



2018

ANNUAL REPORT

 FLEXQUBE®

Transforming intralogistics

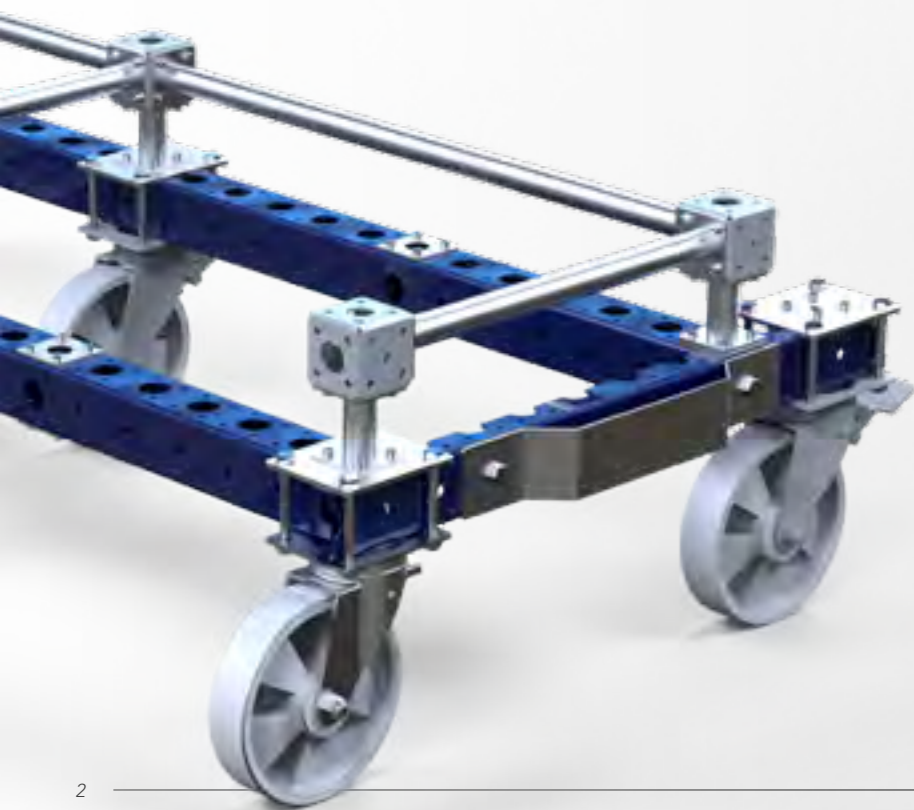
THIS IS FLEXQUBE

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 it has secured a large number of prominent companies as customers.

Standardized interfaces and modular building blocks allow for a unique, efficient and scalable design process where customers have access to customized cart solutions.

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

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



"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 Technical Manager at FlexQube AB (publ)

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THE YEAR IN BRIEF

- Net sales increased by 138 percent to 68.9 MSEK (29.0). Adjusted for the impact of currency rates between comparative periods, net sales increased by 135 percent.
- Order intake increased by 71 percent to 63.7 MSEK (37.2). Adjusted for the impact of currency rates between comparative periods, order intake increased by 63 percent.
- EBITDA amounted to -6.0 MSEK (-2.4), and EBIT amounted to -6.7 MSEK (-2.8).
- Profit before tax fell to -6.9 MSEK (-3.0).
- Cash flow amounted to 26.0 MSEK (33.9), of which -23.5 MSEK (0.2) came from operating activities, -5.3 MSEK (-0.6) from investment activities and 54.8 MSEK (34.2) from financing activities.
- Cash and cash equivalents amounted to 60.1 MSEK (34.1) at the end of the period.
- FlexQube's intensified marketing activities have successively led to a clear increase in inquiries, quotes, order intake and sales.
- The Board of Directors proposes that no dividend should be paid for the 2018 financial year. The dividend proposal is based on the fact that the company is in a strong growth phase.

Total number of customers, accumulated 2012-2018:

390

Number of countries FlexQube has sold to:

25

Number of new customers, 2018:

133

January
The year got off to a flying start with major orders from Brose, Ponsse and Siemens, among others.

March
The company founded FlexQube GmbH in Frankfurt, Germany, and recruited two German-speaking resources.

February
The company invested in new manufacturing technology (roll forming) for FlexBeam.

April
The company carried out its biggest-ever trade show campaign at MODEX in Atlanta, USA, and recruited two new members to the USA sales team.

May
The company successfully took part for the first time with its own stand at Intralogistica in Milan, Italy.

June
The company received its largest single order in Mexico, for Brose Fahrzeugteile, to a value of around 6.1 MSEK.

July
The company began roll forming production of its most important component, the FlexBeam.

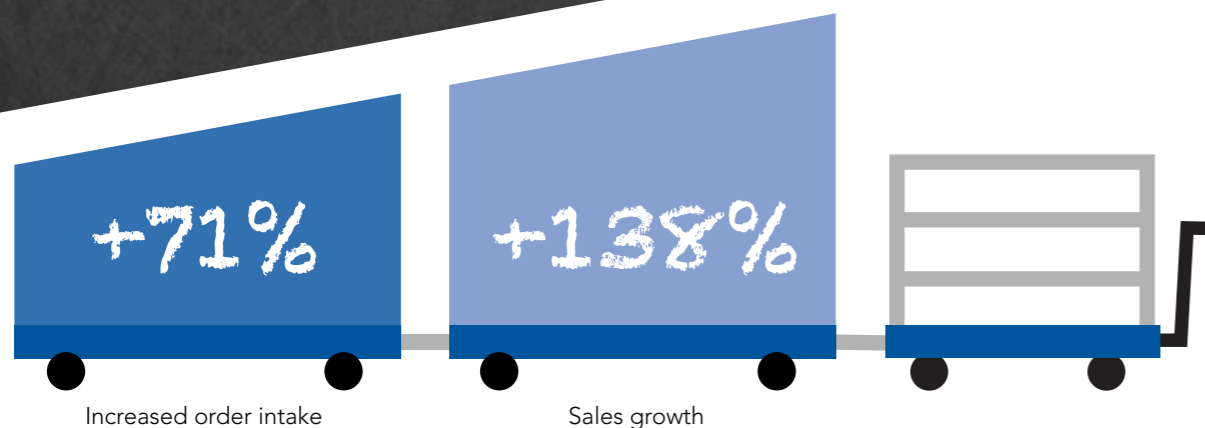
August
The company held a successful strategy week in Sweden with all employees in the Group.

September
The company submitted a patent application for its platooning technology, which is also called virtual linking and forms part of the eQart®.

October
FlexQube started a pilot project for the eQart® in collaboration with a global leader in the manufacturing of plant machinery.

November
The refurbishment of the North American unit's warehouse, assembly and distribution premises was completed in Georgia, USA.

December
The company carried out a targeted new share issue resulting in new long-term institutional owners and a capital injection of 62.7 MSEK before issue expenses.



EVENTS AFTER THE END OF THE FINANCIAL YEAR

- In February, the company presented the eQart® for the first time at the material handling trade show LogiMAT in Stuttgart, Germany. The company also took part in Expo Manufactura in Mexico at the beginning of February.
- The company decided to set up a company in England, with its registered office in Birmingham. In conjunction with this, Tim Massey was recruited from Trilogiq's British operations, where he had been sales manager for around seven years.
- The company signed a sales and distribution agreement with LR Intralogistik GmbH (a part of Kion Group AG), which gives the company exclusive rights to sell Liftrunner frames on the North American market.
- Christian Thiel, the company's CFO and one of the founders, has decided to leave his operative role as CFO in order to focus instead on the long-term and strategic issues facing the Group. The recruitment process was started in March 2019, and Christian will remain in his role as CFO until a new CFO has been appointed.



Per Augustsson
CTO

Christian Thiel
CFO

Anders Fogelberg
CEO

OUR STORY

The FlexQube story began over 30 years ago in central Sweden, with 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 the constant changes within the industry.

An industrial cart used to transport certain items from the store to the assembly area was welded together using the dimensions and weight of the items. When a product life cycle was modified, this industrial cart was no longer suitable for new items and had to be scrapped.

Per Augustsson realized immediately that because the production lines were being changed more frequently, there was also an increasing need for a customized solution for handling materials. "I realized that there was a need for a supportive, robust and easily adaptable solution. 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 the principle of building blocks.

They considered quite a number of ideas before Per, along with Christian Thiel (CFO, FlexQube) and Anders Fogelberg (CEO, FlexQube), finally settled on the new concept.

"As we approached the concept in the early days, we quickly saw the strength of a bolted solution. Many people are concerned about this, but they don't realize that there's a reason why you don't weld your tires to your car - you'll need to replace them in the future. This is something many leaders in the industry now realize is necessary for material handling," says Anders.

FlexQube offers a flexible system with standardized building blocks that can be used to construct industrial material handling applications, such as pallet carts, kit carts and shelf carts. The products can be disassembled and adjusted; they are flexible. The concept saves both time and money when a new design is needed.

"The concept saves both time and money when a new design is needed."

"The product 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 Christian.

FlexQube has grown since it started and today helps over 400 customers in up to 25 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.

On Thursday, December 14, 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.

2010
FlexQube is started 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 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



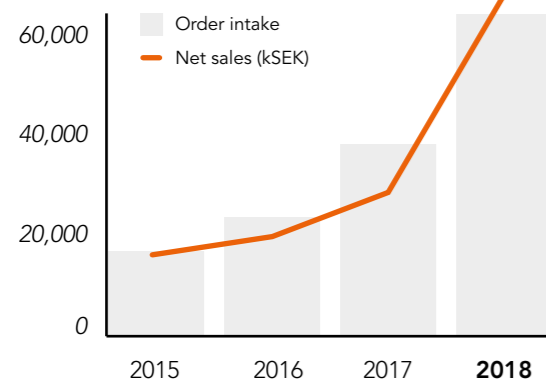
2018
Sales to a total of 25 countries and growth of around 140%. FlexQube GmbH is launched and carries out a targeted new share issue of around 62.7 MSEK.

2019
Expansion to the UK, cooperation with LR Intralogistik GmbH and launch of the eQart®.

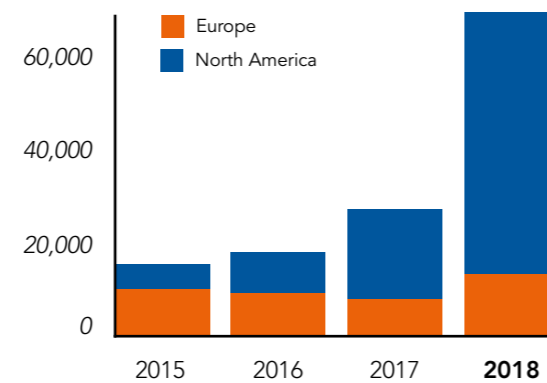
2020
#1 Global supplier of material handling carts

KEY RATIOS

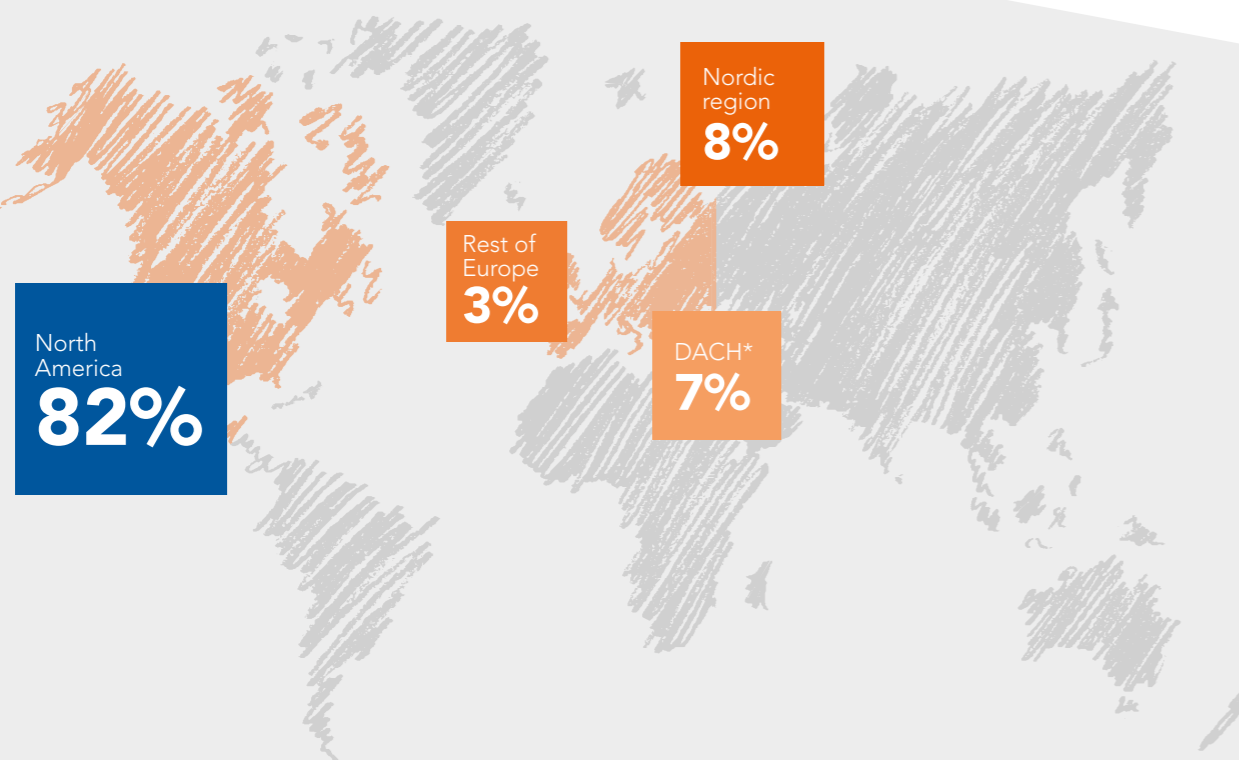
Order intake and net sales (kSEK)



Net sales per region (kSEK)



Order intake per market 2018



* Germany, Austria and Switzerland

MULTI-YEAR OVERVIEW AND KPIS

For definitions of key ratios, see Note 1 on page 53.

