax, Group	-12,756	-12,771

Deferred tax assets for carry-backs in 2020 or 2019 have not been reported; the deficit on the balance sheet date amounts to 55.3 MSEK (31.9) in the Group.

TAX ON PROFIT FOR THE YEAR, PARENT COMPANY			
	Tax on profit for the year	0	0
	Total current tax, Parent Company	0	0

Note 9	INTANGIBLE ASSETS, GROUP	2020	2019
CAPITALIZED EXPENDITURE FOR DEVELOPMENT WORK			
	Opening cost and depreciation/amortization	13,364,095	4,492,250
	Cost for the year	1,926,394	9,707,150
	Reclassifications	0	-835,306
	Depreciation/amortization for the year	-2,557,268	0
	Depreciation/amortization	-99,239	0
	Closing book value	12,633,982	13,364,095
OTHER INTELLECTUAL PROPERTY RIGHTS			
	Opening cost and depreciation/amortization	1,500,181	0
	Cost for the year	0	1,165,117
	Reclassifications	0	666,752
	Depreciation/amortization for the year	-630,817	-331,688
	Closing book value	869,364	1,500,181
CONCESSIONS, PATENTS, LICENSES AND TRADEMARKS			
	Opening cost and depreciation/amortization	2,755,213	1,480,480
	Cost for the year	380,292	1,128,205
	Reclassifications	0	168,554
	Depreciation/amortization for the year	-368,707	-22,026
	Closing book value	2,766,798	2,755,213

Note 10	TANGIBLE FIXED ASSETS, GROUP	2020	2019
	PLANT AND MACHINERY		
	Opening cost and depreciation/amortization	2,035,739	1,569,093
	Cost for the year	0	1,600,223
	Disposals	-409,103	-383,435
	Translation differences for the year	182,632	0
	Depreciation/amortization for the year	-420,501	-750,141
	Closing book value	1,388,768	2,035,739

0.7 (0.5) MSEK of the item relates to fixed assets relating to company cars that have been included in the consolidated balance sheet as a result of financial leasing.

	INVENTORIES, TOOLS AND FACILITIES		
	Opening cost and depreciation/amortization	1,062,767	804,451
	Cost for the year	726,766	354,361
	Translation difference of the year	7,140	0
	Depreciation/amortization for the year	-698,771	-96,044
	Closing book value	1,097,902	1,062,767

Note 11	FINANCIAL ASSETS	2020	2019
	FINANCIAL ASSETS, PARENT COMPANY		
	Shares in Group companies	57,308,175	34,058,351
	Receivables from Group companies	31,359,990	48,887,178
	Total financial assets, Parent Company	88,668,165	82,945,529

Note 12 SHARES IN GROUP COMPANIES

FlexQube AB (publ), CIN 556905-3944, is the Parent Company of the FlexQube Group. The table below lists all wholly-owned subsidiaries with their company name, CIN, registered office and book value as of December 31, 2020.

Group companies	CIN	Registered office	Number of shares	Book value 2020	Book value 2019
FlexQube Europe AB	556823-6078	Gothenburg, Sweden	50,000	24,602,500	11,940,000
FlexQube GmbH	HRB 110829	Frankfurt am Main, Germany	25,000	7,605,316	6,893,781
FlexQube Inc	90-0998273	Delaware, USA	1,000	22,336,030	13,014,741
FlexQube Ltd	11917032	London, United Kingdom	1,000	2,479,329	1,924,829
FQ IP AB	556905-4017	Gothenburg, Sweden	50,000	285,000	285,000
Total			127,000	57,308,175	34,058,351

Note 13	INVENTORIES, GROUP	2020	2019
	North America	13,435,534	20,778,731
	Europe	5,305,819	4,623,083
	Total inventories, Group	18,741,353	25,401,813

Note 14	PREPAID EXPENSES AND ACCRUED INCOME	2020	2019
	PREPAID EXPENSES AND ACCRUED INCOME, GROUP		
	Other prepaid expenses	1,402,851	535,587
	Other interim claims	2,536,866	1,130,815
	Total prepaid expenses and accrued income, Group	3,939,717	1,666,402
	PREPAID EXPENSES AND ACCRUED INCOME, PARENT COMPANY		
	Other prepaid expenses	0	50,200
	Other interim claims	46,837	0
	Total prepaid expenses and accrued income, Parent Company	46,837	50,200
Note 15	SHARE CAPITAL	Share	Value per share
	Number/quota value at start of year	7,433,333	0.1
	Number/quota value at end of year	7,433,333	0.1
	FlexQube has only one type of share. The shares give equal rights to a share in the company's assets, earnings and any surplus in the event of liquidation.		
Note 16	NON-CURRENT LIABILITIES	2020	2019
	NON-CURRENT LIABILITIES, GROUP		
	Liabilities to credit institutions	9,995,000	0
	-Of which current component	1,405,230	0
	Liabilities maturing later than five years from the balance sheet date:	1,732,027	0
	Other non-current liabilities	940,009	1,179,660
	-Of which current component	305,020	224,252
	The item "Other non-current liabilities" has been included in the balance sheet as a result of financial leasing and consists of financial leasing agreements as of the current balance sheet date only.		
Note 17	OVERDRAFT FACILITIES, GROUP	2020	2019
	Used overdraft facilities	0	0
	Unused overdraft facilities	2,300,000	2,300,000
	Total limit	2,300,000	2,300,000
Note 18	ACCRUED EXPENSES AND DEFERRED INCOME	2020	2019
	ACCRUED EXPENSES AND DEFERRED INCOME, GROUP		
	Accrued salaries and vacation pay	2,432,908	2,194,633
	Social security contributions	484,658	634,371
	Deferred expenses	4,450,617	1,513,998
	Other accrued expenses	1,470,610	3,382,448
	Total accrued expenses and deferred income, Group	8,838,792	7,725,451
	ACCRUED EXPENSES AND DEFERRED INCOME, PARENT COMPANY		
	Accrued fees to Board	420,000	391,667
	Social security contributions	113,175	123,062
	Other accrued expenses	244,996	459,000
	Total accrued expenses and deferred income, Parent Company	778,171	973,729

