



Q1 2018

INTERIM REPORT

January 1 - March 31, 2018

 **FLEXQUBE®**

Transforming intralogistics

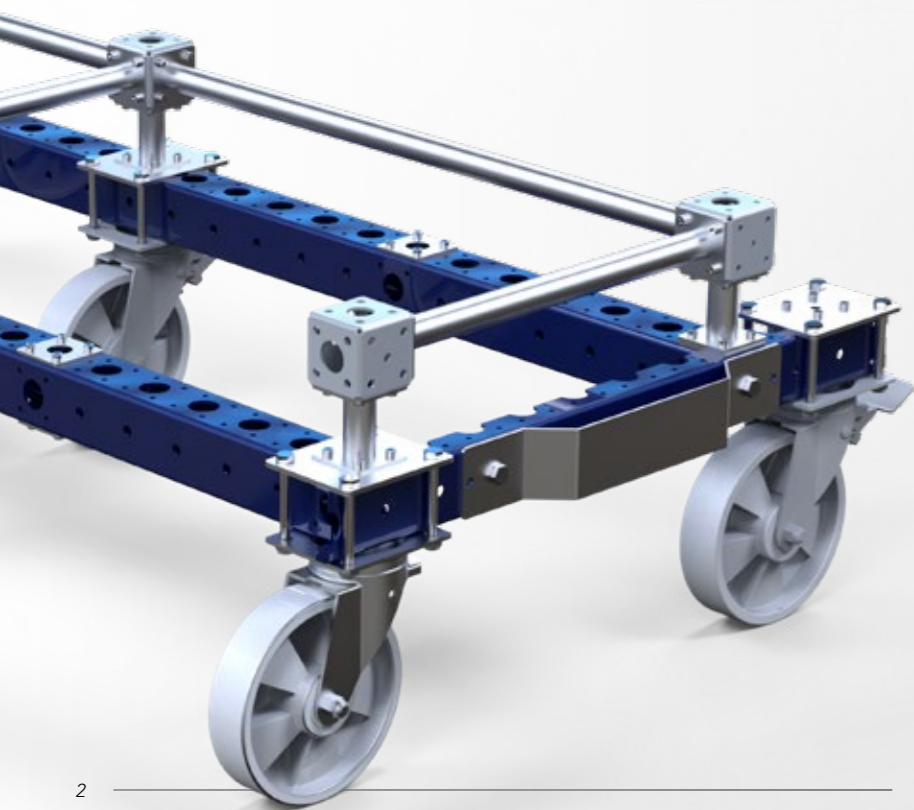
THIS IS FLEXQUBE

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 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 the help of 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®

- 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 on the "33-listan" (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



- 2020
#1 Global supplier of material handling carts

INTERIM REPORT

January 1 - March 31, 2018

- Order Intake increased by 101 percent to 14.0 MSEK (Million Swedish kronor) (6.9).
- Net sales increased by 91 percent to 16.4 MSEK (8.6). Adjusted for currency rates between comparative periods, net sales increased by 103 percent.
- Operating profit (EBIT) amounted to -1.6 MSEK (-1.2).
- Profit before taxes amounted to -1.6 MSEK (-1.2).
- FlexQube's strengthened balance sheets and liquidity have allowed for greater self-financing of accounts receivable, which affected cash flow during the first quarter. Cash flow amounted to -13.8 MSEK (0.3), of which -13.1 MSEK (0.6) came from operating activities, -1.5 MSEK (0.0) from investment activities and 0.9 MSEK (-0.3) from financing activities.
- Cash and cash equivalents amounted to 20.3 MSEK (0.5) at the end of the period.
- The company has attended several trade shows in Europe with successful results.
- The company has founded a FlexQube GmbH subsidiary with its headquarters in Frankfurt, which will mainly handle the DACH countries (Germany, Austria and Switzerland). FlexQube GmbH is a wholly owned German subsidiary of FlexQube AB (publ).
- FlexQube GmbH has hired a sales manager, Jan Brettmann, who was recruited from Trilogiq. Jan has several years of experience in internal logistics and cart-based material handling. Jan is based in the outskirts of Munich but has all the DACH countries (Germany, Austria and Switzerland) as his area of responsibility.
- The company has recruited a German designer for the Gothenburg office, Christoph Stangl, who will primarily support sales at FlexQube GmbH, but also product development in the field of mechatronics.
- The company has recruited an Operations Manager, Adam Fredriksson, who comes from Stora Enso. His main responsibility is to increase capacity and improve margins.
- The company has invested in new manufacturing technology for some of the basic components. Starting in the second half of 2018, it is expected to gradually contribute to increased capacity and profitability.
- The company has intensified product development with "FlexQube 4.0", which includes, among other things, adding relevant resources in India and Sweden, as well as the development and purchase of new technology.
- The company released its first annual report as a public company, which can be found [here](#).