Earnings	Unit	2018	2017	2016
Order intake*	kSEK	63,743	37,232	23,583
Net sales	kSEK	68,901	29,004	19,260
Group sales growth	%	138%	51%	17%
EBITDA	kSEK	-5,971	-2,417	493
EBIT	kSEK	-6,714	-2,848	128
Operating margin	%	-10%	-10%	1%
Profit/loss before tax	kSEK	-6,901	-3,050	-44
Profit margin	%	-10%	-11%	0%
Earnings per share before and after dilution***	SEK	-1.1	-2.5	-1.6
FINANCIAL POSITION				
Equity/assets ratio	%	81%	73%	4%
Net debt including shareholder loans***	kSEK	-78,565	-33,451	2,009
Working capital	kSEK	79,610	35,266	2,326
Current ratio	%	502%	415%	133%
Working capital as a percentage of net sales	%	116%	122%	12%
Quick ratio including unused part of overdraft facilities	%	406%	382%	52%
Equity per share before and after dilution	SEK	11.7	5.7	8.3
CASH FLOW				
Cash flow from operating activities	kSEK	-23,541	248	-1,837
Cash flow from investing activities	kSEK	-5,278	-594	-2,251
Cash flow from financing activities	kSEK	54,781	34,242	1,932
SHARES				
Number of shares at the end of the period before and after dilution	No.	7,433,333	6,333,333	50,000
Average number of shares before and after dilution**	No.	6,384,566	1,224,155	50,000
EMPLOYEES				
Average number of employees	No.	17	11	12
Number of employees at the end of the period	No.	21	13	10

* The order intake in foreign currency related to full-year 2018 is translated at the average exchange rate for full-year 2018, and the comparative periods for full-year 2017 and 2016 are translated at the average exchange rate for full-year 2017.

**Adjusted for average number of shares per respective period. Key ratios have also been corrected historically.

***All owner loans were amortized in Q4 2018.



Anders
Fogelberg
CEO

CEO LETTER

A REALLY STRONG YEAR – ON ALL FRONTS!

An overview of 2018 shows that we grew from sales of approximately 29 BSEK to approximately 69 BSEK, a fantastic growth of 138%. The growth has been particularly striking in North America, where both the USA and Mexico are showing strong growth figures. FlexQube is currently transitioning from being a minor player in the industry to becoming a better-known brand in our target group and among our competitors.

We work with companies in a broad range of industries and traditionally with companies in the automotive and industrial sectors. In 2018 we for instance broadened our customer base with a greater proportion of sales to the wind and train industry than in previous years. In addition, we have also increased our proportion of sales to warehousing and distribution businesses during the year. This is a market showing strong growth since e-commerce, as is well known, continues to expand. We are pleased and proud to have won the confidence of many customers to develop customized solutions for this type of business.

Because their reality is constantly changing, our customers who work with material handling and associated processes face great uncertainty about the future. We want our products to offer them a method for handling this uncertainty, thus making their lives a little easier. Although changes and adaptations are nothing new, it feels as if 2018 has been a year when, at least for many of our customers in the automotive industry, change has progressed even faster than before. Car tolls, electric cars and self-driving technology mean that the automotive industry as a whole will be completely transformed in the next ten years.

It is interesting to follow this development from up close while doing everything we can to pitch our products as an important aid in handling uncertainty.

During the year, we drove the FlexQube GmbH startup and worked intensively with recruitment to our growing organization. Recruitment, organization and corporate culture are particularly important components of our growth journey, where we, as a smaller company, are very dependent on how well we attract skills in other countries. We have attracted a lot of promising resources from within the industry we operate in, and I am grateful that we have a strong, motivated team.

At MODEX in Atlanta in April 2018, we presented our first prototype of our motorized cart. The market for automated logistics solutions is predicted to grow dramatically during the next few years. Now that we have the ability to combine FlexQube's mechanical building blocks with digital building blocks, we are creating a unique market potential with an offer of flexible automated carts. The transformation in material handling, with a swarm of automation solutions and opportunities for customers to replace human labor with various forms of robots and self-driving carts, is currently proceeding at great speed. Our new eQart is an important element in our long-term strategy, where we will strengthen our position as a market leader in intralogistics solutions for the presentation and transport of material. We are putting great effort and many hours of development into ensuring that our eQart will continue along our established path for material handling with a focus on customer adaptation. Our motorized carts should be simple to implement and offer not only a very advantageous investment calculation but also the flexibility for the customer that today's concepts demand. Processes, components and factory layouts are changing at an ever-increasing pace, which means that all automation solutions need to be simple and quick to modify. However, there is a great deal of variation among customers. While some are extremely future-oriented and are taking steps to introduce autonomous material handling solutions with robots, the majority of the customers we have met have incredible potential for improvement by merely taking a few simple steps, such as the introduction of material trains, ergonomic carts and more tailored workstations.

During the first half of the year, we began our campaign in our largest European market, Germany. We launched FlexQube GmbH and hired the first member of our German sales staff in Munich. Germany has previously proved to be a demanding market to enter. Companies are highly focused on technology and often choose established suppliers rather than startup companies such as FlexQube. The development has been positive for us, and the company will hire more employees in 2019 to handle customer inquiries and the market opportunities we identify. We are seeing large project inflows from our investment in Germany, and I look forward to seeing the development there in 2019.

“The market for automated logistic solutions is predicted to increase dramatically over the next few years”

In the middle of the year we also modified the method of production of our most important component, FlexBeam™, which considerably reduced the cost per unit produced and also improved our capacity for handling higher volumes in the future. Our entire supplier and supply chain has been improved in many areas during the year, which will play an important role in enabling us to grow with improved margins.

In the future, our ambition is to emphasize more of the environmental benefits of our products compared to competing alternatives. In discussions with our customers, we highlight a product life cycle perspective since every ton of steel that can be reused reduces carbon dioxide emissions considerably. We are looking into various opportunities to create even greater customer value by making it easier for the customer to get help to rebuild or reuse components.

We look forward to 2019, which will feature a broader customer base, a stronger brand, a high-performance organization and many interesting product launches.

Anders Fogelberg
CEO of FlexQube AB (publ)

FLEXQUBE IN THE WORLD

As of 25 March 2019, FlexQube had 23 employees in five countries, with various areas of responsibility, job assignments, opportunities and challenges. There are five different nationalities at the head office in Gothenburg alone, and there are a total of eight different nationalities in the Group. However, our employees work toward the same goal - to make our customers world leaders in intralogistics.

The commitment, teamwork and courage of our employees to continuous development forms our corporate culture and contributes to strong cohesion. FlexQube considers its employees to be its most valuable asset, and the company understands the importance of being an attractive employer. Here, every individual is given opportunities to perform, develop and feel good at work.



Andy Legut, Head of Sales

Location: FlexQube Inc., Detroit, Michigan, USA
Nationality: USA

What stands out most about 2018 for you? "I've worked at FlexQube for almost four years, and I'm really proud about how we've succeeded in holding the organization together with the same teamwork and agility we've had since we started, at the same time as we've grown by almost 140% from the previous year. It's not only our sales volume that's increased, but also the number of employees. The fact that everyone has come into the company and into their roles as quickly as they have says a lot about FlexQube as an employer. It's teamwork that matters here; everyone's helpful and we learn a lot from each other."

Michigan, USA
Sales Office

Ohio, USA
Sales Office

South Carolina, USA
Sales Office

Georgia, USA
HQ FlexQube Inc.
Distribution Center and manufacturing

Aguascalientes, Mexico
Sales Office
Warehouse



Hector Flores, Sales Manager

Location: FlexQube Inc., Aguascalientes, Mexico
Nationality: Mexican

What stands out most about 2018 for you? "Our investment in Mexico. There's an enormous market here with strong growth in terms of factories, so establishing a strong presence here will bring big returns in the long term. In the last five years, a lot of big companies from a number of different industries have moved parts of their production, or all of it, here. In 2018, Mexico was one of the markets where we grew most, and what really stands out for me is that during the year we also maintained our high level of service to our customers."



Cherie Dimmerling, Key Account Manager

Location: FlexQube Inc, Cleveland, Ohio, USA
Nationality: USA

What stands out most about 2018 for you? "It's a challenge to grow as quickly as we're doing, especially in North America, but so far we've only scratched the surface of how big this market is. For me, 2018 consisted mainly of strategic key account work, principally with a handful of multinational companies. The response has been very positive, but it takes a while to get customers to change at a central level the way they think about how they buy this type of product. But it's clear that more and more of them understand that this is the future. Why buy the same product from 30 different suppliers for 30 different factories when you can buy for all 30 factories from a single supplier with considerably more cumulative knowledge?"



Luke Goodwin, Head of Marketing

Location: FlexQube HQ, Sweden
Nationality: Australian

What stands out most about 2018 for you? "The brand journey FlexQube has made during the year is something I'm taking with me and looking forward to building on in 2019. The company's developed exponentially in how we build our brand. We've landed in important synergy effects between marketing campaigns online, where the focus is on raising our brand awareness, and taking part in trade shows around the world, where we build trust and relationships. The interplay between these factors is the key to building the brand."



Cinthia Gutierrez, Head of Design and Quality

Location: FlexQube HQ, Sweden
Nationality: Venezuelan

What stands out most about 2018 for you? "When I think back to 2018, the first thing that strikes me is how quickly time has passed. It sounds like a cliché, but it's really true that time flies when you're having fun. I've been in charge of projects I could never have dreamed of, and I'm looking forward to developing both design and quality processes further. This has meant that I've grown incredibly in my role, something I'm really proud of and look forward to doing even more. You shouldn't underestimate the importance of trust and confidence for the employees in a workplace."

Torsby, Sweden
Distribution Center and manufacturing

Birmingham, England
HQ FlexQube UK Ltd
Sales Office

Gothenburg, Sweden
HQ FlexQube group

Frankfurt, Germany
HQ FlexQube GmbH

Munich, Germany
Sales Office



Tim Massey, Head of Sales

Location: FlexQube UK Ltd., Birmingham, England
Nationality: British

What are your thoughts about FlexQube in 2019? "After seven years at Trilogiq and over ten years in the industry, it feels really exciting to join FlexQube. The changes are happening faster and faster, and there's a strong increase in the need for solutions for material performance and material transport. I think it's going to be a challenging year for a head of sales to build up the business here in the UK, but at the same time a huge amount of fun. The market opportunities for FlexQube in this market look really good, even if it's going to take a little patience to build up the sales."



Jan Brettmann, Head of Sales

Location: FlexQube GmbH, Munich, Germany
Nationality: German

What stands out most about 2018 for you? "Building up the business in Germany has been one of the more challenging things I've done in my professional life, but also one of the most enjoyable. Here, it can be difficult for a small player to get a foothold in the market, but I'm surprised by how quickly it's happened for FlexQube. Customers have quickly understood the innovative concept and the huge potential in its flexibility, sustainability and quality. It doesn't get more effective than this in the fast-changing world we live in."

India
Design Office



FUTURE MARKET MEXICO

As more and more global brands establish production sites in Mexico, the manufacturing industry is showing strong growth. This positive trend is expected to continue in the long term. Mexico is undergoing great changes, and FlexQube considers there to be great gains associated with investing in the Mexican market, not just for immediate results here and now, but also for becoming a well-established brand that grows in symbiosis with society and industry.

The high growth figures for Mexico in 2017 and 2018 show clearly that the combination of a strong customer focus, a high level of know-how and a good capacity to innovate is the right way to go. Flexibility and continuous development through interaction with the company's customers create value and a strong competitive advantage. The company will make

further investments in the coming year to strengthen the local organization. FlexQube has already gained considerable returns on its investments in Mexico, and the company believes in being a responsible player that gives something back to society and invests in the market and its own brand in the long term.

Hector Flores, our head of sales in Mexico, recently visited schools in his neighborhood and donated soccer balls and sweatshirts to local children. It was a great pleasure for Hector to be able to give something back to his community.

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 knowledge

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

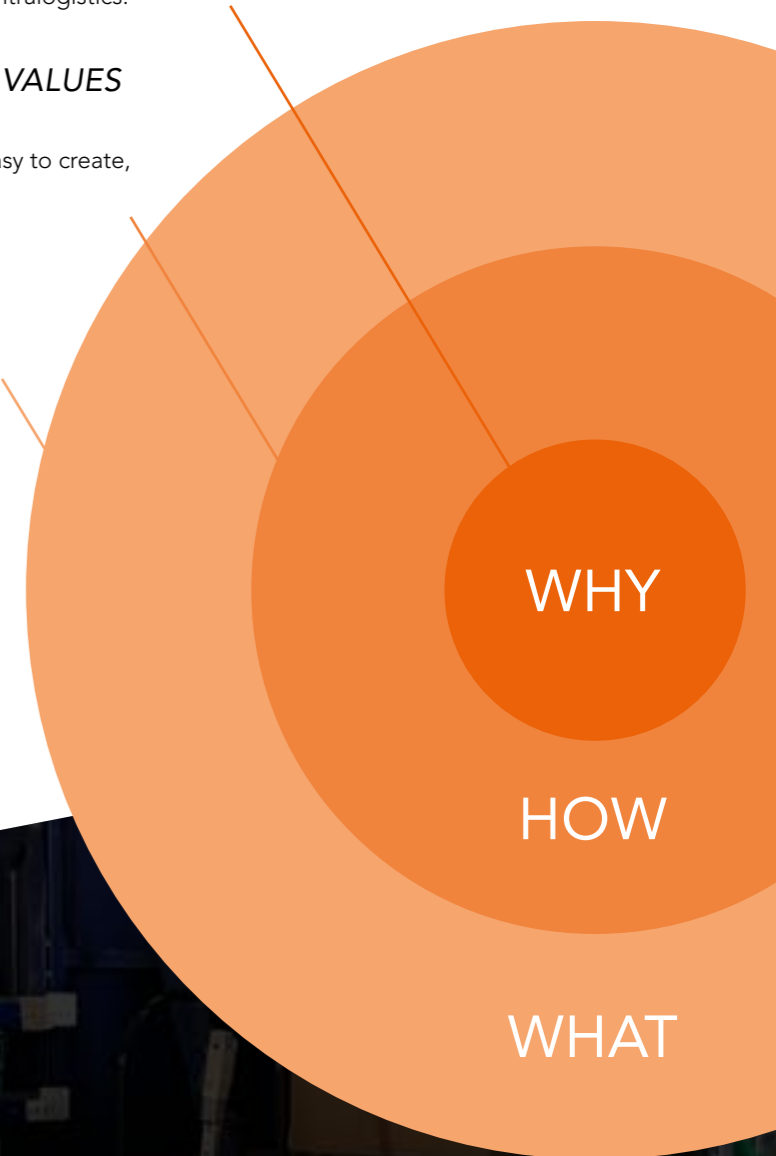
We exist in order to make our customers world leaders in intralogistics.