Note 19	PLEDGED ASSETS	2020	2019
	PLEDGED ASSETS, GROUP		
	Floating charges	12,300,000	2,300,000
	Shares in subsidiaries	242,819	248,941
	PLEDGED ASSETS, PARENT COMPANY		
	Floating charges	12,300,000	2,300,000
	Shares in subsidiaries	285,000	285,000
Note 20	CASH FLOW STATEMENT, GROUP	2020	2019
	OTHER NON-CASH ITEMS, GROUP		
	Exchange rate differences	-3,097,018	652,556
	Stock obsolescence	60,335	2,345,460
	Disposal, leasing	-275,541	49,695
	Exchange rate differences in cash and cash equivalents	144,385	-311,812
	Total non-cash items, Group	-3,167,839	2,735,899
	OTHER NON-CASH ITEMS, PARENT COMPANY		
	Exchange difference on loans in foreign currency	1,659,139	-390,384
	Total non-cash items, Parent Company	1,659,139	-390,384
Note 21	CASH AND CASH EQUIVALENTS	2020	2019
	Available cash and cash equivalents, bank accounts with the Group	13,389,249	18,091,453
	-Of which available cash and cash equivalents with Parent Company	7,674,460	15,130,351

Note 22 TRANSACTIONS WITH RELATED PARTIES

Transactions with related companies

No significant transactions with related companies were carried out during the year.

Purchases and sales between Group companies

For the Parent Company, 100 per cent (100) of the year's sales and 0 per cent (0) of the year's purchases relate to subsidiaries. Sales in the Parent Company relate to Group administration. Other sales and purchases between subsidiaries are omitted from the consolidated accounts in their entirety.

Note 23 EVENTS AFTER THE BALANCE SHEET DATE

After the end of the financial year, the company has obtained several larger orders previously communicated to the market via press releases, including from BRP 6.2 MSEK, Aludyne 2.9 MSEK and Siemens 1.9 MSEK.

Certifications & signatures

Income statements and balance sheets will be submitted to the Annual General Meeting on April 29, 2021 for resolution.

The undersigned confirm that the consolidated financial statements and Annual Report have been drawn up in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3), respectively, and with generally accepted accounting practice, and provide a fair and accurate view of the Group's

and the Parent Company's operations, position and results. The Report of the Board of Directors for the Group and the Parent Company provides a fair and accurate view of the development of the Group's and the company's operations, position and results, and describes significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Gothenburg, March 30, 2021

Ulf Ivarsson
CHAIRMAN OF THE BOARD

Anders Ströby
MEMBER OF THE BOARD

Christian Thiel
MEMBER OF THE BOARD

Per Augustsson
MEMBER OF THE BOARD

Anders Fogelberg
CEO

Mikael Bluhme
MEMBER OF THE BOARD

Our audit report was submitted on March 30, 2021

PricewaterhouseCoopers AB

Johan Palmgren
AUTHORIZED PUBLIC ACCOUNTANT

Auditor's report

To the General Meeting of FlexQube AB (publ), CIN 556905-3944

Report on the Annual Report and consolidated financial statements

Statements

We have carried out an audit of the annual accounts and consolidated accounts of FlexQube AB (publ) for the year 2020. The company's Annual Report and consolidated financial statements are included in pages 33-62 of this document.

In our opinion, the Annual Report and consolidated financial statements have been drawn up in accordance with the Annual Accounts Act and give, in all important respects, a true overview of the parent company's and the Group's financial position as of December 31, 2020 and of their financial results and cash flow for the year in accordance with the Annual Accounts Act. The Report of the Board of Directors is consistent with other parts of the Annual Report and consolidated financial statements.

We therefore recommend that the Annual General Meeting adopt the income statement and balance sheet of the Parent Company and the Group.

Basis for statements

We have carried out the audit in accordance with the International Standards on Auditing (ISA) and with generally accepted auditing practice in Sweden. Our responsibilities with respect to these standards are described in greater detail in the section "Auditor's responsibility". We are independent of the Parent Company and the Group, as required by generally accepted auditing standards in Sweden, and have in other respects fulfilled our professional ethical responsibilities in accordance with these requirements.

We consider that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

Information other than the Annual Report and consolidated financial statements

This document also includes information other than the Annual Report and consolidated financial statements; this information can be found on pages 1-32, 66-67 and 76-81.

The Board and the CEO are responsible for this additional information.

Our statement concerning the Annual Report and consolidated financial statements does not cover this information, and we make no statement confirming this additional information.

In conjunction with our audit of the Annual Report and consolidated financial statements, it is our responsibility to read the information identified above and to consider whether the information is, to a substantial extent, incompatible with the Annual Report and consolidated financial statements. In this review, we also consider the knowledge we have otherwise obtained during the audit and assess whether the information appears, in other respects, to contain substantial inaccuracies.

If, on the basis of the work carried out concerning this information, we conclude that the additional information contains a substantial inaccuracy, we are obliged to report this. We have nothing to report in this respect.

Responsibility of the Board and CEO

It is the Board and CEO who are responsible for ensuring that the Annual Report and consolidated financial statements are drawn up and that they give a true overview in accordance with the Annual



Accounts Act. The Board and CEO are also responsible for the internal checks they judge to be necessary in order to draw up an annual report and consolidated financial statements which do not contain any significant inaccuracies, whether these result from irregularity or error.

In drawing up the Annual Report and consolidated financial statements, the Board and CEO are responsible for assessing the company's and the Group's ability to continue operations. They report, when appropriate, on conditions that may affect the ability to continue operations and to use the assumption of continued operation. However, the assumption of continued operation is not applied if the Board and the CEO intend to liquidate the company, to cease operations, or have no realistic alternative to doing either of these.

Auditor's responsibility

Our goals are to achieve a reasonable degree of certainty as to whether the Annual Report and consolidated financial statements as a whole do not contain any significant inaccuracies, whether due to irregularities or errors, and to submit an audit report containing our statements. Reasonable certainty is a high degree of certainty, but is not a guarantee that an audit carried out in accordance with ISA and good auditing practice in Sweden will always detect a significant inaccuracy if one exists. Inaccuracies may arise as a result of irregularities or errors, and are deemed to be significant if they, individually or collectively, can reasonably be expected to affect the financial decisions that users make on the basis of the Annual Report and consolidated financial statements.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts can be found on the Auditor's Inspectorate's website: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the audit report.

Report on other requirements in accordance with laws and other ordinances

Statements

In addition to our audit of the annual accounts and consolidated accounts, we have also carried out an audit of the management of FlexQube AB (publ) by the Board of Directors and the CEO for 2020 and of the proposed appropriation of the company's profit or loss.

We advise the Annual General Meeting to dispose of the profit in accordance with the proposal in the report of the Board of Directors, and to grant the members of the Board and the CEO discharge from liability for the financial year.