EVENTS AFTER THE FIRST QUARTER

- The company made its largest effort ever at a trade show with very successful results. This was done at MODEX in Atlanta in early April.
- The product development project "FlexQube 4.0" is moving forward and the company presented a "connected" cart controlled by software for the first time at MODEX. There was a great deal of interest and development work will intensify even further.
- The company hired Cherie Dimmerling as the US Key Account Manager, initially for five multinational manufacturers of passenger cars and agricultural and construction machinery. Cherie has several years of experience in truck-based material handling and has previously worked for one of the major competitors in the United States. Cherie is employed by FlexQube Inc. and based in Cleveland, Ohio but will operate across the entire United States for these key accounts.
- The company hired Shawn Lynch as the Sales Manager USA Southeast. Shawn comes most recently from Creform and has many years of experience in cart-based material handling in terms of sales work, as well as a well-developed technical understanding of the field. Shawn is employed by FlexQube Inc. and based in Greenville, South Carolina but his geographical area of responsibility covers the entire South East of the United States.
- FlexQube Inc. has hired two assemblers in Mexico, Julio Humberto Lopez Inurreta and Juan Pablo Heredia Lavín. The reason for these hires is to offer local assembly in Mexico at increased volumes. All products sold in Mexico are delivered from the company's distribution center in Georgia, and there are also economic arguments for offering local assembly in Mexico.

Sales growth

+91% Order Intake Increase +101%



THE CEO HAS THE FLOOR

STRONG GROWTH AND FOCUS ON RECRUITMENT

During the first quarter we grew by 91% (103% adjusted for currency) compared to the corresponding quarter of the previous year and our order intake increased by 101%. It is a development we are very happy and proud of but it also implies greater pressure on our supply chain and capacity.

Both order intake and invoicing increased significantly during the first quarter.

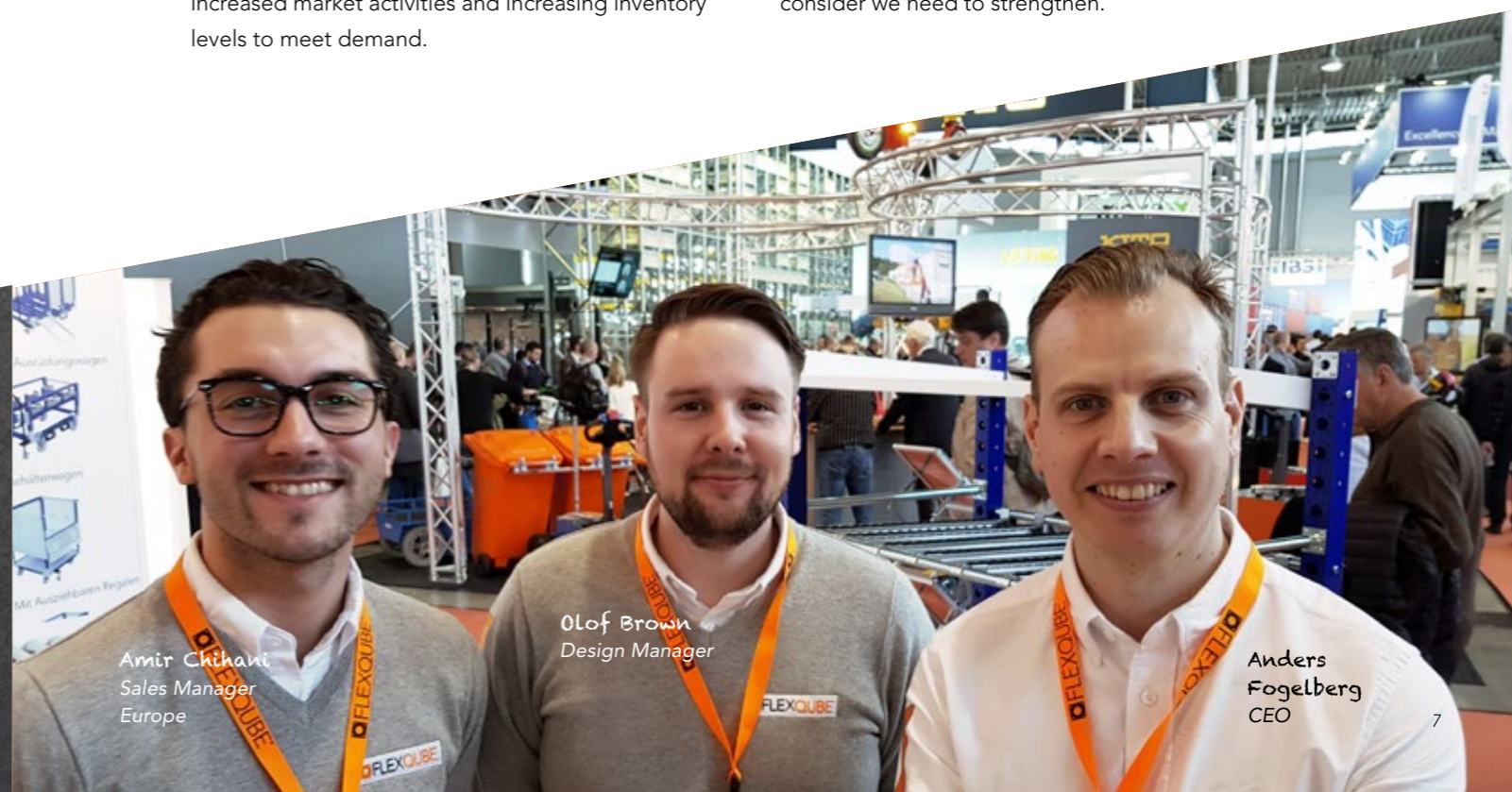
Even though this signifies high growth rates, 101 and 91 percent respectively, our hope was to reach even higher levels of growth. Due to a slightly strained supply chain and component shortage, certain customer orders will instead be delivered at the beginning of the second quarter. Results have, in accordance with the expansion plan, been encumbered by major marketing efforts with several major trade shows during the period, as well as increased marketing and recruitment costs. Challenges in the supply chain have also had a certain negative impact on the result, leading us to look for short-term solutions to keep delivery times from increasing. The underlying gross margin is good and on the rise, and an internal project is underway where we will try to take advantage of the economies of scale we get with increased volumes. We are working on securing a higher capacity long-term, both in regards to internal resources, but also with external suppliers and components with long lead times. This will help better equip us for increased order intake and growth.