"HOW" IS HOW WE FULFILL OUR CORE VALUES AND OUR "WHY"

Our expertise and dynamic modular technology make it easy to create, use and customize the best intralogistics 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 intralogistics solutions that, together with our knowledge database, DesignOnDemand™ and Solutions Library™, create the best opportunities for making our customers world leaders in intralogistics.



VISION

"A world free from welded industrial carts"



MARKET AND TRENDS

"We are ready to solve the intralogistics of the future"

We are proud to have finally presented FlexQube's new eQart at LogiMAT in Stuttgart, Germany, on February 19-21.

The use of, and interest in, automated logistics robots is increasing rapidly. For example, sales of AGVs rose by 162% between 2016 and 2017 (<https://www.robotics.org/service-robots/logistics-robots>), and this strong growth is expected to continue in coming years. The development towards increased automation is driven by the fact that logistics account for an ever-greater proportion of a factory's costs, which means that there are great savings to be made by automating manual operations. The increased interest is particularly evident during trade fairs such as LogiMAT. The number of exhibitors with automation solutions is increasing rapidly, and new solutions are being presented all the time.

Something that remains unchanged, however, is the tradition that AGVs and carts are in most cases separate from each other. This creates complexity, not only regarding integration between AGVs and carts, but also in terms of planning, since an AGV has to collect a cart in the right place at the right time for a successful delivery.

Furthermore, the carts have to be customized to integrate well with an AGV, which can lead to big compromises from an ergonomic perspective for the operator. In addition, operators still need to move the carts manually in connection with their workplaces.

This is what we want to change with the eQart®. A historic product for FlexQube, but also a historic product for customers, since it creates an entirely new segment. We allow ourselves the liberty of naming this segment "Smart flexible carts".

An eQart, unlike an AGV, is an entirely integrated solution, where each cart is permanently fitted with a motor and battery. Cameras and sensors allow the eQart to navigate autonomously. An eQart can be moved anywhere by anyone, which ensures that a cart can deliver the right material completely independently to the right place at the right moment.

Best of all, the eQart® doesn't only help with transport, but also helps the operator carry out heavy ergonomic movements with ease. The eQart® is designed to be the operator's best friend and super-simple to maneuver thanks to a large, clear ergonomic screen that comes on each cart.

"The eQart® is not a specific size or cart, but a concept that enables all FlexQube carts, both new and existing, to be made smart."

The eQart® is not a specific size or cart, but a concept that enables all FlexQube carts, both new and existing, to be made smart.

We are convinced that the factories of tomorrow need simple, flexible automation solutions, and we are seeing a great interest from customers for this type of solution.

Intensive development work is under way to enable deliveries in Q3 2019, and the eQart trademark has been registered ("e" for Electric). During Q2 2019, the project will enter a phase with a greater focus on certification and purchasing.

Development work will also continue at the same time to achieve the next versions with even more innovations and new functions.

Per Augustsson
CTO, FlexQube AB (publ)





CUSTOMER CASE STUDY

SIEMENS MOBILITY

FlexQube first made contact with Siemens Mobility in Sacramento, California, in 2016, but it was not until mid-2017 that the great transformation project really started. Until then, Siemens had used a mixture of pipe-coupling systems and welded solutions.

The pipe-coupling systems often proved to be too weak for the tough environment and conditions at Siemens Mobility, where carts often had to carry quite heavy items both indoors and outdoors. The welded carts, on the other hand, were really heavy and, of course, impossible to modify. This led to uncertainty among the material handling technicians, who wanted to improve and optimize the material presentation for the operators.

With the FlexQube concept, the technicians at Siemens wanted to completely transform the way materials were handled at the company and ensure that they created a future-proof system with the possibility of modification and adjustment for when the requirements changed. FlexQube became their partner on this journey.

“Between the middle of 2017 and today, FlexQube has designed and delivered around 15 unique material handling carts”

Between the middle of 2017 and today, FlexQube has designed and delivered around 15 unique material handling carts, from large, long pallet and packaging carts to various types of kit carts in mother-daughter applications.

The carts are not as heavy for the operators to handle manually in the warehouse and kit areas as well as at the workstations. However, the applications are also robust enough to cope with the weight of the items put on them and the rough floor surface in the factory and outdoors.

A number of improvements and modifications have been made to the carts since they were delivered to ensure that Siemens continues to develop and optimize them for their intended use.

FlexQube is a major supplier of carts to Siemens Mobility, and the success in Sacramento spread to another Siemens Mobility plant in Germany in 2018. We look forward to continuing to work with Siemens in the future!





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 recently announced 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 for carts to be sent as "flat packages" and assembled at the customer's premises. This means that less air is transported and overall fewer trucks are required for transport. "Flat packages" have been sent from FlexQube's plant in Atlanta to both Mexico and the west coast of the USA. As a bonus, the customer's transport costs are lower.



DIGITAL SALES AND DESIGN MEETINGS

DesignOnDemand™, 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.



QUALITY AND ENVIRONMENTALLY CERTIFIED

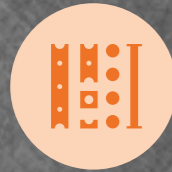
During Q1 2019, FlexQube began the work of certifying the company to ISO 9001 and 14001. This will lead to processes for ensuring that FlexQube's business will be conducted in a sustainable and environmentally-friendly manner.



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.



"SMART" CARTS

FlexQube's smart cart, 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.



DESIGN ON DEMAND™

Thanks to the modular building blocks, FlexQube can create solutions in real time together with the customer, no matter where in the world the customer is. The concept is called DesignOnDemand™. The customer logs into a web meeting and interacts with a designer from FlexQube. Requirements for appearance and function are communicated during the meeting, and the cart takes shape by means of the drag-and-drop principle. Participating in the design process during a web meeting motivates customers, enables a short lead time from idea to finished solution and gives the customer a good understanding of how the FlexQube concept works.



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 tugger 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 of December 31, 2018, FlexQube has a customer base of approximately 390 customers in 25 different countries. The majority of these 390 customers are the result of the work

we have done over the past two to three years, and the Group expects all customer accounts to develop even more positively in the next few years. Below are the segments in which FlexQube operates:

- Manufacturing of commercial vehicles such as trucks, buses and trains
- Manufacturing of cars
- Subcontractors to the automobile industry
- Manufacturing of construction and industrial machinery
- Manufacturing of wind turbines and other energy related products
- Manufacturing of defense equipment
- Manufacturing of appliances and electronics
- Storage and distribution of goods
- Manufacturing of medical equipment

The Group sees a clear trend towards sales spreading to new segments, such as consumer products and distribution centers, which have not been focus areas for FlexQube until now.

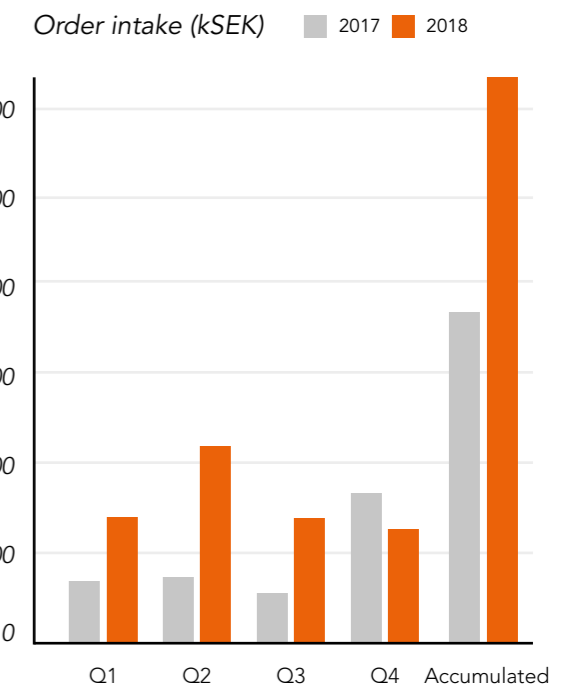
Number of new customers, 2018: **133** Total number of customers, accumulated 2012-2018: **390**

ORDER INTAKE

Order intake grew by 71 percent in 2018 compared to 2017.

Order intake is one of FlexQube's most important metrics and something that will be communicated to the market to the extent that the Group considers a single order to be of sufficient importance for communication.

Even though there is an existing customer base with very prominent customers and great potential, FlexQube is still a young company, 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 the customer if implemented broadly, but implementation is to a certain extent governed by the projects being implemented. Historically, FlexQube has not seen a customer stop buying products but rather that the need consistently increases over time. At the same time, the need is governed by the other projects for the customer that are in progress, which may vary from year to year.



STRATEGIES

Strategy	Why	Impact on growth/profitability	Examples of activities in 2019
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.	Participation in four material handling trade shows during the first half of 2019, and three in the second half. Expansion of the sales organization by 100 per cent in 2019.
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.	A large development project linked to Industry 4.0 concerning the eQart®, with a focus on connected and autonomous wagons ready for the next generation of intralogistics systems. Goal of starting sales in Q3 2019.
Strengthen the organization in order to achieve/cope with higher sales volumes	Be at the forefront of the organization to create conditions for dealing with the increased demand.	A higher number of relevant resources will lead to a higher level of customer service, greater spread, better scalability and quality-assured handling.	Recruitment of new resources to our supply chain, design, development and financial organizations.
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 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.

GOALS

IN THE SHORT TERM, FLEXQUBE'S GOALS ARE TO

- Continue very active sales work to drive growth and increase market shares in relevant markets, above all in Germany.
- Extend own sales organization and strengthen customer and sales cooperation with various partners.
- 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 the sales process tool DesignOnDemand™ and expand the Solutions Library™ (see www.flexqube.com) with a number of customized tools for fast, simple development of customer-unique solutions.
- 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.
- Complete the development of the eQart® and launch sales.

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 of market shares in Europe, primarily Germany and Great Britain, and enter other major European countries with our own sales companies and organizations in terms of both 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 Nasdaq Stockholm First North under the FLEXQ symbol since December 14, 2017. FlexQube shares had a sales volume of 1,264,147 shares during the period from January 1 to December 31, 2018. This produced an average turnover of 5,057 shares per trading day worth 253,636 SEK. The average price of the share during the period was approximately 49.2 SEK. The last closing at the end of the period was 54 SEK, which corresponds to a market capitalization of 401.4 MSEK and an increase of 80 percent from the subscription price associated with its listing on December 14, 2017 or an increase of 27.4 percent from the closing rate on December 31, 2017.

SHAREHOLDERS IN FLEXQUBE

As of December 31, 2018 FlexQube had approximately 2,000 shareholders. The table below shows the company's largest shareholders as of December 31, 2018.

Shareholders	Capital	Capital and votes %
Christian Thiel through Feldthusen Invest AB	1,930,000	26.0
Per Augustsson through Augutech AB	1,458,443	19.6
Anders Fogelberg through Birdmountain Invest AB	1,248,444	16.8
Didner & Gerge Fonder Aktiebolag	660,000	8.9
Roosgruppen	351,875	4.7
Incrementum	275,000	3.7
SHB Microcap and small company fund	260,000	3.5
Others	1,249,571	16.8

SHARE CAPITAL

FlexQube's share capital amounted to MSEK 0.7 MSEK on December 31, 2018, 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.

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

The Board of Directors of FlexQube decided at the Board meeting on October 23, 2017, to establish the following 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.

exemptions, which may be made on a completely discretionary basis, from the lock-up undertakings. The granting of any such exception is decided by Carnegie on a case-by-case basis and may be of both personal and commercial in nature.

UNDERTAKING TO REFRAIN FROM SELLING SHARES (LOCK-UP AGREEMENT)

The principal shareholders Christian Thiel, through the company Feldthusen Invest AB, Per Augustsson, through the company AuguTech AB, and Anders Fogelberg, through the company Birdmountain Invest AB, have undertaken by means of a lock-up agreement with Carnegie Investment Bank AB ("Carnegie") not to sell any shares in the company within 180 days of the share issue in December 2018, without written consent from Carnegie. The undertaking applies only to the shares held before the new share issue. The undertaking does not apply if a public takeover bid is directed to all shareholders in the company. Carnegie may grant

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.

INCENTIVE PROGRAM

FlexQube has not entered into any incentive, share-based or employee share-option program, nor does it intend to implement any such program in the near future.