Basis for statements

We have carried out the audit in accordance with generally accepted auditing practice in Sweden. Our responsibilities in this respect are described in greater detail in the section "Auditor's responsibility". We are independent of the Parent Company and the Group, as required by generally accepted auditing standards in Sweden, and have in other respects fulfilled our professional ethical responsibilities in accordance with these requirements.

We consider that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

Responsibility of the Board and CEO

It is the Board that is responsible for the proposal for appropriation of the company's profit or loss. In the case of a proposed dividend this includes, among other things, an assessment of whether the dividend is justifiable in view of the requirements that the company's and the Group's type of business, scope and risks impose on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in other respects.

The Board is responsible for the company's organization and the administration of the company's affairs. This includes, among other things, a continuous assessment of the company's and the Group's financial situation, and ensuring that the company's organization is designed so that accounting, fund management and the company's other financial

affairs are monitored in a satisfactory manner.

The CEO must take care of the day-to-day administration in accordance with the Board's guidelines and instructions and, inter alia, take the necessary measures to ensure that the company's accounting is carried out in accordance with the law and that the funds are managed in a satisfactory manner.

Auditor's responsibility

Our goal regarding the audit of the administration, and thus our statement concerning discharge from liability, is to obtain audit evidence in order to be able to assess, with a reasonable degree of certainty, whether any board member or the CEO has in any material respect:

- taken any action or been guilty of any negligence that may cause liability to the company;
- acted in any other way in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our goal regarding the audit of the proposal for appropriation of the company's profit or loss, and thus our statement concerning this, is to assess with a reasonable degree of certainty whether the proposal is compatible with the Companies Act.

A reasonable degree of certainty is a high degree of certainty, but no guarantee that an audit carried out in accordance with generally accepted auditing standards in Sweden will always detect measures or omissions that may result in liability to the company, or that a proposal for disposals of the company's profit or loss is not compatible with the Companies Act.

A further description of our responsibility for the audit of the administration may be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the audit report.

Gothenburg, March 30, 2021
PricewaterhouseCoopers AB

Johan Palmgren
AUTHORIZED PUBLIC ACCOUNTANT



Ulf Ivarsson
Chairman of the Board

LETTER FROM THE CHAIRMAN

Challenging times – adaptation, growth, development, digital transformation

FlexQube entered 2020 with strong momentum. Order intake, sales growth, new – digital – product platform, eQart, and a sharpened organization. Everything seemed to suggest a “record” on all fronts and the first quarter was the company's most successful to date.

But from February on we began registering ominous information about external events. The COVID-19 pandemic accelerated and although not all the consequences were yet known, FlexQube prepared itself for severe adverse effects. The dramatic change in market climate, demand and conditions for customer meetings etc that affected us, like most other companies, is difficult to describe to outsiders. But it also pales in comparison to the enormous challenge faced by the whole healthcare system and the many individuals who have directly or indirectly been affected by the coronavirus.

The corona pandemic is an external factor that we cannot "wish away", but individuals, companies and society alike must grasp the reality and adapt to the circumstances. In such a situation, it is gratifying to see how FlexQube's management and personnel have responded and taken on the challenges that have arisen. Short-term layoffs and other cost adjustments have been combined with creativity and transition, including digital demos and customer meetings.

Despite the much worsened market conditions since the second quarter, FlexQube has increased sales by 13 percent in 2020. Despite the challenges, sales work has intensified, although most meetings have been digital. Although only a few orders have been canceled, we have noted that sales cycles have become significantly longer, as many companies postpone investment decisions that are not strictly necessary. The intensive marketing and sales work, where resources have been focused on digital channels, means that FlexQube has a good "pipeline" to resort to. This is one of the reasons why I firmly believe that the company's growth will accelerate again when the market normalizes.

Other factors that strengthen FlexQube's competitiveness and future potential are the company's investments in digital transformation and building a global dealer network. The dealer strategy took off in 2020 and already the company has a strong presence in several important markets with more than 10 dealers complementing our own organization.

The need for automation solutions and digital structures has become even more clear over the past year. Through the eQart concept, FlexQube is uniquely positioned with smart robot carts combined with a design for material handling. The launch of eQart was adversely impacted by the pandemic in 2020, but there is significant potential over the next few years as the market for logistics robots will grow five times faster in the manufacturing industry than in warehousing and distribution over the next 7 years.

I have had the privilege of leading the board's work since 2017. It is time to hand over the baton, which I do with the firm conviction that FlexQube's expansion and growth will be sustained for many years. FlexQube has huge potential with a very strong product program that helps customers implement digital transformation and continued streamlining. This means that I have great optimism and confidence in the organization, management and board delivering significant results from 2021 onward.

Gothenburg, March 30, 2021

Ulf Ivarsson

CHAIRMAN OF THE BOARD, FLEXQUBE AB (PUBL)

Corporate Governance Report

FlexQube AB (publ) is a public Swedish company whose shares are listed on Nasdaq First North Stockholm. The company is a global supplier of flexible and robust industrial carts in the field of material handling. Standardized interfaces and modular building blocks allow for a unique, efficient, scalable design process where customers have access to unique solutions. In 2019, the company's first self-driving cart, eQart, was launched.

FlexQube's corporate governance describes how the owners, through the General Meeting, and the Board of Directors govern the company and ensure that the CEO and the company management create value and manage the risks in the business.

Shareholders

The FlexQube Group comprises five companies. The Group's Parent Company is the Swedish public share company FlexQube AB (publ), whose shares are listed on Nasdaq First North Stockholm.

FlexQube's share capital is represented by common shares. Each share entitles the holder to one vote. All shares carry equal rights to a share of the company's assets and profits. The number of shares is 7,433,333. As at December 31, 2020, the number of shareholders was approximately 1,500.

For more information about the ownership structure, trading and price trend, see pages 30-32 of the Annual Report. The major shareholders in FlexQube exercise an active ownership role. The Board and Group management control a total of 79.9 per cent of the capital and votes in the company. The Articles of Association do not contain any reservations about the restriction of voting rights.

Corporate governance

The basis for the governance of FlexQube is the Swedish Companies Act, the Articles of Association, Nasdaq First North's regulations, internal rules and

regulations, and other applicable Swedish and foreign laws and regulations.

Articles of Association

According to the Articles of Association, the company's name is FlexQube AB (publ) and the company is public. The Board has its registered office in Gothenburg municipality, Västra Götaland County, Sweden. The company shall, directly or indirectly, develop, manufacture and market material racks and locking and coupling devices for the manufacturing and construction industry and the retail trade. The company shall also perform consultancy services in production and product development with a focus on mechanical engineering, as well as conduct related operations.