Cash flow for the period was negatively affected by approximately 8 MSEK because we decided against financing our accounts receivable during the quarter. Given our liquidity, it was considered an unnecessary financial cost and we even left our checking account credit unused. Otherwise, cash flow has been affected by investments such as FlexQube 4.0, investments for increased capacity and lowering manufacturing costs, increased market activities and increasing inventory levels to meet demand.

During the quarter, a great deal of focus has been placed on marketing, including the launch of a new product catalog in several languages and trade shows including LogiMAT in Germany and Technishow in the Netherlands. Additionally, there has been a lot of planning and focus on the largest trade show in North America this year, MODEX, which took place from April 9 to 12. MODEX is our single largest investment in a trade fair and now, after having completed it, find that the return will be very good for the next 6-18 months.

“We have attracted a lot of promising skills from within the industry we operate in, and within the areas we need to strengthen.”

In addition to the above-mentioned activities, focus in the first quarter, which is also our first quarter as a listed company, has been on recruitment and building the organizational structure for the future. We have worked with the FlexQube GmbH startup and worked intensively in terms of recruitment within the sales and supply chain. Of course, this is a strain for a small organization like ours but the outcome has been successful. We have attracted a lot of promising skills from within the industry we operate in, and in the areas we consider we need to strengthen.



It is still very pleasing to note that customers continue to be pleased with our products and that we see follow-up orders at a faster rate. A couple of the follow-up orders worth mentioning is the one from Volvo Cars for just over 200 carts and the one from Ponsse in Finland, which ordered an additional 100 carts in early April. In the United States, Siemens Mobility in Sacramento and Proterra are two frequently returning customers.

In North America we once again grew by over 200% during the quarter and in the US we have the most ongoing processes with major potential projects.

We also see that several customers we had been in contact with in previous years, but who then chose to buy welded carts, are now contacting us because they have had problems with said carts. It may be because of poor quality or that they have realized that they have a need for flexibility, which led them to contact us again. We become a more well-known brand each day that goes by, also has positive impacts for us.

In North America we once again grew by over 200% during the quarter and in the US we have the most ongoing processes with major potential projects. Most of the projects are related to the automotive industry, but we are also winning more and more customers in other industries, although most begin with lower order values. In the wind power industry, we are securing more customers and electric vehicles is also a segment that is clearly growing.

At MODEX in Atlanta we exhibited our first prototype of what we currently call the "FlexQube Smart Cart". It is a cart equipped with electric motors, sensors and cameras for remote control. At the trade show we demonstrated how it could be operated using an iPad via Bluetooth, but in the next phase we will develop the software and hardware that will make it even more intelligent and value-creating for the customers. At present, there are six people who work with this project internally, under the name "FlexQube 4.0", linked to the Industrial Revolution "Industry 4.0". During the trade fair, a number of major global companies were interested in running pilot programs with us regarding this concept, and we have intensified our efforts to bring this product to market in combination with our mechanical building blocks. The sales organization, however, is focused on coming to market with our existing concept, which will replace welded solutions, and the 4.0 project will hopefully add a new dimension to our company in the long-term.

With a highly motivated and committed staff, we enter the second quarter of the year with absolute focus on working with those contacts we secured during the three major trade shows we have participated in so far this year (including MODEX at the beginning of April), in order to, first and foremost, grow faster within the newly established market in Germany, as well as improve our supply chain, thus increasing our capacity and further improving our margins.

Anders Fogelberg
CEO FlexQube AB



DEVELOPMENT DURING THE FIRST QUARTER

January 1 - March 31, 2018



Numerical data given in brackets in this interim report refers to comparison with the interim period January - March 2017 or the balance sheet date 2017-03-31. FlexQube's accounting currency is Swedish kronor (SEK).

ORDER INTAKE, REVENUES AND RESULT

The Group's order intake during the first quarter of the year amounted to 14.0 MSEK (6.9), an increase of 101 percent compared to the same quarter last year. The group is still young and there may therefore be strong fluctuations between the quarters. The Group evaluates the accumulated order intake over several periods as more significant than individual quarters.

Net sales for the quarter amounted to 16.4 MSEK (8.6), an increase of 91 percent compared with the previous year.

Adjusted for currency rates between comparative periods, net sales increased by 103 percent. Total revenue increased by 88 percent and amounted to 16.5 MSEK (8.8) at the end of the period. The increase in sales is mainly attributable to growth in the North American market.