REPORT OF THE BOARD OF DIRECTORS OF DIRECTORS

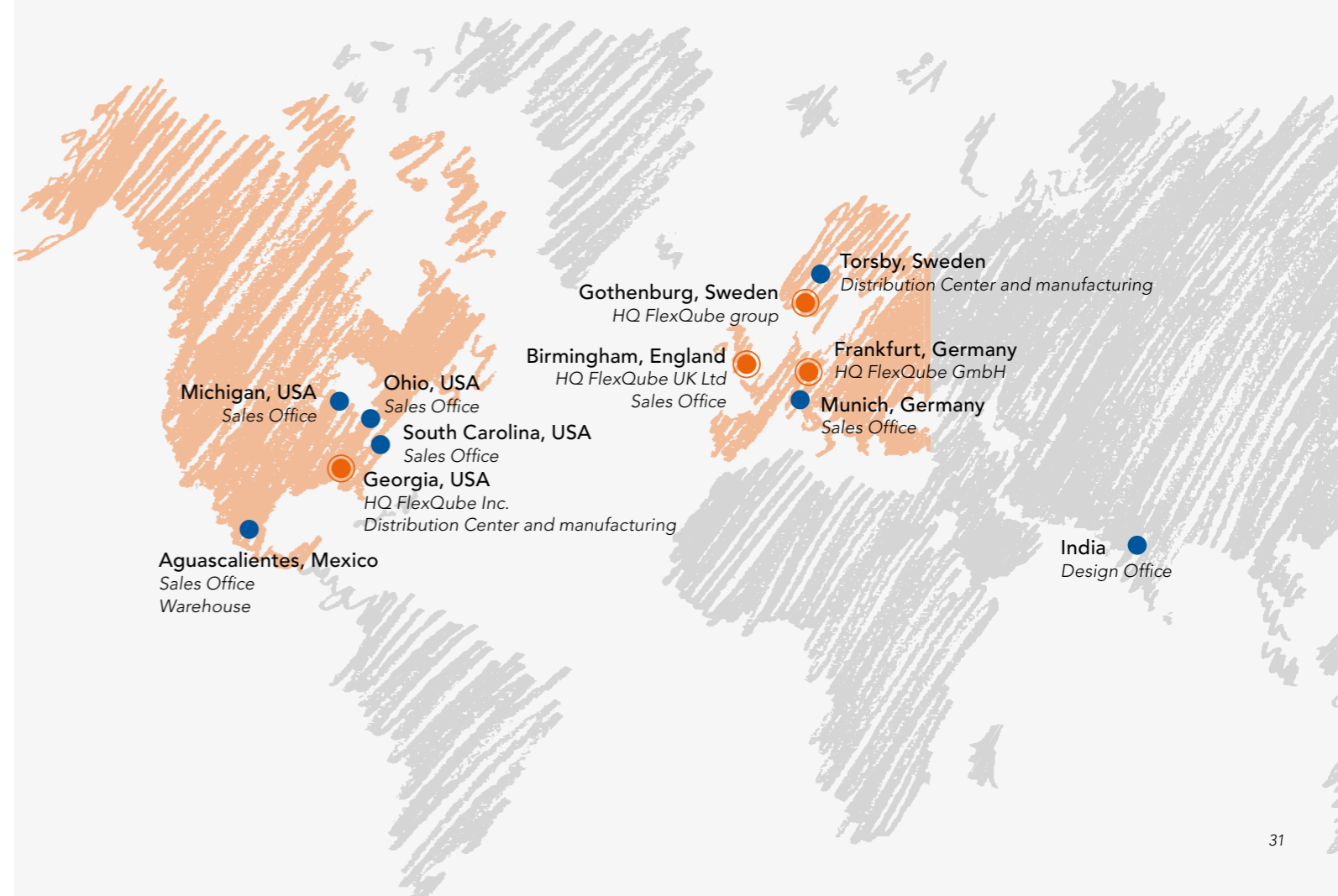
The Board of Directors and CEO of FlexQube AB (publ), CIN 556905-3944, with registered office in Gothenburg, Sweden, hereby submits the annual report for the Parent Company and the Group for the financial year 2018.

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 Sweden for the European market and in Georgia, USA, for the North American market.

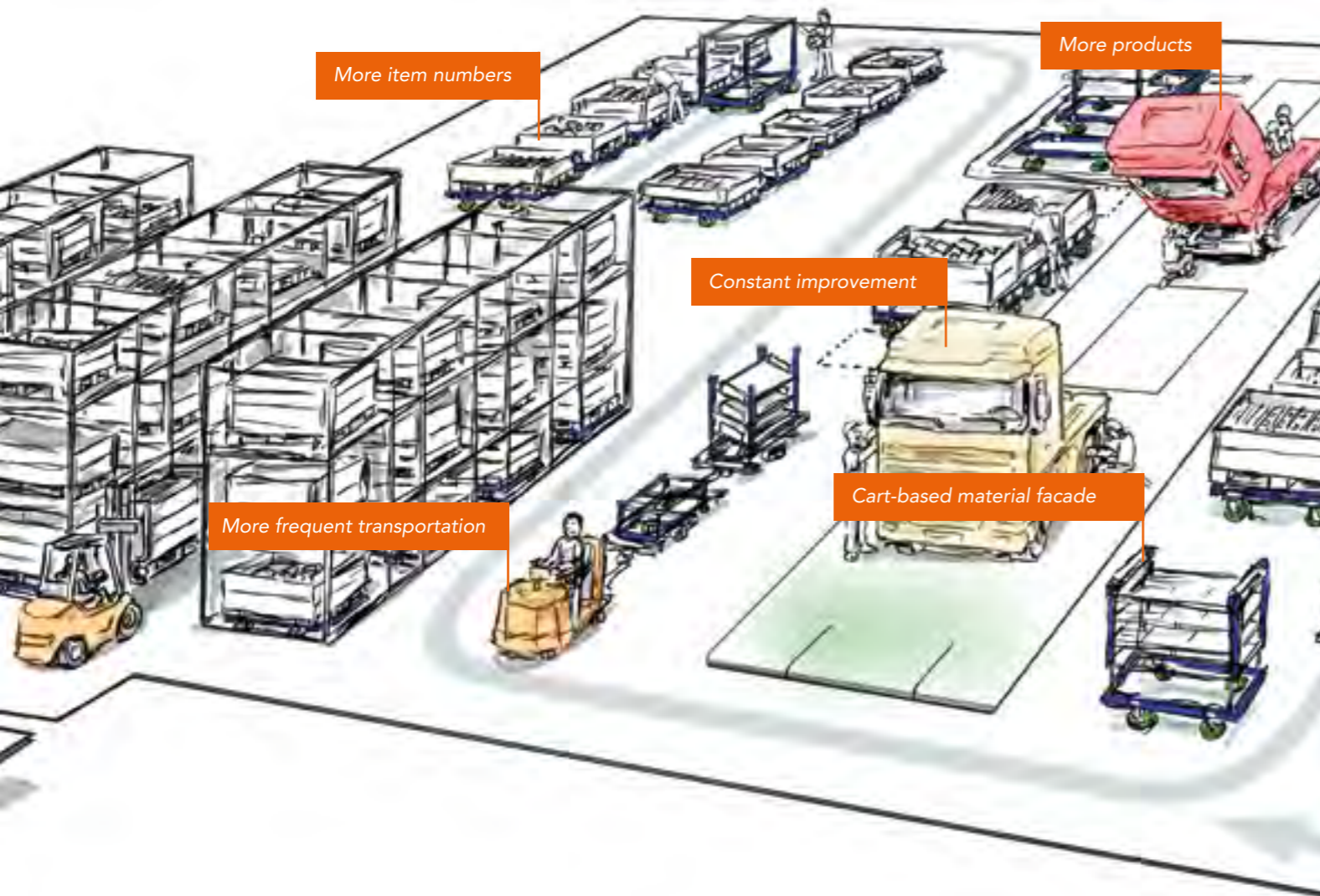


MARKET AND TRENDS

FlexQube's market is global, and FlexQube has chosen to target customers primarily in the automotive and heavier production industries as long as the concept is in its present form. The industries and segments that FlexQube operates within are undergoing major challenges in the field of material handling, where today's consumers expect more and 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 offered has increased significantly. The mass customization phenomenon drives a huge need for the products offered by FlexQube, such as the need to switch from truck-based material handling to cart-based material handling,

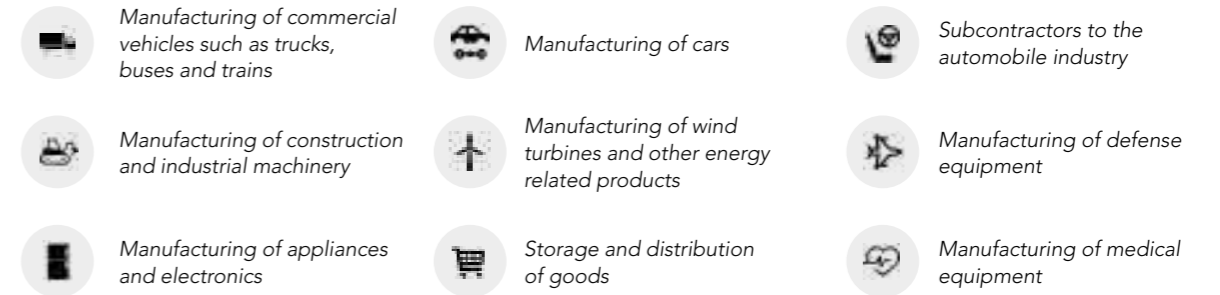
as demands for safe and frequent transport increase. In addition to this paradigm shift, global uncertainty, rapid changes in volume and mix, as well as rapid technology development, add greater demands on flexibility and the ability to re-configure the carts.

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 internal logistics skills.



CUSTOMER BASE

FlexQube's customers are found in different industry segments and regions. As at December 31, 2018, FlexQube had a customer base of approximately 390 customers in 25 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 physical building blocks and the logistics solution, while the soft products are system tools and processes for quickly and easily creating the design that the customer needs.

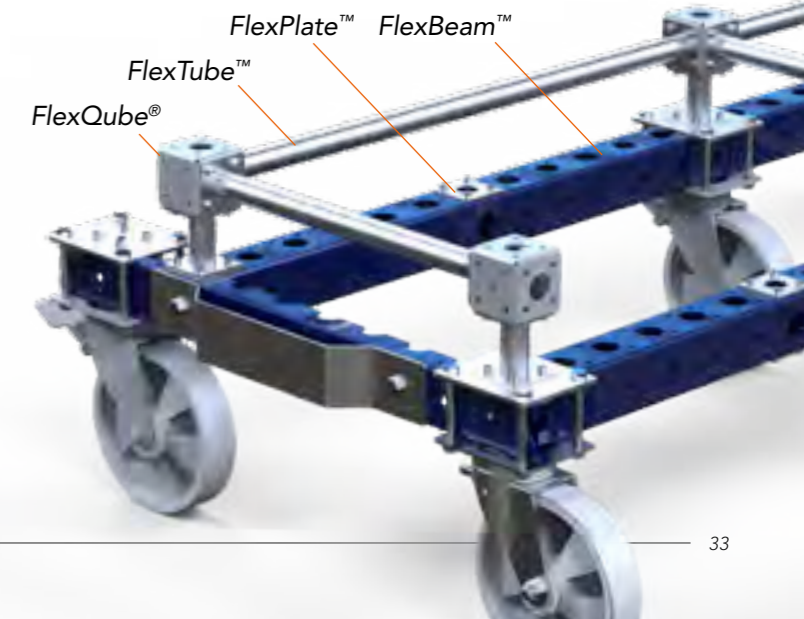
FlexQube has developed a toolbox of smart, modular building blocks that are combined to create customer-unique carts for material handling. FlexQube has four basic building blocks:

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 smart cart, eQart®, consists of the same standardized building blocks, but is also equipped with a motor, battery, cameras and sensors that enable it to navigate autonomously. The eQart® is not a specific size or cart, but a concept that enables all FlexQube carts, both new and existing, to become smart. For more information, please see pages 18-19.



STRATEGY AND GOALS

For information concerning the company's strategy and goals, please see pages 26-27.

RESEARCH AND DEVELOPMENT

Innovation and continuous product development are part of FlexQube's core values. FlexQube works closely with its customers to ensure the value of the new innovations, while constantly monitoring trends and technological developments.

FlexQube pursues development work linked to the current concept and building blocks, with a focus on improving functionality, capacity for assembly and manufacturing costs.

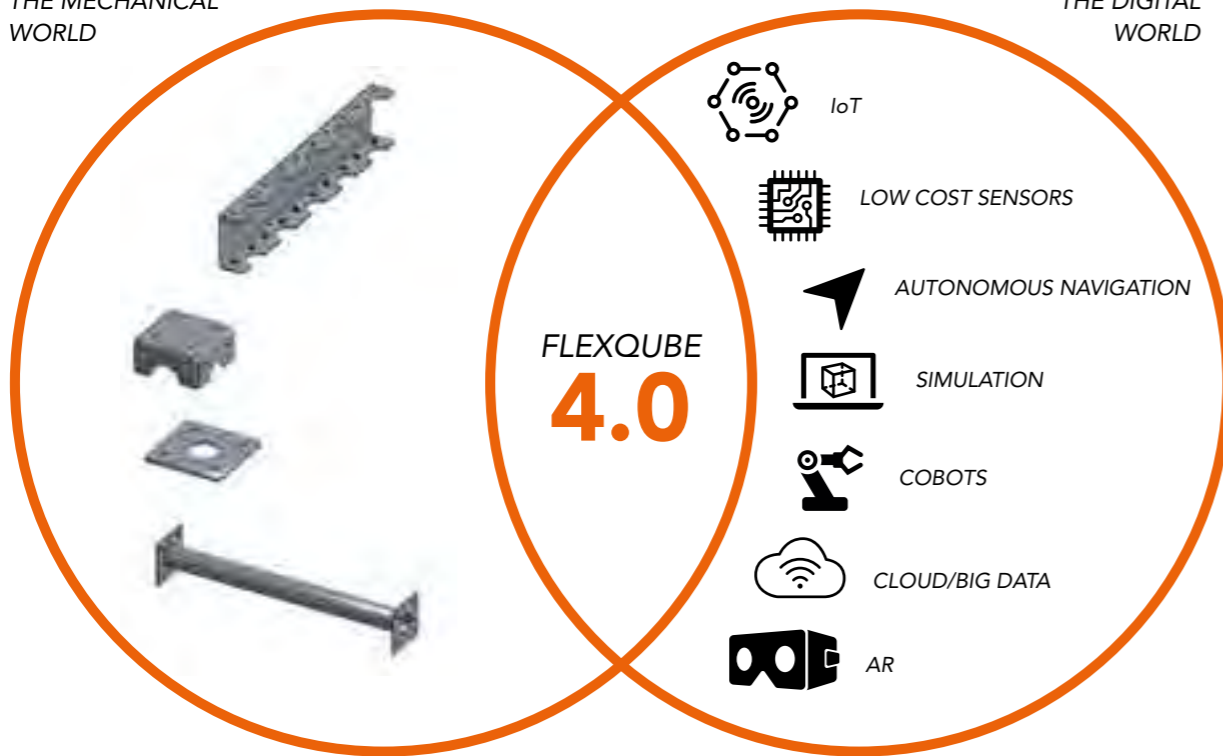
A number of projects have been in progress and completed in 2018 to significantly reduce the manufacturing costs of the basic building blocks such as FlexTubes™ and FlexBeams™.