General meeting

The right of the shareholders to make decisions concerning FlexQube's affairs is exercised through the highest decision-making body, the annual general meeting or an extraordinary general meeting. For example, the general meeting makes decisions concerning amendments to the Articles of Association, election of the Board of Directors and auditors, adoption of the income statement and balance sheet, discharge from liability for the Board of Directors and the CEO, and the appropriation of profit or loss.

In accordance with FlexQube AB's Articles of Association, notice of the general meeting shall be made through advertisement in the Post- och Inrikes Tidningar official journal and on the Company's

website. The fact that notice has been given shall at the same time be advertised in Dagens Industri.

Right to attend the general meeting

In order to attend the general meeting, shareholders must register themselves with FlexQube no later than the day stated in the notice of the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not fall earlier than the fifth weekday before the meeting.

Initiatives from shareholders

Shareholders who wish to have a matter dealt with at the general meeting must submit a written request to the Company's Board of Directors. Such a request must normally be received by the Board no later than four weeks before the general meeting.

Annual General Meeting 2020

FlexQube's Annual General Meeting was held on May 5, 2020 at the company's premises at August Barks Gata 1, Västra Frölunda. A total of 69.5 percent of the total number of shares and votes were present. The accounts for 2019 were approved, and the Board members and CEO were discharged from liability. Decisions were also taken concerning the election of board members, Chairman of the Board and auditors, and fees to the Board and auditors.

Annual General Meeting 2021

The Annual General Meeting will be held on April 29, 2021 in accordance with a special procedure with postal voting without physical participation. For information concerning the Annual General Meeting, see page 81.

Nomination Committee

The FlexQube general meeting currently has no nomination committee.

Board of Directors

The Board of Directors, after the general meeting, is FlexQube's highest decision-making body. It is the Board of Directors that is responsible for the company's organization and the administration of the company's affairs, for example by setting goals and strategy, ensuring procedures and systems for monitoring the goals set, continuously assessing FlexQube's financial

situation and evaluating the operational management. It is also the responsibility of the Board to ensure that correct information is given to the company's stakeholders, that the company complies with laws and regulations and that the company develops and implements internal policies and ethical guidelines. The Board also appoints FlexQube's CEO and determines the CEO's salary and other remuneration on the basis of relevant guidelines.

Composition of the Board of Directors

The Board members elected by the Annual General Meeting are elected annually by the Annual General Meeting for the period until the next Annual General Meeting has been held. In accordance with the Articles of Association, the Board of Directors shall consist of at least three and no more than six ordinary members elected by the Annual General Meeting, without deputies.

In 2020, the Board of Directors consisted of five members elected for one year by the Annual General Meeting.

The company's Board of Directors currently consists of the following ordinary members elected by the Annual General Meeting: Ulf Ivarsson, Chairman of the Board, Per Augustsson, Christian Thiel, Mikael Bluhme and Anders Ströby. CEO Anders Fogelberg is not a member of the Board, but takes part in all meetings as a rapporteur.

The members of the Board are presented in more detail on pages 76-78.

Chairman of the Board

The Chairman of the Board has the task of ensuring that the work of the Board is carried out efficiently and that the Board fulfills its obligations. In particular, the Chairman shall organize and lead the work of the Board in order to create the best possible conditions for the Board's work.

It is the task of the Chairman to ensure that a new Board member undergoes the necessary induction and other training that the Chairman and member together judge appropriate, to ensure that the Board continuously updates and deepens its knowledge of the company, to ensure that the Board receives

adequate information and decision support for its work, to determine proposals for the agenda for the Board's meetings after consultation with the CEO, to verify that the Board's decisions are implemented, and to ensure that the work of the Board is evaluated annually.

The Chairman of the Board is responsible for contacts with the owners concerning ownership matters and communicating views from the owners to the Board. The Chairman does not take part in the operational work of the company; nor is the Chairman a member of the Group management.

The work of the Board

The Board of Directors follow written rules of procedure that are reviewed annually and adopted at the constituent Board meeting. The rules of procedure regulate, inter alia, the working methods of the Board, its tasks, the decision-making procedure in the company, the procedure for the Board's meetings, the Chairman's duties and an appropriate division of work between the Board and the CEO. Instructions concerning financial reporting and instructions to the CEO are also established in conjunction with the constituent Board meeting.

The work of the Board is also conducted on the basis of an annual meeting plan that satisfies the Board's need for information. The meeting plan should be drawn up so that the meetings coincide with the presentation of quarterly reports, financial statements

and the end-of-year report. Requests for confirmation addressed to the Board are handled by the Board as a whole. In addition to the Board meetings, the Chairman of the Board and the CEO have an ongoing dialog concerning the management of FlexQube.

The Board meets in accordance with a predetermined meeting plan, and should hold at least five ordinary Board meetings between each Annual General Meeting. In addition to these meetings, extra meetings may be arranged to deal with matters that cannot be postponed until one of the ordinary meetings. During the financial year 2020, the Board held 9 minuted meetings, including a constituent meeting. In addition, the Board of Directors and management have held a number of working meetings for updating taking into account the challenging market situation.

Below is a list of the members with their shareholdings, attendance at meetings and their independence to owners and the company respectively.

Committees

The Board has appointed an audit committee and a remuneration committee.

Audit committee

The Board of Directors constitutes the audit committee, with Ulf Ivarsson as Chairman. The principal tasks of the audit committee are to monitor FlexQube's financial reporting, monitor the effectiveness of the

Name	Number of shares	Attendance at Board meetings	Independence from owners or company
Ulf Ivarsson	80,000	9/9	Yes
Anders Ströby	70,000	9/9	Yes
Mikael Bluhme	10,000	7/7	Yes
Per Augustsson	1,458,443	9/9	No
Christian Thiel	1,945,000	9/9	No

Board's annual planning

The Board's work follows a structure with fixed and recurrent tasks, primarily as in the following plan.