The cost of commodities which includes commodity purchases and related expenses for distribution, such as freight and packaging, amounted to 10.1 MSEK (5.3) and is due to the increased sales volume in general.

Other external expenses amounted to 4.8 MSEK (3.2). The increase in these costs has been according to planned expansion and mainly relates to:

- Increased marketing and sales activities including trade shows during the current interim period in Germany and the Netherlands, overall increased sales travel in Europe and North America, as well as the production of new marketing materials,
- Increased distribution management costs, primarily in North America,
- Increased expenses for Group staff in the form of board fees as well as board management tools,
- NASDAQ management costs, and
- One-off start-up costs for the German subsidiary, FlexQube GmbH.

Despite the aforementioned increase in external costs between the comparative periods, these costs have decreased in relation to sales growth.



Personnel costs amounted to 2.9 MSEK (0.8). The increase between the periods relates to the planned expansion, which includes:

- Increased personnel in North America and Europe as well as related recruitment costs,
- The company has introduced a pension plan for all employees,
- The sales staff's commission costs have followed the increased sales trend in the company, and
- Management has received a market compensation in comparison with the previous year.

Other operating expenses amounted to 0.1 MSEK (0.6). Fluctuations of this cost item are primarily driven by changes in the exchange rate involving inter-company transactions.

Operating profit amounted to -1.6 MSEK (-1.2). Profit before taxes amounted to -1.6 MSEK (-1.2) and profit after taxes amounted to -1.6 MSEK (-1.2).

For the first quarter, tax on profit for the period amounted to 0.0 MSEK (0.0) and this was due to the negative result for the period. Deferred tax claims on carry-backs have not been taken into account.

CASH FLOW

Cash flow for the period amounted to -13.8 MSEK (0.3), of which:

Cash flow from ongoing operating activities amounted to -13.1 MSEK (0.6), primarily driven by the change in operating receivables combined with operating liabilities, and a decrease in profit compared to the previous year. The change in operating receivables is attributable to the fact that the company chose not to finance accounts receivable through the Group's financial structure with credit institutions related to invoice sales, due to its own acceptable liquidity. In addition, there is a recorded in-house loan of SEK 2.0 million in the group's balance sheet, which affects cash flow from current operations. The loan has been paid out of the Group's Petty Cash at the end of the current

quarter. But has not been settled in the subsidiary's cash register until April 2018, after the end of the first quarter due to the extended transaction period. The change in operating liabilities is due to increased accounts payable as a result of the company's sales growth.

Cash flow from investing activities amounted to -1.5 MSEK (0.0), which relates to investments in intangible capital assets such as patents and trademarks, investments in property, plant and equipment linked to the production and further development of the FlexQube concept, and investments in service vehicles that have been included in the Group's balance sheet due to financial leasing.

Cash flow from financing activities amounted to 0.9 MSEK (-0.3). The difference between years is attributable to the utilization rate of available overdraft facilities and the planned amortization of loans, in addition to an accrued liability item for financial leasing of approximately 1.0 MSEK. The company is currently focusing on utilizing available liquid funds primarily for the development and expansion of the business.

DEPRECIATION, WRITE-DOWNS AND INVESTMENTS

Depreciation for the period amounted to 0.2 MSEK (0.1).

Investments for the period include intangible capital assets in the form of patents and trademarks and amounted to 0.1 MSEK (0.0). Investments in property, plant and equipment amounted to 1.4 million SEK (0.0), including office equipment, development costs related to production improvement of the current concept, a development program that will complement FlexQubes mechanical building blocks with mechatronic building components and service cars.

Write-downs have not occurred within the Group.

FINANCIAL POSITION

The group's balance sheet as of March 31, 2018 with comparison period March 31, 2017

The company's total assets to March 31, 2018 amounted to 54.5 MSEK (12.2), of which:

Intangible capital assets amounted to 2.0 MSEK (1.8) and consists of expenses for development work on IT and software solutions for customers as well as patents and trademarks.

Property, plant and equipment amounted to 1.7 MSEK (0.3) at the end of the period, and consisted of office equipment and office inventory, development costs linked to production improvement of the current concept, as well as a development program to complement FlexQube's mechanical building blocks with mechatronic building components, and capital assets for service vehicles that have been included in the group's balance sheet as a consequence of financial leasing.

Financial capital assets in the form of leasehold positions amounted to 0.2 MSEK (0.2) at the end of the period.

Current assets amounted to 50.5 MSEK (9.8) as of March 31, 2018, of which inventories amounted to 10.5 MSEK (5.2), accounts receivable including earned but uninvoiced income amounted to 14.4 MSEK (3.5) and cash and cash equivalents amounted to 20.3 MSEK (0.5). The increase in cash and cash equivalents is

attributable to the issue of new shares in December 2017, in connection with the company's public offering.

Other short-term receivables, tax receivables and pre-paid expenses and accrued income amounted to 5.4 MSEK (0.6), where the difference between periods is attributable to prepaid accounts payable for inventory goods and an in-house group loan of 2.0 MSEK paid from the group's petty cash during the current quarter, but due to extended transaction period at the bank, has not been settled in the subsidiary's petty cash until April 2018, following the end of the first quarter.