FlexQube runs a development program called FlexQube 4.0, which includes a number of different projects to supplement FlexQube's mechanical building blocks with mechatronic building blocks such as sensors, drive motors and batteries. In February 2019, the company presented the eQart®, an outcome of this project, for the first time at LogiMAT in Stuttgart, Germany. For more information, please see pages 18-19.



THE MECHANICAL WORLD

THE DIGITAL WORLD

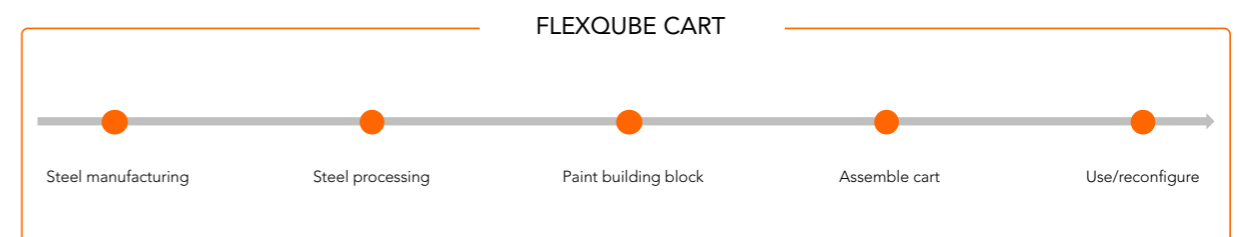
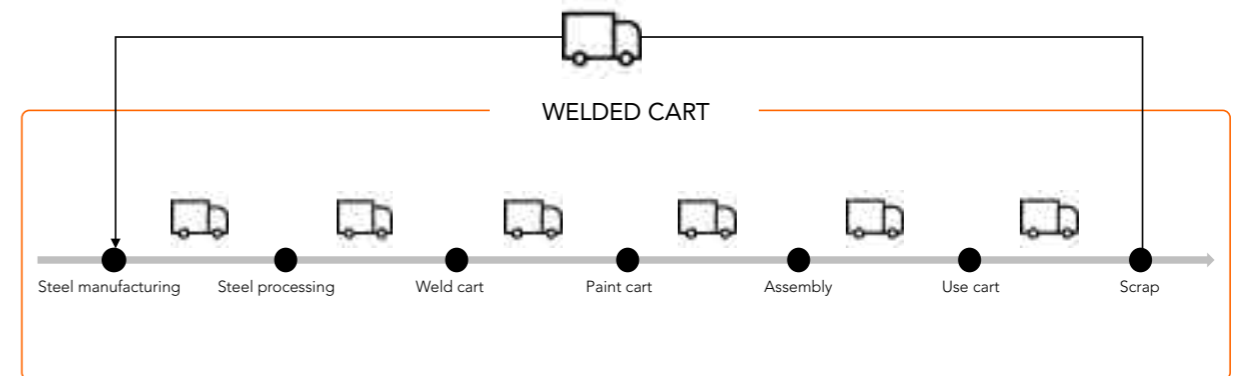


PRODUCTION AND ENVIRONMENT

FlexQube does not have its own production, but primarily makes use of two main suppliers who produce, stock, assemble and distribute the company's products in their own premises: one main supplier in Sweden for the European market and one in Georgia, USA, for the North American market. These suppliers have 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. At the start of 2019, the company began a certification process for ISO 9001 and 14001.

The FlexQube concept enables clear environmental gains, since the modular design is easy to customize. For more information about sustainability, please see pages 22-23





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, 2018, there were 21 employees, of whom four were women. The average number of employees for the full-year was 17, of whom three were women. Nine employees have joined the company, and one has left.

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 30-40 employees based at suppliers and external consultants.



MULTI-YEAR OVERVIEW

For definitions of key ratios, see Note 1 on page 53.

Earnings	Unit	2018	2017	2016
Order intake*	kSEK	63,743	37,232	23,583
Net sales	kSEK	68,901	29,004	19,260
EBIT	kSEK	-6,714	-2,848	128
FINANCIAL POSITION				
Equity/assets ratio	%	81%	73%	4%
Working capital	kSEK	79,610	35,266	2,326
Current ratio	%	502%	415%	133%
Quick ratio including unused part of overdraft facilities	%	406%	382%	52%

* The order intake in foreign currency related to full-year 2018 is translated at the average exchange rate for full-year 2018, and the comparative periods for full-year 2017 and 2016 are translated at the average exchange rate for full-year 2017.

COMMENTS ON FINANCIAL DEVELOPMENT IN 2018

Numerical data given in brackets in this Annual Report refers to comparisons with the financial year 2017 or the balance sheet date of December 31, 2017. FlexQube's accounting currency is the Swedish krona (SEK). When translating the income statement of foreign subsidiaries, the Group has applied the average exchange rate for the whole of 2018 or the average exchange rate for the comparative period in 2017.

REVENUE

Net sales for the year amounted to 68.9 MSEK (29.0), an increase of 138 percent compared with the previous year. Total revenue increased by 141 percent and amounted to 71.3 MSEK (29.6) at the end of the period. Total operating income excluding the item for capitalized work related to development programs to supplement FlexQube's mechanical building blocks with mechatronic components (FlexQube 4.0) amounted to 70.1 MSEK (29.6).

COSTS

The cost of goods for resale amounted to 42.4 MSEK (17.0), following the increased sales volume in general, in addition to write-down of the stock by 1.0 MSEK in connection with the completed rebuilding of the warehouse in North America during the fourth quarter of the year. In line with the Group's planned expansion, other external costs also increased and amounted to 21.4 MSEK (10.0). The increase is primarily attributable to

- more marketing and sales activities, including trade shows during the full year in Germany, the Netherlands, the USA, Mexico and Italy, an increase in demo products sent to customers and more sales trips in general within Europe and North America,
- production of new marketing materials, printing of hard copy catalogs and increased marketing online,
- increased distribution management costs, primarily in North America,

- increased expenses for Group staff in the form of Board fees and Board management tools, where a new member of the Board joined in 2018,
- increased administrative costs for accounting and back office, as well as the purchase of new accounts and licenses for administrative IT tools due to increased staff and sales volume,
- increased costs for the design department due to sales development,
- stock exchange management costs, and
- one-off start-up costs and ongoing operating costs for the German subsidiary, FlexQube GmbH.

Personnel costs amounted to 13.4 MSEK (5.0). The increase relates to the planned expansion, which includes

- increased personnel in North America and Europe as well as related recruitment costs and HR management,
- the introduction of a pension plan for all employees,
- an increase in the sales staff's commission costs following the increased sales trend in the company, and
- market compensation for management in comparison with the previous year.

Other operating expenses amounted to 0.0 MSEK (0.1). Fluctuations of this cost item are primarily driven by changes in the exchange rate involving inter-company transactions.

EARNINGS

EBITDA amounted to -6.0 MSEK (-2.4), and EBIT amounted to -6.7 MSEK (-2.8). Profit/loss before tax amounted to -6.9 MSEK (-3.0) and profit/loss after tax amounted to -6.9 MSEK (-3.1).

Deferred tax assets from loss carry-backs has not been taken into account.

BALANCE SHEET

The company's total assets as at December 31, 2018, amounted to 108.0 MSEK (49.0). Intangible fixed assets amounted to 6.0 MSEK (2.0). This item consists mainly of expenses linked to development expenditure for the development program that will complement FlexQube's mechanical building blocks with mechatronic building components (FlexQube 4.0). Tangible fixed assets amounted to 2.4 MSEK (0.3) at the end of the period, and consisted partly of office equipment and office inventories and partly of fixed assets relating to company cars. Current assets amounted to 99.4 MSEK (46.5) on the balance sheet date. Inventories amounted to 19.0 MSEK (6.0), accounts receivable amounted to 17.2 MSEK (3.0), and cash and cash equivalents amounted to 60.1 MSEK (34.1). The increase in cash and cash equivalents is due to the new share issue in December 2018. At the end of the period, equity amounted to 87.2 MSEK (36.0). The change in equity is also attributable to the share issue carried out in December 2018.

Non-current liabilities amounted to 1.0 MSEK (1.8), and the change is due to the amortization of non-current loans in 2018 and an accrued liability item relating to financial leasing of company cars, which in turn have been included as a tangible fixed asset in the consolidated balance sheet. It may be added that the non-current liabilities item consists solely of financial leasing on the balance sheet date. Current liabilities amounted to 19.8 MSEK (11.2), consisting mainly of accounts payable combined with other current liabilities and accrued expenses, which relate to the company's increased sales volume and growing operational activities. The overdraft facility, which amounts to 2.3 MSEK for each accounting period, was unused at the end of the period. At the end of the period, FlexQube had an equity/assets ratio of 81 percent (73).

CASH FLOW

Cash flow for the period amounted to 26.0 MSEK (33.9), of which

- Cash flow from operating activities amounted to -23.5 MSEK (0.2) and is due to the change in operating receivables, operating liabilities and inventories combined with a decrease in earnings compared with the previous year. The change in operating receivables is attributable to the growth in sales and the fact that the company chose not to finance accounts receivable relating to invoice sales through the Group's financial structure with credit institutions due to an acceptable level of own liquidity. The change in operating liabilities and inventories is due to increases in both accounts payable and inventory levels as a result of the company's sales growth.
- Cash flow from investment activities amounted to -5.3 MSEK (-0.6), of which the majority relates to investments in intangible fixed assets linked to the development program FlexQube 4.0 as well as intangible assets such as patents and trademarks and related IT and software solutions for customers. Investments were also made in tangible fixed assets relating to production development and further development of the FlexQube concept, a directly-owned car in FlexQube GmbH and office furnishings and equipment.
- Cash flow from financing activities amounted to 54.8 MSEK (34.2). The difference between comparative periods is attributable mainly to the new share issue in December 2018, which generated more cash flow than the new share issue that was carried out in conjunction with company's listing in December 2017 as well as amortization paid on all external loans.



RISKS AND UNCERTAINTIES

FlexQube is an internationally active company that is exposed to a number of market and financial risks. The company monitors identified risks continuously 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.

Currency risk is derived from the fact that some of the Group's revenue is in EUR for the European entity, while operating expenses are mainly in SEK. The US unit has local manufacturing and a supply chain in the USA; only limited purchases are made in currencies other than USD. Consequently, the US unit experiences limited currency risk, excluding any Group-internal 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.

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, 2018, divided among 7,433,333 outstanding shares with equal rights. For more information concerning the share, see Share capital, the share, and ownership on page 28.

PARENT COMPANY

FlexQube AB (publ) in Gothenburg, CIN 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 primarily carried out by the subsidiaries, whereby the Parent Company's development follows the development of the Group in general.



OTHER SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

THE COMPANY CARRIED OUT A TARGETED NEW SHARE ISSUE.

On November 28, 2018, the Board of Directors of FlexQube AB (publ) decided to carry out a targeted new issue of 1,100,000 shares at a subscription price of 57 SEK per share. The new share issue provided FlexQube AB (publ) with 62.7 MSEK before issue costs. The reason for the deviation from the shareholders' preferential right was to diversify the owner base among institutional investors and at the same time raise capital in an efficient manner and utilize the opportunity to acquire capital on favorable terms to finance the company's continued growth and working capital, and partly for the market introduction of the FlexQube 4.0 concept.

For more information, see Share capital, the share, and ownership on page 28.

CONTINUED IMPLEMENTATION OF SALES STRATEGY

As part of the Group's sales and expansion strategy, FlexQube has participated with its own exhibition stands in several trade shows in Europe, the USA and Mexico, expanded its sales organization by 100%, started a sales company in Germany, initiated collaboration with LR Intralogistik GmbH, and further intensified its digital marketing efforts. The result has been a record-high inflow of projects.

The company has recruited and established the sales organization and warehousing and distribution premises in Mexico, and in connection with this the Group employed a new Spanish-speaking design engineer to strengthen the organization towards Spanish-speaking customers. The North American unit acquired office premises in Dearborn, Michigan, that are better equipped in order to improve the conditions for the sales organization in the United States.

In addition, FlexQube's intensified marketing activities have gradually led to a visible increase in inquiries, quotes and order intake, with order intake and RFQs (Requests For Quote, meaning project inflow from customers) reaching a record high in Q4 2018.

GREATER CAPACITY AND SCALABILITY

As part of its efforts to increase capacity and reduce costs, the company introduced roll forming production for the most important component, the FlexBeam™, and the full effect will be realized in 2019.

The company started and completed during the year a scaling-up project concerning the supply chain and manufacturing in North America. This was followed by the refurbishment of the North American unit's warehouse, assembly and distribution premises in Georgia, USA, among other activities. The refurbishment will improve both productivity and efficiency since the unit will be better equipped to handle even larger volumes.

PRODUCT DEVELOPMENT

The company has intensified the product development for FlexQube 4.0 during the year, and a number of prototype carts were used in pilot projects with positive results. In addition, the company also submitted a patent application for its platooning technology, which is also called *virtual connection*.

The FlexQube 4.0 development project is progressing according to plan, and sales are due to start in Q3 2019. The eQart trademark has been registered, and 'e' stands for 'electric'.