FEBRUARY

Board

- Year-end report
- Annual Report
- Proposed dividend
- Preparations for Annual General Meeting
- Corporate Governance Report
- Board evaluation

Audit committee

- Audit status Annual Report
- Evaluation auditors

APRIL/MAY

Board

- Quarterly report first quarter
- Audit plan
- Evaluation of incentive program and need for new programs to be presented at the Annual General Meeting

Constituent Board meeting

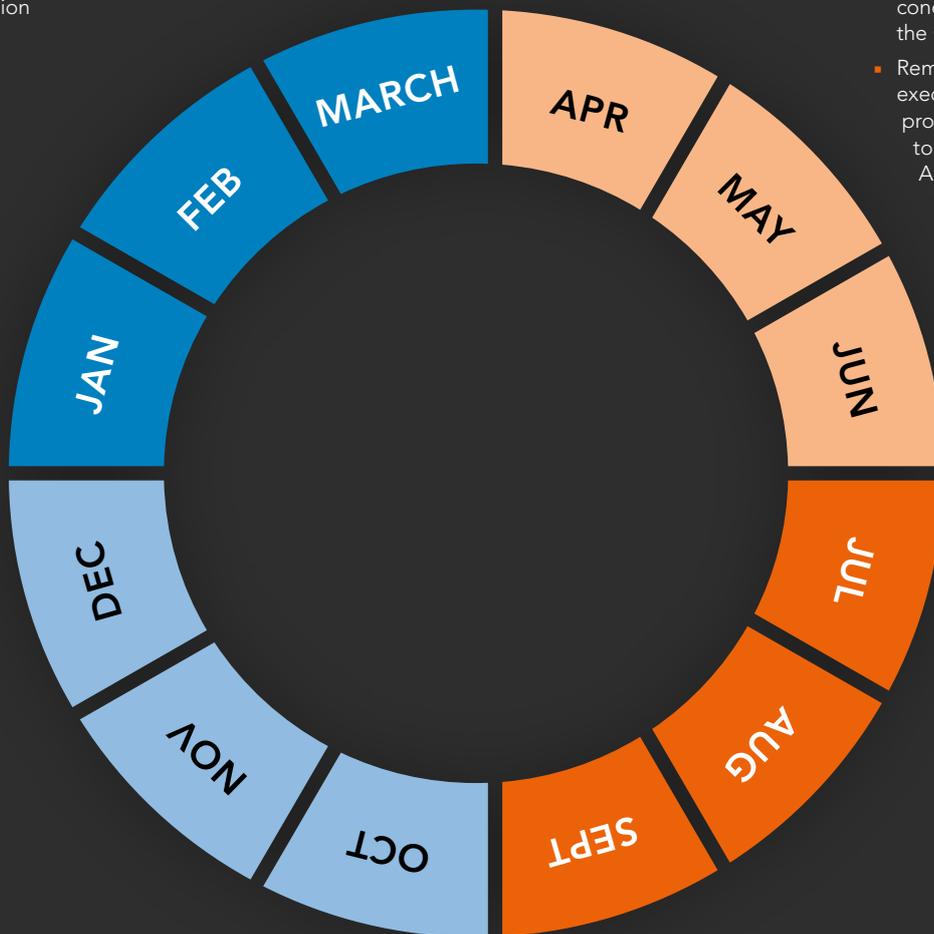
- Board's and committees' rules of procedure, CEO's instructions
- Members for audit or remuneration committee

Remuneration committee

- Overall salary and conditions policy for the Group
- Remuneration to senior executives, including proposals for guidelines to be decided on at the Annual General Meeting

Audit committee

- Audit plan



DECEMBER

Board

- Budget and business targets
- Corporate governance
- Follow-up and evaluation of Board's work

Remuneration committee

- Evaluation of CEO's work and management group, and planning for future needs

SEPTEMBER-NOVEMBER

Board

- Quarterly report third quarter
- Strategic development, evaluation, strategic focus and targets

Audit committee

- Audit planning annual accounts
- Evaluation of internal monitoring and risk assessment

AUGUST

Board

- Quarterly report second quarter

company's internal monitoring, internal auditing and risk management with respect to financial reporting, and to make recommendations and proposals for ensuring the reliability of the reporting. The audit committee shall, in collaboration with FlexQube's auditor, ensure audit planning, follow-up and audit status in advance of the annual report and consolidated accounts, and the conclusions of the Swedish Inspectorate of Auditor's quality control.

In addition, the audit committee shall oversee the auditor's impartiality and independence and, in particular, if necessary, give approval in advance for the auditor to provide the company with services other than audit services.

Remuneration committee

The Remuneration Committee consists of Anders Ströby (Chairman), Christian Thiel and Ulf Ivarsson. The CEO acts as rapporteur in matters that do not concern the CEO's terms and conditions.

The task of the remuneration committee is to review and give the Board recommendations concerning the principles for terms and conditions and remuneration to the company's senior executives.

The remuneration committee shall assess the work of the CEO annually. Matters concerning the CEO's terms and conditions of employment, remuneration and benefits are prepared by the remuneration committee and decided on by the Board.

Chief Executive Officer and Management

The CEO is, in his/her role, subordinate to the Board, and has the principal task of managing FlexQube's day-to-day administration and daily operations. The Board's rules of procedure and the instructions for the CEO state which matters the Board of Directors of

FlexQube shall decide on, and which decisions fall to the CEO. The CEO also produces reports and necessary supporting documentation in advance of Board meetings, and acts as rapporteur of the material at Board meetings.

In addition to the CEO, FlexQube has two senior executives - see page 79.

Other information concerning the Board and Management

The Chairman of the Board Ulf Ivarsson and the members Mikael Bluhme and Anders Ströby are independent in relation to FlexQube, the company's management and its principal owners. Anders Fogelberg, CEO, Christian Thiel, Board member, and Per Augustsson, CTO, hold more than 10 percent of the capital and votes in FlexQube AB, and are thus considered to be dependent in relation to major shareholders and the company.

None of the Board members or members of the Group management has any family relationship with any other Board member or member of the Group management in FlexQube. None of the Board members or members of the Group management has, during the past five years

- been convicted in a case related to fraud,
- been a representative of any company that has been declared bankrupt or liquidated, with the exception of what is stated in the compilation of ongoing and previous assignments of each person under the heading "Board" on pages 76-78, or
- been forbidden by a court to act as a board member or senior executive or in any other way pursue business activities, and none of the Board members or members of the Group management has been subject to official charges or sanctions by authorities authorized by law or regulation.



Nor are there any conflicts of interest through which the private interests of Board members or members of the Group management would be in conflict with the company's interests.

Related party transactions

No company in the Group has entered into an agreement that entitles Board members or members of the management group to benefits after their assignment has been completed. Persons in the management group are entitled to salary during the notice period.