At the end of the period, equity amounted to 34.4 MSEK (-0.7). The change in equity is also attributable to the issue of new shares in December 2017 as well as in addition to received shareholders' contributions.

Long-term liabilities amounted to 2.7 MSEK (4.2), this change was due to the amortization of long-term loans in 2017, and accrued liability items relating to finance leases by approximately 1.0 MSEK.

Short-term liabilities amounted to 17.4 MSEK (8.7), mainly consisting of accounts payables combined with accrued costs, which relate to the company's increased sales volume and increased items of accrual and deferral from salary expenses.

The bank credit amounting to 2.3 MSEK for each comparative period is unutilized at the end of the period, with the unused bank credit at 0.6 MSEK at the end of the comparative period.

CUSTOMER BASE

FlexQube's customers are found in different industry segments and regions. As of March 31, 2018, FlexQube has a customer base of approximately 285 customers, divided across 23 different countries. The majority of these 285 customers are the result of the last two to

three years of work and the Group expects all customer accounts to develop even more positively in the coming years. Below are the segments that FlexQube operates in:

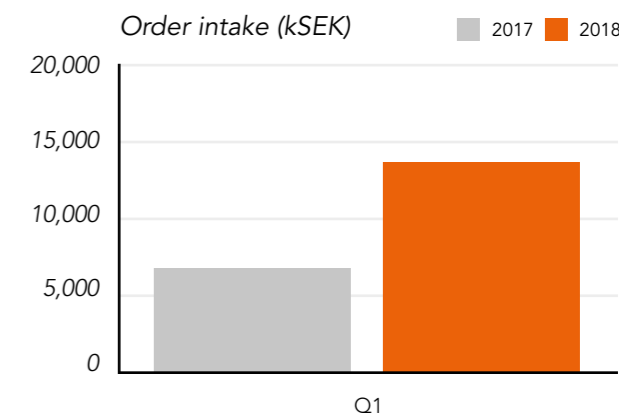
-  Manufacturing of commercial vehicles such as trucks, buses and trains
-  Manufacturing of cars
-  Tier 1's to the automobile industry
-  Manufacturing of construction and industrial machinery
-  Manufacturing of wind turbines and other energy related products
-  Manufacturing of defense equipment
-  Manufacturing of appliances and electronics
-  Storage and distribution of goods
-  Manufacturing of medical equipment