ORGANIZATIONAL EXPANSION

We are equipped for the future and have a strong organization in many areas, not just sales. The number of employees has increased by 13 since January 2018, and at the beginning of 2019 we were 21 employees. We successfully enhanced our organization with a high level of competence and commitment in areas such as product development, supply chain, HR and design. We will continue to develop our business, and we are always on the look-out for professional and committed future employees who would like to be a part of FlexQube.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- In February, the company presented the eQart® for the first time at the material handling trade show LogiMAT in Stuttgart, Germany. The company also took part in Expo Manufactura in Mexico at the beginning of February.
- The company decided to set up a company in England, with its registered office in Birmingham. In conjunction with this, Tim Massey was recruited from Trilogiq's British operations, where he had been sales manager for around seven years.
- The company signed an exclusive agreement with LR Intralogistik GmbH (which is part of Kion Group AG) for the sale and distribution of Liftrunner frames on the North American market.
- Christian Thiel, the company's CFO and one of the founders, has decided to leave his operative role as CFO in order to focus instead on the long-term and strategic issues facing the Group. The recruitment process was started in March 2019, and Christian will remain in his role as CFO until a new CFO has been appointed.

PROPOSED DISTRIBUTION OF PROFITS AND DIVIDENDS

Given the result for 2018 and that the Group is in an expansion and growth phase, the company's Board of Directors proposes that the profit be carried forward on a new account and no dividend be paid to the shareholders.

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

Profit carried forward*	3,009,413
Share premium reserve	93,919,163
Profit for the year	0
	96,928,577

The Board of Directors proposes the following amount to be carried forward on new account	96,928,577
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*Shareholders' contributions received in 2017 and previous years were reclassified from the share premium reserve/capital contributions to profit carried forward.

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 66-73.





GROUP'S CONSOLIDATED INCOME STATEMENT

SEK	Note	2018	2017
Net sales		68,901,365	29,004,079
Work performed by the company for its own use and capitalized		1,135,088	-
Other operating income*	2, 22	1,216,891	615,914
Total operating income		71,253,344	29,619,993
OPERATING COSTS			
Goods		-42,401,392	-16,984,453
Other external costs	4	-21,392,662	-9,989,456
Personnel Costs	3	-13,430,222	-4,990,081
Depreciation of fixed assets	5	-743,302	-430,658
Other operating costs*	6	-	-73,335
Total operating costs		-77,967,578	-32,467,984
EBIT		-6,714,234	-2,847,991
INCOME FROM FINANCIAL ITEMS			
Other interest income and similar profit/loss items		-	534
Operating costs and similar profit/loss items		-186,904	-202,383
Total financial items		-186,904	-201,849
Profit/loss after financial items		-6,901,138	-3,049,840
Tax on profit for the period	8	-20,738	-523
Profit for the year		-6,921,877	-3,050,363
Attributable to:			
the Parent Company's owners		-6,921,877	-3,050,363
Earnings per share attributable to the Parent Company's owners**		-1.1	-2.5

When translating the income statement of foreign subsidiaries, the Group applies the average exchange rate for the year in question.

*Includes exchange rate fluctuations of operating items.

**Adjusted for average number of shares issued in each respective accounting period.

GROUP'S CONSOLIDATED BALANCE SHEET

Assets

SEK	Note	12/31/2018	12/31/2017
ASSETS			
Fixed assets			
Intangible fixed assets 9			
Capitalized expenditure for development and similar work		4,492,250	676,891
Concessions, patents, licenses, trademarks		1,480,480	1,326,822
Total intangible fixed assets		5,972,730	2,003,713
Tangible fixed assets 10			
Machinery and other technical assets		1,569,093	-
Equipment, tools and fixtures and fittings		804,451	341,500
Total tangible fixed assets		2,373,544	341,500
Financial assets 11			
Other non-current receivables		243,750	243,750
Total financial assets		243,750	243,750
Total fixed assets		8,590,024	2,588,963
Current assets			
Finished goods and goods for resale 13			
		18,993,630	6,035,635
Total inventories, etc.		18,993,630	6,035,635
Current receivables			
Accounts receivable		17,206,391	3,017,940
Current tax assets		37,939	37,939
Other receivables		1,079,056	530,337
Prepaid expenses and accrued income	14	2,012,568	2,770,436
Total current receivables		20,335,953	6,356,651
Cash and bank balances	21	60,065,111	34,059,241
Total current assets		99,394,693	46,451,527
TOTAL ASSETS		107,984,717	49,040,490

GROUP'S CONSOLIDATED BALANCE SHEET

Equity and liabilities

SEK	Note	12/31/2018	12/31/2017
EQUITY			
Total equity	15	87,154,975	36,039,985
Non-current liabilities 16			
Liabilities to credit institutions		-	1,115,000
Other non-current liabilities	22	1,044,780	700,000
Total non-current liabilities		1,044,780	1,815,000
CURRENT LIABILITIES			
Liabilities to credit institutions	16	-	510,000
Accounts payable		11,704,034	6,361,257
Overdraft facilities*	17	-	-
Current tax liability		-	9,827
Other current liabilities	16, 22	1,409,692	352,512
Accrued expenses and deferred income	18	6,671,237	3,951,908
Total current liabilities		19,784,963	11,185,504
Total equity and liabilities		107,984,717	49,040,490

*Specification of the overdraft limit and unused part of the overdraft facility for each respective period is stated below:

	12/31/2018	12/31/2017
Overdraft limit (SEK)	2,300,000	2,300,000
Unused part of the overdraft facility (SEK)	2,300,000	2,300,000

GROUP'S CONSOLIDATED CHANGES IN EQUITY

SEK	Other equity				Total equity
	Share capital	Other paid-up capital	Accumulated translation difference	Profit carried forward, etc.	
Opening balance 1/1/2017	50,000	1,803,000	-99,069	-1,336,887	417,044
Profit for the year				-3,050,363	-3,050,363
Translation differences			13,643		13,643
Shareholder's contribution received		1,900,000			1,900,000
Bonus issue	450,000	-450,000			0
New issue	133,333	36,626,329			36,759,662
Closing balance 12/31/2017	633,333	39,879,329	-85,426	-4,387,250	36,039,985
Opening balance 1/1/2018	633,333	39,879,329	-85,426	-4,387,250	36,039,985
Profit for the year				-6,921,877	-6,921,877
Translation differences			634,032		634,032
New issue	110,000	57,292,834			57,402,834
Closing balance on 12/31/2018	743,333	97,172,163	548,606	-11,309,127	87,154,975

*Payments for the new issue are offset against issue costs, which amount to approximately MSEK 5.3.

GROUP'S CONSOLIDATED CASH FLOW STATEMENT

SEK	Note	2018	2017
Operating activities			
Operating profit/loss before financial items		-6,714,234	-2,847,991
<i>Adjustments for non-cash items</i>			
Depreciation/amortization		743,302	430,658
Other non-cash items	20	590,734	13,643
Interest received		-	534
Interest paid		-186,904	-202,383
Income tax paid		-30,565	-33,911
Cash flow from operating activities before changes in working capital		-5,597,669	-2,639,450
<i>Cash flow from changes in working capital</i>			
Changes in inventories		-12,957,994	33,398
Changes in operating receivables		-13,979,302	-3,189,107
Changes in operating liabilities		8,994,233	6,042,867
Cash flow from operating activities		-23,540,732	247,708
INVESTING ACTIVITIES			
Acquisition of intangible fixed assets	9	-4,355,308	-491,300
Acquisition of tangible fixed assets	10	-922,749	-102,742
Cash flow from investing activities		-5,278,057	-594,042
FINANCING ACTIVITIES			
New issue		57,402,834	36,759,662
Change in overdraft facility		-	-1,908,116
Borrowings		-	3,500,000
Amortization of loans		-2,425,000	-4,110,000
Amortization of financial leasing liability		-196,703	-
Cash flow from financing activities		54,781,131	34,241,546
Cash flow for the period		25,962,342	33,895,212
Cash and cash equivalents at beginning of period		34,059,241	164,028
Exchange rate differences in cash and cash equivalents		43,528	-
Cash and cash equivalents at end of period		60,065,111	34,059,241

*Payments for the new issue in 2018 are offset against issue costs, which amount to approximately MSEK 5.3.

PARENT COMPANY'S INCOME STATEMENT

SEK	Note	2018	2017
Net sales	22	622,326	127,373
Other operating income	2	391,859	-
Total operating income		1,014,185	127,373
OPERATING COSTS			
Other external costs	3, 4	-1,435,812	-192,310
Other operating costs	6	-	-17,928
Total operating costs		-1,435,812	-210,238
EBIT		-421,627	-82,865
INCOME FROM FINANCIAL ITEMS			
Other interest income and similar profit/loss items		743,464	4,225
Operating costs and similar profit/loss items		-5,641	-2,250
Total financial items		737,822	1,976
Profit/loss after financial items		316,194	-80,889
Appropriations	7	-316,194	-
Tax on profit for the period	8	-	-
Profit for the year		0	-80,889

PARENT COMPANY'S BALANCE SHEET

SEK	Note	12/31/2018	12/31/2017
ASSETS			
Fixed assets			
Financial assets	11		
Participations in Group companies	12	14,865,951	8,585,805
Receivables from Group companies		26,422,580	14,517,359
Total financial assets		41,288,531	23,103,164
Total fixed assets		41,288,531	23,103,164
Current assets			
Current receivables			
Receivables from Group companies		944,058	143,295
Other receivables		50,804	217,580
Prepaid expenses and accrued income	14	1,667	4,225
Total current receivables		996,529	365,100
Cash and bank balances	21	56,869,706	19,924,944
Total current assets		57,866,235	20,290,044
TOTAL ASSETS		99,154,766	43,393,208
Equity			
Total equity	15	97,671,910	40,269,075
Non-current liabilities			
Total non-current liabilities	16	0	0
Current liabilities			
Accounts payable		283,793	631,258
Liabilities to Group companies		316,194	-
Accrued expenses and deferred income	18	882,870	2,492,875
Total current liabilities		1,482,857	3,124,134
TOTAL EQUITY AND LIABILITIES		99,154,766	43,393,208

PARENT COMPANY'S CHANGES IN EQUITY

SEK	Share capital	Share premium reserve	Profit carried forward, etc.	Total equity
Opening balance 1/1/2017	50,000		1,640,302	1,690,302
Profit for the year			-80,889	-80,889
Shareholder's contribution received			1,900,000	1,900,000
Bonus issue	450,000		-450,000	0
New issue	133,333	36,626,329		36,759,662
Closing balance 12/31/2017	633,333	38,626,329	3,009,413	40,269,075
Opening balance 1/1/2018	633,333	38,626,329	3,009,413	40,269,075
Profit for the year			0	0
New issue	110,000	57,292,834		57,402,834
Closing balance on 12/31/2018	743,333	93,919,163	3,009,413	97,671,910

*Payments for the new issue are offset against issue costs, which amount to approximately MSEK 5.3.

Shareholder's contributions received in 2017 and previous years were reclassified from the share premium reserve/capital contributions to profit carried forward.

PARENT COMPANY'S CASH FLOW STATEMENT

SEK	Note	2018	2017
Operating activities			
Operating profit/loss before financial items		-421,627	-82,865
<i>Adjustments for non-cash items</i>			
Other non-cash items	20	-391,859	-
Interest received*		743,464	-
Interest paid		-5,641	-2,250
Income tax paid		-	-
Cash flow from operating activities before changes in working capital		-75,665	-85,114
<i>Cash flow from changes in working capital</i>			
Changes in operating receivables		-631,429	-360,875
Changes in operating liabilities		-1,957,471	3,124,134
Cash flow from operating activities		-2,664,565	2,678,145
INVESTING ACTIVITIES			
	11		
Capital contribution received		-6,280,146	-6,769,733
Loans granted to Group companies		-11,513,362	-14,517,359
Cash flow from investing activities		-17,793,508	-21,287,092
FINANCING ACTIVITIES			
New issue**		57,402,834	36,759,662
Borrowings		-	-
Amortization of loans		-	-126,072
Capital contribution received		-	1,900,000
Cash flow from financing activities		57,402,834	38,533,590
Cash flow for the period		36,944,762	19,924,643
Cash and cash equivalents at the beginning of period		19,924,944	302
Cash and cash equivalents at end of period		56,869,706	19,924,944

*Refers to accrued interest income.

**Payments for the new issue in 2018 are offset against issue costs, which amounts to approximately MSEK 5.3.

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 BFAR 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 it 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 currency 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 less after deduction of VAT and discounts. Sales of services are reported when the service in question has been carried out under the agreed terms.

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 finance 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, healthcare 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, which means that;

Development expenditure directly attributable to the development and testing of identifiable, unique software products controlled by the Group are 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 linearly over the estimated useful life. The amortization period for internally generated intangible fixed assets is from five 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 disposal of capital assets are reported as Other operating income and Other operating expense, respectively.

The following depreciation periods are applied:

- Inventories, 3 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 payable 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).

Cash flow statement

The cash flow statement has been prepared using the indirect method. The reported cash flow includes only 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 participations subsidiaries

Shares and participations 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.

WRITE-DOWN IN INVENTORIES

During the accounting period, the Group carried out a restructuring of the North American unit's warehouse, assembly and distribution unit. All components were evaluated in conjunction with the restructuring, and the Group identified a number of older items for which there was judged to be an impairment need as a result of better manufacturing methods and generally lower purchasing prices both now and in the future. The financial statements contain a write-down on the basis of the above-mentioned restructuring of approximately MSEK 1.0 that has burdened profit/loss.

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: Total current assets less current liabilities.

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	2018	2017
	OTHER OPERATING INCOME, GROUP		
	Allowances, sick pay and insurance compensation	0	27,175
	Exchange gains from operating activities (net)	1,154,880	0
	Other debited costs and other income	62,011	588,739
	Total other operating income, Group	1,216,891	615,914
	OTHER OPERATING INCOME, PARENT COMPANY		
	Exchange gains on receivables from Group companies	391,859	0
	Total other operating income, Parent Company	391,859	0

Note 3	PERSONNEL	2018	2017
	AVERAGE NUMBER OF EMPLOYEES IN THE GROUP		
	The average number of employees was	17	11
	-Of whom women	3	1
	Hired staff	28	9
	GENDER DISTRIBUTION BOARD AND MANAGEMENT AS AT THE BALANCE SHEET DATE		
	Number of Board members	5	4
	-Of whom women	1	0
	Number of other senior executives, incl. CEO	3	3
	-Of whom women	0	0
	SALARIES, REMUNERATION, ETC. TO BOARD, PARENT COMPANY*		
	Ulf Ivarsson, Chair of the Board	250,000	62,329
	Anders Ströby	150,000	37,397
	Kristina Ljunggren	100,000	0
	Christian Thiel	0	0
	Per Augustsson	0	0
	Total salaries, remuneration etc. to Board	500,000	99,726
	Total social security contributions	157,100	31,334

*Distribution of fees between the Chair of the Board and other Board members has been corrected for 2017. The total amount for 2017 is unchanged.