Internal monitoring

The Board's responsibility for internal monitoring is regulated in the Swedish Companies Act and the Annual Accounts Act, which include requirements that information concerning the most important elements of FlexQube's internal monitoring and risk management systems in connection with financial reporting be included each year in the corporate governance report.

The Board shall, *inter alia*, ensure that FlexQube has good internal monitoring and formalized procedures to ensure that established principles for financial reporting and internal monitoring are complied with, and that there are appropriate systems for monitoring and checking the company's operations and the risks associated with FlexQube and its operations.

The purpose of the internal monitoring is to ensure to a reasonable extent that the Group's operational strategies and goals are followed up and that the owners' investment is protected. The internal monitoring shall also ensure to a reasonable extent that the external financial reporting is reliable and drawn up in accordance with generally accepted accounting principles, that applicable laws and regulations are complied with and that requirements for listed companies are complied with.

Monitoring environment

The Board has the overall responsibility for the internal monitoring of financial reporting. In order to create and maintain a functional monitoring environment, the Board has adopted a number of policies and governing documents that regulate financial reporting. These

consist primarily of the Board's rules of procedure, the CEO's instructions and the instructions for financial reporting. The Board has also adopted a special certification scheme and a risk and finance policy.

The Board continuously follows the company's financial position and the effectiveness of the company's internal monitoring and risk management, and keeps itself informed of the audit of the annual accounts and consolidated accounts. The Board also reviews and monitors the auditor's impartiality and independence. The Board also receives reports from FlexQube's auditor.

Risk assessment

The Board receives additional information concerning risk management, internal monitoring and financial reporting from the auditor via the audit committee or at Board meetings with the auditor present.

Monitoring activities

Monitoring activities limit risks identified and ensure accurate and reliable financial reporting. The Board is responsible for the internal monitoring and follow-up of the company management. This takes place by means of both internal and external monitoring activities and by means of review and follow-up of the company's governing documents. An important part of FlexQube's monitoring activities are standardized reporting procedures and clear documented rules of procedure and divisions of responsibility.

Governance and follow-up

Continuous follow-up of earnings outcomes takes place at a number of levels in the Group, both at company level and at Group level. Follow-up takes place in relation to budget and forecasts.

Reporting takes place to the CEO and Board. According to the Board's instructions to the audit committee, the committee must hold at least one meeting per year in which the company's auditors participate without the presence of FlexQube employees. The auditors must report on the focus and scope of the audit, the auditors' observations made during the audit and their observations concerning the internal monitoring. The audit committee's meetings are minuted and the minutes are provided to the Board.

Need for internal auditing

The effectiveness of internal auditing is largely dependent on the company's organizational structure and the size of the organization. FlexQube has a relatively small organization, with finance and other administration managed from the company's office in Gothenburg. Follow-up of results and balance sheet is done on a monthly basis by the various functions in the company and by the company management and Board. As a result, a special unit for internal auditing is not considered to be necessary.

Information and communication

The company has information and communication paths that are intended to promote the accuracy of financial reporting and to enable reporting and feedback from the operations to the Board and management, for example by making governing documents in the form of internal policies, guidelines and instructions concerning financial reporting available and known to relevant employees. The company has also drawn up policies and instructions with the purpose of informing employees and other interested parties in FlexQube of the laws that apply to the company's information disclosure and the specific requirements for persons who are active in a listed company in situations such as the management of insider information. In connection with this, FlexQube has drawn up procedures for handling and limiting the dissemination of information that has not yet been published, so-called deferred publication. The Board has adopted a communication policy and insider policy that regulates the Group's disclosure of information.

Follow-up

Compliance and effectiveness of the internal monitoring are followed up continuously. The CEO ensures that the Board receives on-going reporting on the development of the company's operations, including the development of FlexQube's earnings and position, and information about important events.

Remuneration to the Board and Senior Executives**Remuneration to the Board**

The Annual General Meeting, on May 5, 2020, resolved that fees to the Board of Directors would amount to a total of SEK 550,000, of which SEK 225,000 to the Chairman of the Board and SEK 135,000 to each member who is not employed by the company.

Remuneration to senior executives

In 2020, the total gross cost to the CEO and group management, including base salary, pension payment and car and health insurance benefit, amounted to 3.5 MSEK, of which 1.3 MSEK was remuneration to the CEO.

Audit

FlexQube's auditors review the annual accounts and the annual report, as well as the company's ongoing operations and procedures, in order to comment on the accounts and the administration by the Board and the CEO. The auditors must, after each financial year, submit an audit report to the general meeting. The company's auditors report personally to the Board each year their observations from the audit and their assessments of the company's internal monitoring.

At the Annual General Meeting on May 5, 2020, Pricewaterhousecoopers AB was elected as accounting firm, with Johan Palmgren as auditor in charge, and that remuneration to the auditor shall be paid in accordance with approved invoices.

For information concerning remuneration to the auditor, see Note 4.

Auditor's statement concerning the Corporate Governance Report

To the General Meeting of FlexQube AB (publ),
CIN 556905-3944

TASKS AND DIVISION OF RESPONSIBILITY

It is the Board of Directors that is responsible for the Corporate Governance Report on pages 68-75 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

FOCUS AND SCOPE OF THE REVIEW

Our review has been carried out in accordance with FAR's statement RevU 16 Auditor's review of the corporate governance report. This means that our review of the corporate governance report has a different focus and a considerably narrower scope than the focus and scope of an audit carried out in accordance with the International Standards on Auditing and good auditing standards in Sweden. We consider that this review gives us a sufficient basis for our statements.

STATEMENT

A corporate governance report has been drawn up. Information given in accordance with Chapter 6, Section 6, second paragraph, points 2-6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same Act is consistent with the other parts of the annual accounts and consolidated accounts and complies with the Annual Accounts Act.

Gothenburg, March 30, 2021
PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant



Board of Directors

In accordance with FlexQube's Articles of Association, the Board of Directors shall consist of at least three and no more than six members, without deputies. FlexQube's Board of Directors currently consists of five members, including the Chairman of the Board, who have been appointed until the end of the 2020 Annual General Meeting. The following is a list of information concerning the independence of each Board member in relation to the company and its management, and to the company's major

shareholders, as well as a presentation of the respective Board member with information including name, year of birth, year of election to the Board, education and experience, ongoing and completed assignments in the past five years and shareholding in the company. Shareholdings in the company include own, direct and indirect holdings and related party holdings. Other or previous assignments in the FlexQube Group are not stated.