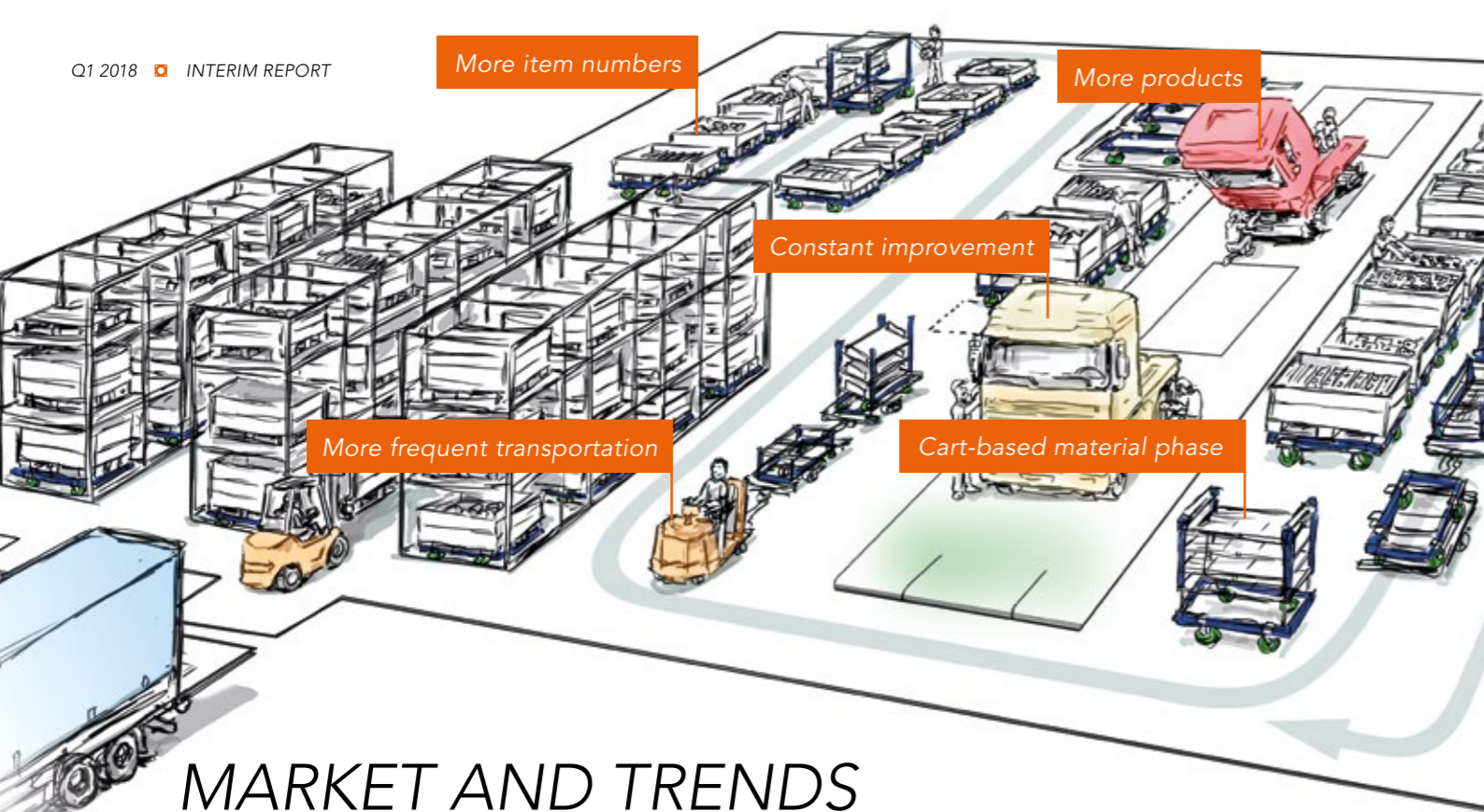
ORDER INTAKE

Order intake increased by 101 percent during the first quarter compared with the same period in 2017, and amounted to approximately 14.0 MSEK (6.9). For the second quarter in a row, we show an increase in order intake of over 100 percent, and this is the result of the hard work carried out, especially since January 1, 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 young, and large continuous sales are not self-evident, even if they continue to grow day by day. FlexQube offers a concept where the benefits will be greatest for the customer if implemented broadly, but where 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 their need consistently increases over time. At the same time, said need is governed by the other projects in progress with the customer, which may vary from year to year.





MARKET AND TRENDS

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

The industries and segments that FlexQube operates within undergo 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.

RISK AND UNCERTAINTIES

FlexQube is an internationally active company, which is exposed to a number of market and financial risks. Identified risks are monitored continuously, where measures to reduce the risks and their effects are taken if necessary.

Examples of financial risks are market, liquidity and credit risks. Market risks consist mainly of currency risk. It is the Board of Directors of FlexQube, which 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 considered lower risks.

Currency risk is due to the fact that some of the Group's revenues are in EUR for the European entity, while operating expenses are mainly in SEK.

The US entity has local manufacturing and supply chain in the US and only limited purchases are made from markets other than the United States. Consequently, currency risk is limited to the US entity, excluding any potential in-house 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, where 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 collaborators-partners.

CURRENCY

FlexQube's largest markets are Europe and North America. Given that the Group's reporting currency is in SEK, the Group's earnings are affected by currency translation effects on receivables and / or liabilities in USD and EUR.

STAFF

The number of employees at FlexQube reflects the scalable business model that the Group actively works with, in part to exploit economies of scale in the longer term, but also because of somewhat limited costs in the short term.

The number of employees as of March 31, 2018 was 14 (10), of whom 2 were women (1). The average number of employees during the interim period January to March 2018 was 12 (10), of whom 2 were women (1).

Although the number of employees in the company is relatively few, 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 pointed out that, within the company's business model, the company has over 30-40 employees based with suppliers and external consultants.



FLEXQUBE-SHARES

FlexQube's share capital amounted to 0.63 MSEK on March 31, 2018. The number of shares amounted to 6,333,333 with equal rights, corresponding to a quota value of 0.1 SEK.

The company's stock is listed on the Nasdaq Stockholm First North under the FLEXQ symbol since December 14, 2017. FlexQube had sales during the period between January 1 and March 31, 2018 of 362,989 shares. This resulted in an average turnover of 5,762 shares per trading day worth 217,872 SEK. The average price of the share during the period was approximately 37.8 SEK. The last closing at the end of the period was 34.2 SEK, meaning an increase of 14 percent from the subscription price associated with listing it on December 14, 2017.

ACCOUNTING PRINCIPLES

The current interim report is prepared according to ÅRL and the Swedish Accounting Board's BFAR 2012: 1 Annual Report and Consolidated Financial Statements (K3).

Below are the most important accounting principles described.

CONSOLIDATED FINANCIAL STATEMENTS

Companies in which FlexQube holds the majority of votes at the Annual General Meeting are classified as subsidiaries and consolidated in the consolidated financial statements. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The consolidated financial statements have been prepared in accordance with the acquisition method. The acquisition date is the date on which the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair value on the acquisition date. Goodwill / Negative Goodwill is the difference between the acquired identifiable net assets at the acquisition date and the acquisition value including the value of the minority interest, and is initially valued at the acquisition value. The Group has never reported any Goodwill. Negative Goodwill has arisen during an acquisition and is distributed in full before the beginning of 2015.

TRANSACTIONS BETWEEN GROUP COMPANIES ARE ELIMINATED IN THEIR ENTIRETY

Transactions in other countries prepare their annual accounts in foreign currency. Upon consolidation, the items in these subsidiaries' balance sheets and profit bills at the closing date, with respect to the current rate for the day the respective business event took place, are calculated.

The exchange rate differences arising from the calculation of the balance sheet for foreign subsidiaries are reported in cumulative exchange rate differences in the Group's equity.

FOREIGN CURRENCY

Monetary assets and liabilities denominated in foreign currencies are valued at the current rate of the closing day. Transactions in foreign currency are calculated at the transaction date exchange rate.