The Board has not received any variable remuneration or pension.

	SALARIES, REMUNERATION, ETC. TO EMPLOYEES, SUBSIDIARIES	2018	2017
	Anders Fogelberg (CEO)*	1,077,436	249,781
	Other senior executives (2)	1,710,156	401,929
	Other employees	7,425,682	3,116,787
	Total salaries, remuneration, etc. to employees	10,213,274	3,768,496
	Total social security contributions	2,395,013	908,189

* Difference in salary, remuneration, etc. to the CEO between 2017 and 2018 is due to the listing of the Group in December 2017 and an adjustment to market-based salaries for management in general.

Note 3	PERSONNEL	2018	2017
	PENSION COSTS, SUBSIDIARIES*		
	Anders Fogelberg (CEO)	76,800	0
	Other senior executives (2)	124,000	0
	Other employees	168,933	0
	Total pensions to employees	369,733	0
	Total special payroll tax on pension costs	89,554	0

*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 2018 or 2017.

Note 4	REMUNERATION TO THE AUDITORS	2018	2017
	REMUNERATION TO AUDITORS, GROUP		
	Audit, PwC	160,000	66,300
	Auditing activities in addition to the audit assignment, PwC	0	225,700
	Tax advice, PwC	0	19,475
	Other assignments, PwC	115,300	30,000
	Total remuneration to auditors, Group	275,300	341,475
	REMUNERATION TO AUDITORS, PARENT COMPANY		
	Audit, PwC	160,000	60,000
	Auditing activities in addition to the audit assignment, PwC	0	225,700
	Tax advice, PwC	0	19,475
	Other assignments, PwC	115,300	0
	Total remuneration to auditors, Parent Company	275,300	305,175

Note 5	DEPRECIATION/AMORTIZATION
	Amortization of intangible fixed assets in the Group amounts to MSEK 0.4 (0.4). Depreciation of tangible fixed assets in the Group amounts to MSEK 0.4 (0.1). No depreciation/amortization was carried out in the Parent Company

Note 6	OTHER OPERATING COSTS	2018	2017
	OTHER OPERATING COSTS, GROUP		
	Exchange loss from operating activities (net)	0	73,335
	Total other operating costs, Group	0	73,335
	OTHER OPERATING COSTS, PARENT COMPANY		
	Exchange loss from operating activities (net)	0	17,928
	Total other operating costs, Parent Company	0	17,928

Note 7	APPROPRIATIONS, PARENT COMPANY	2018	2017
	Group contributions paid	316,194	0
	Total appropriations, Parent Company	316,194	0

Note 8	TAX ON PROFIT FOR THE YEAR	2018	2017
	TAX ON PROFIT FOR THE YEAR, GROUP		
	Swedish companies	0	890
	Foreign companies	-20,738	-367
	Total current tax, Group	-20,738	523
	TAX ON PROFIT FOR THE YEAR, PARENT COMPANY		
	Tax on profit for the year	0	0
	Total current tax, Parent Company	0	0

Deferred tax assets for carry-backs in 2018 or previous years have not been reported; the deficit on the balance sheet date amounts to MSEK 10.8 (4.5) in the Group.

Note 9	INTANGIBLE ASSETS, GROUP	2018	2017
	CAPITALIZED EXPENDITURE FOR DEVELOPMENT WORK		
	Opening cost and depreciation/amortization	676,891	588,760
	Cost for the year	4,003,816	269,976
	Depreciation/amortization for the year	-188,457	-181,845
	Closing book value	4,492,250	676,891
	CONCESSIONS, PATENTS, LICENSES AND TRADEMARKS		
	Opening cost and depreciation/amortization	1,326,822	1,294,189
	Cost for the year	351,492	221,324
	Depreciation/amortization for the year	-197,834	-188,691
	Closing book value	1,480,480	1,326,822

Note 10	TANGIBLE FIXED ASSETS, GROUP	2018	2017
	PLANT AND MACHINERY*		
	Opening cost and depreciation/amortization	0	0
	Cost for the year	1,800,463	0
	Depreciation/amortization for the year	-231,370	0
	Closing book value	1,569,093	0

*MSEK 1.5 of the year's acquisition value for tangible assets relates to fixed assets related to company cars included in the Group's consolidated balance sheet as a result of financial leasing.

	INVENTORIES, TOOLS AND FACILITIES	2018	2017
	Opening cost and depreciation/amortization	341,500	316,080
	Cost for the year	588,668	102,742
	Depreciation/amortization for the year	-125,717	-77,322
	Closing book value	804,451	341,500

Note 11	FINANCIAL ASSETS	2018	2017
	FINANCIAL ASSETS, GROUP		
	Leasehold deposit	243,750	243,750
	Total financial assets, Group	243,750	243,750
	FINANCIAL ASSETS, PARENT COMPANY		
	Shares in Group companies (see also note 12)	14,865,951	8,585,805
	Receivables from Group companies	26,422,580	14,517,359
	Total financial assets, Parent Company	41,288,531	23,103,164

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, 2018.

Group companies	CIN	Registered office	Number of shares	Book value 2018	Book value 2017
FlexQube Europe AB	556823-6078	Gothenburg, Sweden	50,000	8,600,000	4,600,000
FlexQube GmbH	HRB 110829	Frankfurt am Main, Germany	25,000	2,280,146	-
FlexQube Inc	90-0998273	Delaware, USA	1,000	3,885,805	3,885,805
FQ IP AB	556905-4017	Gothenburg, Sweden	50,000	100,000	100,000

Note 13	INVENTORIES, GROUP	2018	2017
	North America	14,891,097	4,118,475
	Europe	4,102,533	1,917,160
	Total inventories, Group	18,993,630	6,035,635

Note 14	PREPAID EXPENSES AND ACCRUED INCOME	2018	2017
	PREPAID EXPENSES AND ACCRUED INCOME, GROUP		
	Deferred interest income	0	4,225
	Other prepaid expenses	1,952,634	2,703,102
	Other interim claims	59,933	63,109
	Total prepaid expenses and accrued income, Group	2,012,568	2,770,436

	PREPAID EXPENSES AND ACCRUED INCOME, PARENT COMPANY	2018	2017
	Accrued interest income from Group companies	0	4,225
	Other prepaid expenses	1,667	0
	Total prepaid expenses and accrued income, Parent Company	1,667	4,225

Note 15	SHARE CAPITAL	Share	Value per share
	Number/quota value at start of year	6,333,333	0.1
	New issue	1,100,000	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. An extraordinary general meeting on December 14, 2018, resolved to hold a targeted new issue of 1,100,000 shares at a subscription price of SEK 57 per share.

Note 16	NON-CURRENT LIABILITIES	2018	2017
	NON-CURRENT LIABILITIES, GROUP		
	Liabilities to credit institutions	0	1,625,000
	-Of which current component	0	510,000
	Other non-current liabilities (see also Note 22)*	1,269,833	800,000
	-Of which current component	225,053	100,000

*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.

NON-CURRENT LIABILITIES, PARENT COMPANY			
	Liabilities to Group companies	0	0
	Total non-current liabilities, Parent Company	0	0

Note 17	OVERDRAFT FACILITIES, GROUP	2018	2017
	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	2018	2017
	ACCRUED EXPENSES AND DEFERRED INCOME, GROUP		
	Accrued salaries and vacation pay	1,048,463	689,979
	Social security contributions	298,845	298,501
	Deferred expenses	4,319,883	203,253
	Other accrued expenses	1,004,046	2,760,174
	Total accrued expenses and deferred income, Group	6,671,237	3,951,908

ACCRUED EXPENSES AND DEFERRED INCOME, PARENT COMPANY			
	Accrued fees to Board	399,726	99,726
	Social security contributions	125,594	31,334
	Other accrued expenses	357,550	2,361,816
	Total accrued expenses and deferred income, Parent Company	882,870	2,492,875

Note 19	PLEGDED ASSETS	2018	2017
	Floating charges	2,300,000	4,100,000

Note 20	CASH FLOW STATEMENT, GROUP	2018	2017
	OTHER NON-CASH ITEMS, GROUP		
	Exchange rate differences, translation of foreign subsidiaries	634,261	13,643
	Exchange rate differences in cash and cash equivalents	-43,528	0
	Total non-cash items, Group	590,734	13,643
	OTHER NON-CASH ITEMS, PARENT COMPANY		
	Exchange difference on loans in foreign currency	391,859	0
	Total non-cash items, Parent Company	391,859	0

Note 21	CASH AND CASH EQUIVALENTS	2018	2017
	Available cash and cash equivalents, bank accounts with the Group	60,065,111	34,059,241
	-Of which available cash and cash equivalents with Parent Company	56,869,706	19,924,944

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.

LOANS FROM OWNERS AND RELATED PARTIES, GROUP			
	Loans from owners and related parties	0	800,000
	-Of which current component	0	100,000
	-Of which interest-free loans from owners and related parties	0	0

Interest-free loans to owners and related parties were completely interest-free during part of 2017, until the listing of the Group in December 2017, whereby the interest-free loans were amortized in their entirety.

Note 23	PROPOSED DISTRIBUTION OF PROFITS	2018
	THE FOLLOWING FUNDS ARE AVAILABLE TO THE PARENT COMPANY (SEK):	
	Profit carried forward*	3,009,413
	Share premium reserve	93,919,163
	Profit for the year	0
		96,928,577
	The board and managing director proposes that the following be carried forward	96,928,577
		96,928,577

*Shareholders' contributions received in 2017 and previous years were reclassified from the share premium reserve/capital contributions to profit carried forward.

Note 24 EVENTS AFTER THE BALANCE SHEET DATE

- In February, the company presented the eQart® for the first time at the material handling trade show LogiMAT in Stuttgart, Germany. The company also took part in Expo Manufactura in Mexico at the beginning of February.
- The company signed an exclusive agreement with LR Intralogistik GmbH (which is part of Kion Group AG) for the sale and distribution of Liftrunner frames on the North American market.
- Christian Thiel, the company's CFO and one of the founders, has decided to leave his operative role as CFO in order to focus instead on the long-term and strategic issues facing the Group. The recruitment process was started in March 2019, and Christian will remain in his role as CFO until a new CFO has been appointed.
- The company decided to set up a company in England, with its registered office in Birmingham. In conjunction with this, Tim Massey was recruited from Trilogiq's British operations, where he had been sales manager for around seven years.

CERTIFICATIONS & SIGNATURES

Consolidated income statement and balance sheets will be submitted to the Annual General Meeting on May 3, 2019, for approval.

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, April 4, 2019

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

Kristina Ljunggren
Member of the Board

Our audit report was submitted on April 4, 2019
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 report and consolidated financial statements of FlexQube AB (publ) for the year 2018. The company's annual report and consolidated financial statements are included in pages 31-60 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, 2018 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 1-30, 64-65 and 74-79.

The Board and the CEO bear responsibility 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 report and consolidated financial statements 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.

REPORT ON OTHER REQUIREMENTS IN ACCORDANCE WITH LAWS AND OTHER ORDINANCES

STATEMENTS

In addition to our audit of the annual report and consolidated financial accounts, we have also carried out an audit of the Board's and the CEO's administration of FlexQube AB (publ) for the year 2018, and of the proposal for dispositions concerning 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 dispositions concerning 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 disposals 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, April 4, 2019
PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant



Ulf Ivarsson
Chairman of the Board

LETTER FROM THE CHAIRMAN

EXPANSION AND DEVELOPMENT

Innovation and creativity are key words in everything FlexQube does. Continuously challenging and developing products, services and processes is the key to FlexQube's success and growth. In 2018, the company's sales grew by almost 140 percent, to around 70 MSEK. This is the result of a long-term effort combined with significant input from everyone in the organization. At the same time, it is important to point out that the last year is only one stage of the journey. Our long-term ambition is to become a leader in material handling. With clear efforts and investments in operations and product development, the management and personnel have also created favorable conditions for continued expansion during the years to come.

Sustainable growth, if it is to succeed, requires a clear strategy, defined goals, and the ordered planning and coordination of resources, organization and processes. Commitment and incentive are further elements that contribute to success. In 2018 FlexQube has increased sales significantly, but most importantly, from my perspective as the company's Chairman, we have laid the foundations for an even better FlexQube in the future.

- *The organization has been strengthened with new recruitment in sales and marketing, product development, design, HR and supply chain.*
- *FlexQube GmbH in Germany was established during the first half of 2018. This is a long-term investment in Europe's biggest market, where we are also gradually increasing resources in order to gain market shares.*

- *Our offer and product portfolio are under continuous development. FlexQube's fundamental concept, with flexible material handling solutions based on standards, is gradually being refined. During 2018, the organization also intensified work on FlexQube 4.0, and the product, eQart was presented at LogiMat in February 2019.*
- *Strong growth puts pressure on logistics and lead times. During the year, in order to meet future demands, the company invested considerable time and resources in ensuring it is well equipped for 2019. This is continuous work, and if the company succeeds in maintaining a high growth rate we will need to continue to refine our processes and working methods.*

FlexQube is a young, dynamic company that delivers benefits for its customers through efficient material handling solutions, primarily in the fields of production and logistics. The company's overall goal is to create long-term sustainable value growth for its shareholders.

The goal is continued strong expansion in the coming years, primarily through organic growth;

- *to increase sales in existing markets and among existing customers;*
- *to intensify our marketing and sales efforts in order to further increase sales to new customers, including by gradually increasing the sales organization; and*
- *to establish FlexQube in new markets.*

The new share issue in December 2017, when FlexQube's shares were listed on First North, gave the company the financial opportunity to drive a purposeful growth agenda. It is therefore gratifying to see that 2018, the company's first business year as a listed company, has brought record growth.