Name	Post	Member since	Independence in relation to	
			The company and its management	Major shareholders
Ulf Ivarsson	Chairman of the Board	2017	Yes	Yes
Per Augustsson	Member of the Board	2012	No	No
Christian Thiel	Member of the Board	2012	No	No
Anders Ströby	Member of the Board	2017	Yes	Yes
Mikael Bluhme	Member of the Board	2020	Yes	Yes



Ulf Ivarsson

Chairman of the Board since 2017, born 1961.

Education

Master of Business Administration, School of Business, Gothenburg University, 1993.

Ongoing important assignments

Chairman of Board of AB Stratio, Negotium Curago Göteborg AB, Syntegra Invest AB, SmartHome4u Sweden AB, PlaygroundTV AB and board member of Exsultat AB, PostProcess Technologies Inc and Klöver AB.

Background

Ulf has extensive experience of board work, including as Chairman of Serneke Group AB, ArcCore AB, Guide Konsult AB, Board member of Akademibokhandelsgruppen AB, Chairman of IFK Göteborg Fotboll AB, Board member of Idrottsföreningen Kamraterna Göteborg, Partner and Chairman of AB Stratio, Partner at Nordic Capital, various assignments for Bure Equity (including Deputy CEO). Ulf has previously acted as stock exchange editor for Dagens Industri and held various assignments within Corporate Finance and Management Consulting.

Holding in the company

Ulf Ivarsson holds, through the company, 80,000 shares in the company.



Per Augustsson

Co-founder and Board member since 2012, born 1981.

Education

Master of Mechanical Engineering at Chalmers University of Technology.

Ongoing assignments

Board member of AuguTech AB and FlexQube subsidiary and deputy board member of Mostly AB.

Background

Per founded FlexQube AB (publ) in 2012 (the subsidiary FlexQube Europe AB was founded in 2010) jointly with Christian Thiel and Anders Fogelberg, and has previously worked, inter alia, at Zenitel and Volvo CE as a project manager with a focus on product development and investments.

Holding in the company

Per Augustsson holds, through the company, 1,458,443 shares in the company.

Christian Thiel

Co-founder and Board member since 2012, born 1981.

Education

Master of Laws, LL.M. from the School of Business, University of Gothenburg and Bachelor's degree in Industrial and Financial Economics from the School of Business, University of Gothenburg.

Ongoing assignments

Chairman of the Board of Svensk Asset Development AB, Feldthusen Invest AB, Lithium Investment Capital AB and F&T Equity AB.

Background

Christian founded FlexQube AB (publ) in 2012 (the subsidiary FlexQube Europe AB was founded in 2010) jointly with Per Augustsson and Anders Fogelberg, and has previously worked, inter alia, as CEO of Svensk Tillgångsutveckling, head of investment at F&T Equity AB and lawyer at Mannheimer Swartling Advokatbyrå, with a focus on M&As and commercial law. Christian has several years' experience of starting and running companies in a number of industries.

Holding in the company

Christian Thiel holds, through companies, 1,945,000 shares in the company.





Anders Ströby

Board member since 2017, born 1953.

Education

Master of Mechanical Engineering, Royal Institute of Technology (KTH), economics studies at Stockholm University and studies in Business Management at the Gothenburg Management Institute.

Ongoing assignments

Board member in Bravik Mgm AB and Senior Advisor in ISEA Sweden KB.

Background

Anders has extensive experience from a series of different assignments and roles in the Husqvarna Group, including work in the Group management and CEO of the Construction division (assignments as board member and chairman of Husqvarna AB subsidiaries), assignments as senior executive of Electrolux Outdoor Products Ltd, chairman of the board of Hebei Jikai Industrial co, Shijiazhuang (China). Previously, Anders worked, inter alia, as CEO of Jonsered AB.

Holding in the company

Anders Ströby holds, through the company and related parties, 70,000 shares in the company.

Mikael Bluhme

Board member since 2020, born 1966

Education

Studied economics at IHM Business School and Executive Foundation Lund.

Ongoing assignments

Board member of Villman &Co AB and CLAMO AB.

Background

Mikael Bluhme is a partner in RoosGruppen AB since 2013 and has worked for the last 30 years, with and for, contractors. Mikael has long experience from various entrepreneurial companies where his focus has been on business development, sales, marketing, change and development work, both nationally and internationally.

Holding in the company

RoosGruppen AB owns 1,111,529 shares in the company and Mikael Bluhme personally holds 10,000 shares.



Senior executives

FlexQube currently has three senior executives: Anders Fogelberg, Mikael Lindbäck and Per Augustsson. Below is a list of the senior executives' posts and employment period, year of birth, background, shareholding in the company and ongoing

assignments. Other or previous assignments in the FlexQube Group are not stated. Shareholdings in the company include own, direct and indirect holdings and related party holdings.



Anders Fogelberg

Co-founder and Group CEO since 2013, born 1981.

Education

Master of Mechanical Engineering from Chalmers University of Technology and Bachelor of Science in Industrial and Financial Economics from the School of Business, Economics and Law at the University of Gothenburg.

Ongoing assignments

Board member of Birdmountain Invest AB and board member of FlexQube's subsidiary.

Background

Anders founded FlexQube AB (publ) in 2012 (the subsidiary FlexQube Europe AB was founded in 2010) jointly with Christian Thiel and Per Augustsson and has previously been, inter alia, CEO of F&T Equity AB and worked as a management consultant at Accenture with a focus on Supply Chain Management. Anders has several years' experience of running his own companies.

Holding in the company

Anders Fogelberg holds, through the company, 1,256,483 shares in the company.

Mikael Lindbäck

Head of Finance of the Group since 2019, born 1982.

Education

Masters' Degree in Accounting from the Gothenburg School of Business, Economics and Law at the University of Gothenburg.

Ongoing assignments

Chairman and board member of FlexQube's subsidiary.

Background

Mikael has many years' experience from various financial positions and previously worked as CFO for Gigant AB and Grunda AB in the B&B TOOLS (publ) Group. After this, Mikael worked as Head of Finance at Centiro Solutions AB before joining FlexQube.

Holding in the company

Mikael Lindbäck holds 5,500 shares in the company.



Other information concerning the Board and senior executives

All Board members and senior executives in FlexQube can be reached at the address of FlexQube's head office, August Barks Gata 1, 421 32 Västra Frölunda, Sweden.