REVENUE

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

LEASE AGREEMENT

Leasing agreements which mean that the economic risks and benefits of owning an asset are essentially transferred from the lessor to the lessee and are classified in the consolidated financial statements as finance leases. Financial leases entail that rights and obligations are reported as assets and liabilities in the balance sheet. The asset and liability is initially valued at the least 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, and are classified as operational leasing. Payments, including a first increased rental, under these agreements are reported as a linear cost over the lease period.

EMPLOYEE BENEFITS (SHORT-TERM BENEFITS)

Short-term benefits in the Group consist of salary, social security contributions, paid holiday, 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 a compensation.

COMPENSATION AFTER ENDED EMPLOYMENT

The Group holds only 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 can not fulfill its commitment. The Group's income is charged for expenses as employees' pensionable services are performed.

INCOME TAX

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

INTANGIBLE ASSETS

Intangible fixed assets are reported at cost less accumulated amortization and impairment losses. In terms of consolidated financial statements, the activation model for internally generated intangible assets applies.

Depreciation is carried out linearly over the estimated useful life. The amortization period for internally generated intangible capital assets amounts to five and ten years respectively.

TANGIBLE CAPITAL ASSETS

Tangible fixed assets are reported to acquisition value less depreciation. The acquisition value 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 expenses respectively.

The following depreciation periods are applied:

Inventories, 5 years.

Cars, 3 years.

FINANCIAL INSTRUMENTS

Financial instruments are reported in accordance with the rules in K3 chapter 11, which means that valuation is based on cost.

Financial instruments recognized in the balance sheet include accounts receivable and other receivables, accounts payables and loan liabilities. The instruments are reported in the balance sheet when FlexQube becomes a party to the instrument's contractual terms. Financial assets are derecognized 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.

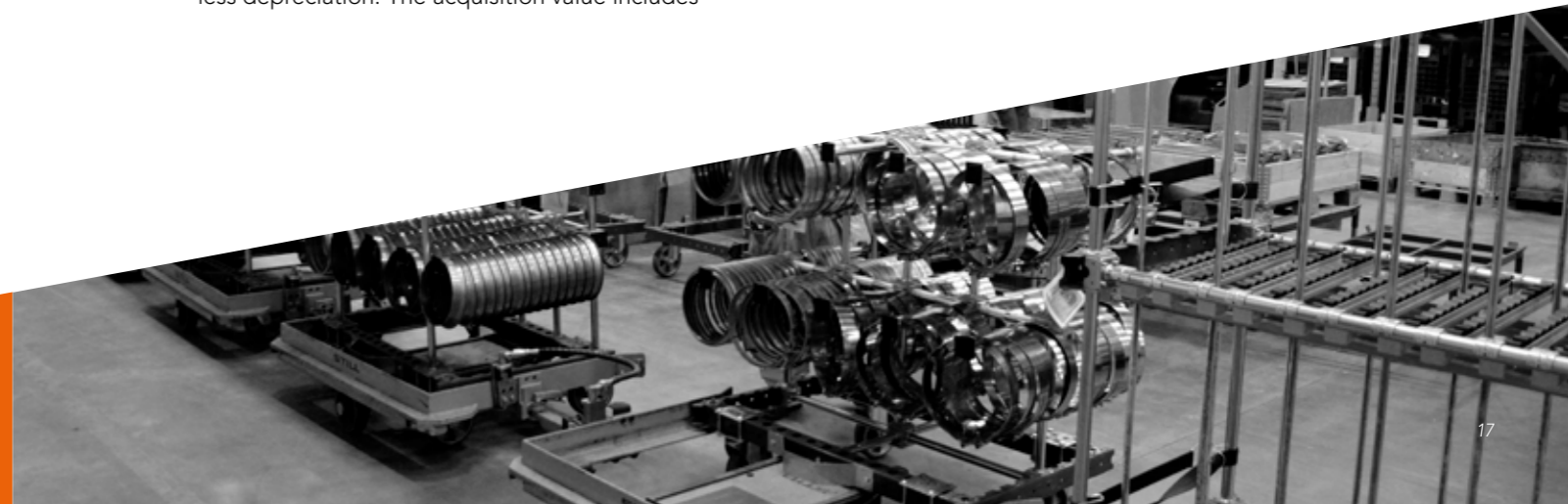
Financial liabilities are derecognized when liabilities have been canceled or otherwise terminated.

INVENTORIES

Inventories are valued at the lowest of the acquisition value and net realizable value. The acquisition value is determined using the first-in, first-out method (FIFO).

CASH FLOW STATEMENT

The cash flow analysis is prepared according to the indirect method. The reported cash flow includes only transactions that have resulted in payments. The company classifies cash as liquid capital.



ABOUT THE PARENT COMPANY

FlexQube AB (publ) in Gothenburg with organization number 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 traded by the subsidiaries, with the Parent Company's development follows the development of the Group in general.

PARENT COMPANY'S ACCOUNTING PRINCIPLES

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

STOCKS AND SHARES IN SUBSIDIARIES

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

EQUITY

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

SIGNATURES

The Board of Directors and the Managing Director ensure that the interim report gives a true and fair view of the Parent Company and the Group's operations, position and results, and describes significant risks and uncertainties that the Parent Company and the companies included in the Group face.