Strong expansion requires us to be financially prepared for action. It became evident during the fall of 2018 that FlexQube's future opportunities are even better than previously anticipated, and the company was able to carry out a successful new share issue in December.

The Board and management interact and cooperate closely. During the year, as well as regular follow-up and monitoring, we also had special meetings focusing on strategy, product development and organization.

Well-functioning cooperation between Board and management is important, not least in a growing company. At the same time, it is important to note that the Board also has a supervisory responsibility:

the Board is also responsible for ensuring that the company develops in an efficient and responsible manner. One of its functions is to act as a supervisory body, while our perhaps most important task is to "coach" the management and contribute to adapting the company's operations so that they make the best use of the opportunities in the market and changes in the outside world. This is a matter of both critically reviewing strategy and management and, at the same time, contributing to the right conditions for continued development. A more detailed description of the company's governance and the division of roles between the Annual General Meeting, the Board of Directors and the CEO can be found in the Corporate Governance Report on pages 66-72.

The market for intralogistics is dynamic, and FlexQube sees good opportunities for continued expansion in coming years. At the same time, the company is young, and as well as opportunities we will also meet challenges, not least regarding organization and recruitment and our own supply chain. One recurrent issue that the Board and management jointly work on is the balance between growth and the resources required, which affects the visible profitability on the bottom line. In FlexQube, the issue of profitability is always present, not least regarding product margins, which the company is continuously striving to strengthen. At the same time the company is investing in product development, strengthening its organization and establishing itself in new markets. These investments mean that, in certain situations, costs come before new revenue. We expect that the investments will bring results in the long term, and it is a security for the company to have the financial strength today to allow it to actively pursue the activities that build competitiveness and market position.

The level of our ambitions is high, and I look forward to a year of continued development, growth and value creation for FlexQube's shareowners and personnel.

Gothenburg, April 4, 2019

Ulf Ivarsson
Chair 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.

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

SHAREOWNERS

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 the same right to a share of the company's assets and profits. After the new issue carried out in December 2018, the number of shares amounts to 7,433,333. As at December 31, 2018, the number of shareholders was approximately 2,000.

For more information about the ownership structure, trading and price trend, see pages 28-29 of the Annual Report. The major shareholders in FlexQube exercise an active ownership role. The Board and Group management control a total of 64.5 percent of the capital and votes in the company. The Articles of Association do not contain any proviso concerning a restriction on the right to vote.

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 carry out consultancy services in production and product development, with a focus on mechanical engineering, and pursue business compatible with this.

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 allocation 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 participate in the general meeting

In order to participate in 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 raised 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 2018

The 2018 Annual General Meeting was held on April 26 at Comfort Hotel in Gothenburg. A total of 75.47 percent of the total number of shares and votes were present. The accounts for 2017 were approved, and the Board members and CEO were discharged from liability. Decisions were also taken concerning the election of board members, Chair of the Board and auditors, and fees to the Board and auditors.

Extraordinary General Meeting 2018

At the Extraordinary General Meeting on December 14, 2018, it was resolved to increase the number of shares from 6,333,333 to 7,433,333. 1,100,000 new shares were issued in a targeted issue at a price of 57 SEK, which provided the company with 62.7 MSEK before issue costs.

Annual General Meeting 2019

The Annual General Meeting of FlexQube Ab (publ) will be held on May 3, 2019, at the Comfort Hotel, Skeppsbroplatsen 1, 411 21 Gothenburg, Sweden. For information concerning the Annual General Meeting, see page 79.

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 2018, 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, Kristina Ljunggren and Anders Ströby. CEO Anders Fogelberg is not a member of the Board, but takes part in all meetings as a rapporteur. The company's Chief Legal Officer is the permanent secretary at Board meetings.

The members of the Board are presented in more detail on pages 74-76.

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 2018, the Board held 14 meetings, all of which were minuted.

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

The work of the Board is assessed continuously. An annual evaluation is conducted in writing, and followed up by a working meeting at which the Chairman of the Board reports the results for joint assessment and discussion. The outcome for 2018 showed that the work of the Board functions well and that the composition of the Board fosters a good climate for discussion and cooperation.

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 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 FlexQub'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.

Name	Number of shares	Attendance at Board meetings	Independence from owners or company
Ulf Ivarsson	78,000	14/14	Yes
Anders Ströby	70,000	13/14	Yes
Kristina Ljunggren*	9,500	10/14	Yes
Per Augustsson	1,458,443	13/14	No
Christian Thiel	1,930,000	14/14	No

*Kristina was elected at the Annual General Meeting in May 2018, which explains her lower attendance.

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

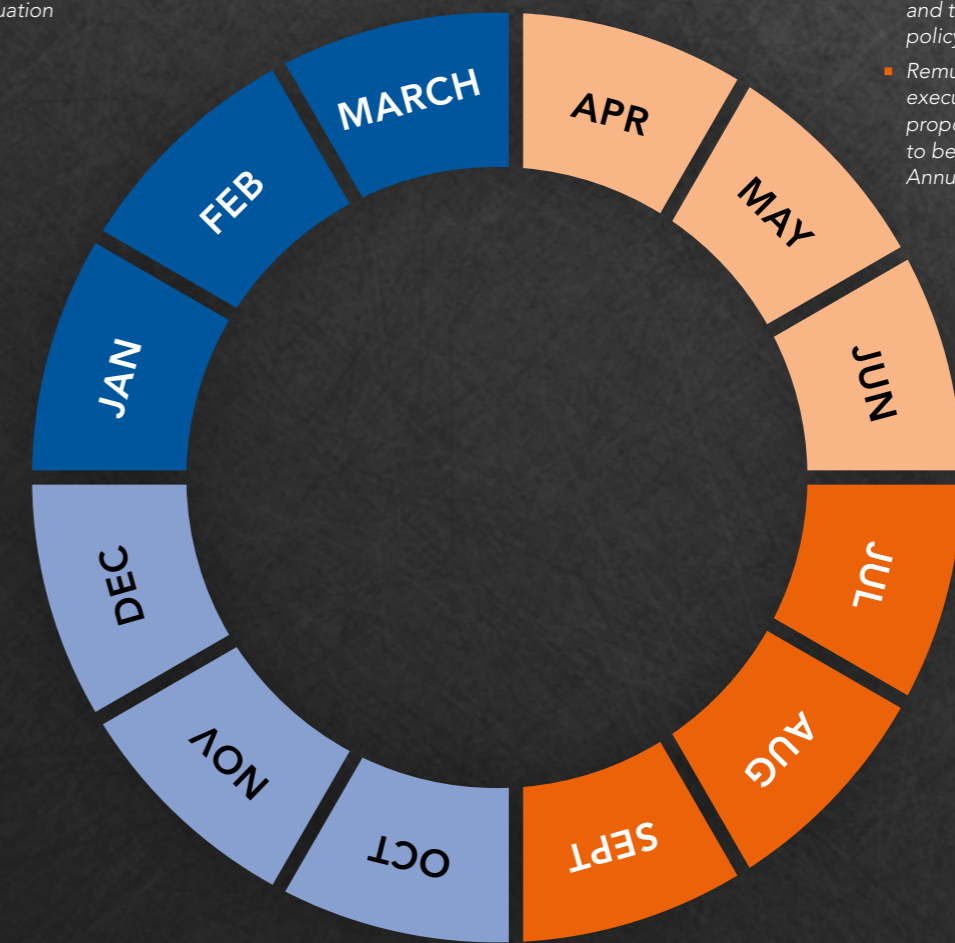
APRIL/MAY

- 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 terms 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

JULY/AUGUST

- Board
 - Quarterly report second quarter

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) 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 77.

OTHER INFORMATION CONCERNING THE BOARD AND MANAGEMENT

The Chairman of the Board, Ulf Ivarsson, and the members Kristina Ljunggren and Anders Ströby, are independent in relation to FlexQube, the company's management and its principal owners. Anders Fogelberg, CEO, Christian Thiel, CFO 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 74-76, 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

In conjunction with the new share issue in December 2018, the three largest owners, Feldthusen Invest AB, Birdmountain Invest AB and AuguTech AB, have undertaken, with certain reservations, not to sell their respective holdings for 180 days from the new issue.

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.

IR function

The main tasks of the IR function are to support the CEO, CFO and senior executives in relation to the capital markets, to prepare quarterly reports and annual reports, analyst meetings, general meetings and capital market meetings.

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 April 26, 2018, resolved that remuneration to the Board of Directors should amount 550,000 SEK, of which 250,000 SEK to the Chairman of the Board and 150,000 SEK to each member who is not employed by the company.

Remuneration to senior executives

During 2018, a total of 2.8 MSEK was expensed in fixed reimbursement to the company's senior executives (Group management). The total expensed gross compensation to the CEO and Group management, including basic salary, pension payments and car and health insurance benefits, amounted in 2018 to 3.0 MSEK, of which 1.2 MSEK comprised 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 April 26, PricewaterhouseCoopers AB was elected auditing firm, with Johan Palmgren as auditor-in-charge, and it was resolved that remuneration to the auditor shall be paid according to an approved invoice.

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 66-72 and for ensuring that it has been drawn up 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, April 4, 2019
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 2019 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
Kristina Ljunggren	Member of the Board	2018	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 and Board member of Exsultat AB and Klöver AB.

Background

Ulf has extensive experience of board work, e.g. 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 vice CEO). Ulf has previously acted as editor of Dagens Industri and held various assignments in Corporate Finance and Management Consulting.

Holding in the company

Ulf Ivarsson holds, through the company, 78,000 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

Degree of 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

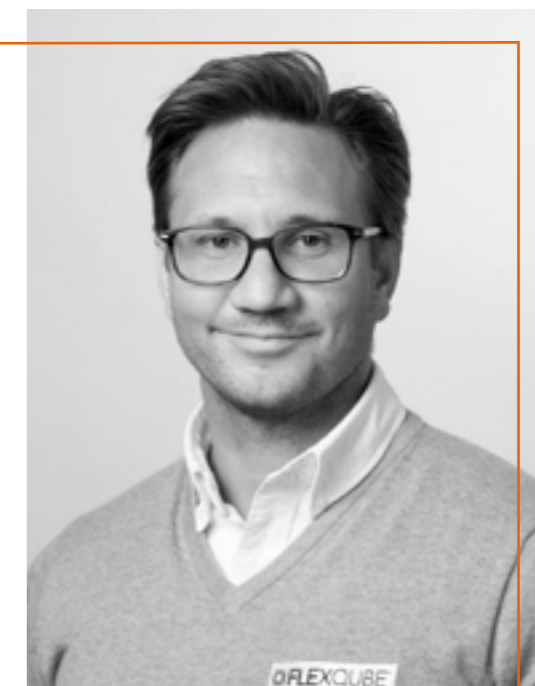
Chairman of the Board at Svensk Tillgångsutveckling AB, Chairman of the Board of F&T Equity AB, Chairman of the Board of FlexQube's subsidiary, board member of Feldthusen Invest AB and deputy board member of Birdmountain Invest AB.

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 the company, 1,930,000 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.

KRISTINA LJUNGGREN

Board member since 2018, born 1980

Education

Master of Industrial Economics and Management from Chalmers University of Technology and Instituto Tecnológico y Estudios Superiores de Monterrey in Mexico.

Ongoing assignments

Board member of Triathlon AB and deputy of TP III Global AB, TP III Global II AB, Alea Redovisning AB, Pinestreet AB and Industrial Senior Advisors Vehiculum AB.

Background

Kristina is a partner in the Triathlon Group, and her competence in leading major change work and the development and implementation of best practices in producing organizations has won extensive recognition. Kristina has worked internationally with business transformations concerning the supply chain and operational activities, Industry 4.0, servitization and electromobility.

Holding in the company

Kristina Ljunggren holds 9,500 shares in the company.



SENIOR EXECUTIVES

FlexQube currently has three senior executives: Anders Fogelberg, Christian Thiel 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 in Birdmountain Invest AB and in F&T Equity AB and Board member in FlexQubes 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, 1,248,444 shares in the company.

CHRISTIAN THIEL

Chief Financial Officer of the Group since 2011, born 1981. See also the section "Board of Directors".

PER AUGUSTSSON

Chief Technical Officer at FlexQube Europe AB since 2013, born 1981. See also the section "Board of Directors".

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, Kungsgatan 28, 411 19 Gothenburg, 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 board members' and senior executives' obligations towards FlexQube and their

private interests and/or other obligations. 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 April 26, 2018, 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 May 3, 2019, at 1 pm, at Comfort Hotel, Skeppsbrolplatsen 1, 411 21 Gothenburg, Sweden.

PARTICIPATION

A shareholder who is included in the share register kept by Euroclear Sweden AB on April 26, 2019, and who notifies his intention to attend the Annual General Meeting to FlexQube AB no later than April 26, 2019, is entitled to attend. In order to be entitled to participate in the AGM, shareholders who have registered their shares with an administrator must temporarily register the shares in their own name with Euroclear Sweden AB. Such re-registration should be requested in good time before April 26, 2019, with the bank or stockbroker who manages the shares. The shareholder's rights at the AGM may be exercised by proxy. A representative legal entity must be authorized by the signatory and a copy of a current registration certificate stating who the signatories are must be attached.

REGISTRATION

Registration for the Annual General Meeting can be done by post to FlexQube AB, Kungsgatan 28, 411 19 Gothenburg, Sweden or by email: ir@flexqube.com. When registering, the name, address, telephone number, personal ID number or CIN and name of any proxies should be stated.

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, Kungsgatan 28, 411 19 Gothenburg, Sweden.

FINANCIAL CALENDAR

Quarterly report 1, 2019	May 3, 2019
Annual General Meeting 2019	May 3, 2019
Quarterly report 2, 2019	August 9, 2019
Quarterly report 3, 2019	November 1, 2019
Quarterly report 4, 2019	February 21, 2020

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