No Board member or member of the Group management has any family ties to any other Board members or members of the Group management. There are no conflicts of interest or potential conflicts of interest between the commitments of directors

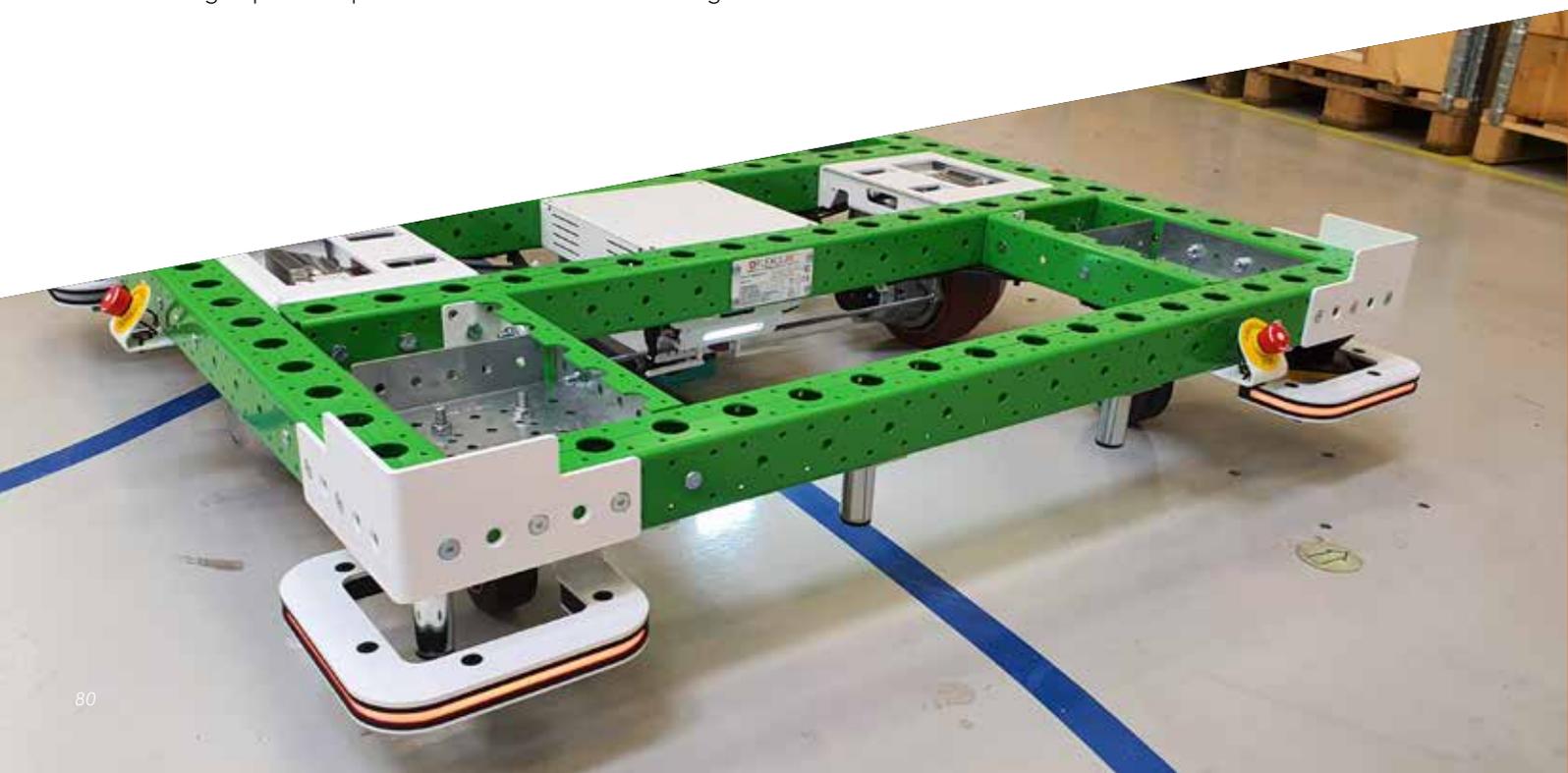
and senior executives to FlexQube and their private interests and/or other commitments. However, several Board members and senior executives have financial interests in FlexQube as a result of their indirect shareholdings in the company.

None of the above-mentioned Board members or senior executives have entered into agreements with any Group companies regarding benefits after the completion of their assignment.

Auditor

In accordance with the Articles of Association, FlexQube shall appoint one or two auditors with a maximum of two deputy auditors, or a registered auditing company. The company's auditor is appointed by the Annual General Meeting. The auditor shall review FlexQube's annual report and accounts, as well as the administration by the Board and the CEO. The company's auditor is continuously informed of the company's operations, including through regular meetings with the company management, distributed Board material and minutes. The auditor may submit comments and recommendations to the company's board and management at any time. After each financial year, the auditor shall submit an audit report and a group audit report to the Annual General Meeting.

At the Annual General Meeting on May 5, 2020 PricewaterhouseCoopers AB was elected as the auditing company, with Johan Palmgren as auditor-in-charge. Johan Palmgren is an authorized public accountant and a member of FAR. Remuneration to the auditor is paid in accordance with an approved invoice.



Annual General Meeting and financial calendar

FlexQube AB's Annual General Meeting will be held on April 29, 2021.

Attendance

In order to contain the risk of spreading the coronavirus, the Board of Directors has, in accordance with the Act (2020:198) on Temporary Exemptions to Facilitate the Conduct of General Meetings, decided that the Annual General Meeting shall be conducted without the physical presence of shareholders, representatives or third parties and that shareholders' voting rights can only be exercised in advance by postal voting.

Registration

Anyone who wishes to participate in the Annual General Meeting by postal vote shall: on the one hand, be listed as a shareholder in the share register prepared by Euroclear Sweden AB regarding the conditions on Thursday, April 22, 2021, and register by casting their postal vote in accordance with instructions in formal notice no later than Wednesday, April 28, 2021.

Distribution policy

The Annual Report is made available as a PDF at www.flexqube.com and a printed Annual Report is sent to all those who request one. Orders should be sent to ir@flexqube.com or by post to FlexQube AB, August Barks Gata 1, 421 32 Västra Frölunda, Sweden.

Financial calendar

Quarterly report 1, 2021	04/28/2021
Annual General Meeting 2021	04/29/2021
Q2 Report 2021	08/03/2021
Q3 Report 2021	10/26/2021
Quarterly report 4, 2021	02/15/2022

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Reprinting may only be done with FlexQube's prior written consent. The report was originally written in Swedish and translated into English. In the event of any discrepancies between the two versions, the Swedish version takes precedence.