Gothenburg, April 27, 2018

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



GROUP'S KPIs

Earnings	Unit	First quarter		Whole year
		2018 Jan-Mar	2017 Jan-Mar	2017
Order intake*	kSEK	13,974	6,944	37,232
Net Sales	kSEK	16,433	8,608	29,004
Group's Sales Growth**	%	91%	72%	51%
Operating revenue before depreciation (EBITDA)	kSEK	-1,398	-1,085	-2,417
Operating revenue (EBIT)	kSEK	-1,559	-1,173	-2,848
Operating margin	%	-9%	-14%	-10%
Earnings before taxes	kSEK	-1,614	-1,223	-3,050
Profit margin	%	-10%	-14%	-11%
Earnings per share before and after dilution***	SEK	-0.3	-0.2	-0.5
FINANCIAL POSITION				
Net debt including shareholder loans	kSEK	-30,468	3,029	-33,451
Operating capital	kSEK	33,173	1,134	35,266
Balance Liquidity	%	291%	113%	415%
Operating capital as a percentage of net sales	%	202%	13%	122%
Cash Liquidity including unused part of overdraft facilities	%	244%	60%	382%
Equity per share before and after dilution***	SEK	5.4	-13.8	5.7
CASH FLOW				
Cash flow from current operations	kSEK	-13,143	602	248
Cash flow from investment activities	kSEK	-1,514	0	-594
Cash flow from financing activities	kSEK	890	-270	34,242
SHARES				
Number of shares at the end of the period and after dilution	No.	6,333,333	50,000	6,333,333
Average number of shares before and after dilution***	No.	6,333,333	50,000	6,333,333
EMPLOYEES				
Average number of employees	No.	12	10	11
Number of employees at the end of the period	No.	14	10	13

* The order intake in foreign currency related to the interim period for 2018 and the comparative period for 2017 is converted at the average exchange rate for the respective month in 2018. The full year 2017 has been recalculated according to the average exchange rate for the whole of 2017.

** Sales growth for the period between January and March 2017 is set in relation to sales during the same period in 2016.

*** All periods adjusted for a new issue of shares in December 2017, a total of 6,333,333 shares.

KEY DEFINITIONS

Balance Liquidity: Current assets as a percentage of short-term liabilities.

EBIT: Operational results before interest and tax.

EBITDA: Operational results before depreciation, interest and tax.

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

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

Cash Liquidity: Current assets excluding inventories and including unused overdraft facilities as a percentage of short-term liabilities.

Net Debt: Gross debt, i.e. total long-term and short-term borrowing, including any used part of overdraft facilities, minus cash and cash equivalents, short-term 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 accounting period.

Operating capital: Total current assets less short-term liabilities.

Operating margin: Operating earnings after depreciation as a percentage of net sales.

Profit margin: Earnings before taxes as a percentage of net sales.





GROUP'S CONSOLIDATED INCOME STATEMENT

SEK	First quarter		Whole year
	2018 Jan-Mar	2017 Jan-Mar	2017
Net Sales	16,433,442	8,608,397	29,004,079
Other operating revenue*	89,785	203,408	615,914
Total operating income	16,523,226	8,811,805	29,619,993
OPERATING COSTS			
Goods	-10,146,103	-5,297,733	-16,984,453
Other external costs	-4,826,150	-3,170,090	-9,989,456
Personal costs	-2,883,699	-830,638	-4,990,081
Depreciation of capital assets	-160,588	-88,557	-430,658
Other operating costs*	-65,769	-598,107	-73,335
Total operating costs	-18,082,310	-9,985,124	-32,467,984
Operating revenue (EBIT)	-1,559,083	-1,173,320	-2,847,991
RESULTS FROM FINANCIAL ITEMS			
Other interest income and similar income items	-	-	534
Operating costs and similar income items	-54,775	-49,627	-202,383
Total financial items	-54,775	-49,627	-201,849
Earnings after financial items	-1,613,858	-1,222,947	-3,049,840
Tax on period earnings	-	-	-523
EARNINGS FOR THE YEAR	-1,613,858	-1,222,947	-3,050,363
APPLICABLE TO:			
Parent company owner	-1,613,858	-1,222,947	-3,050,363
Earnings per share applicable to parent company owner**	-0.25	-0.2	-0.5

* Contains exchange rate changes of operating items.

** Adjusted for a new issue of shares in December 2017, a total of 6,333,333 shares.

GROUP BALANCE SHEET

Assets

SEK	3/31/2018	3/31/2017	12/31/2017
ASSETS			
Capital assets			
Intangible capital assets			
Balanced expenses for development work and similar work	648,124	556,180	676,891
Concessions, patents, licenses, trademarks	1,377,996	1,237,646	1,326,822
Total intangible capital assets	2,026,120	1,793,826	2,003,713
Tangible capital assets			
Machinery and other technical assets	1,038,843	-	-
Inventories, tools and facilities	633,817	299,445	341,500
Total tangible capital assets	1,672,660	299,445	341,500
Financial assets			
Other long-term receivables	243,750	243,750	243,750
Total financial capital assets	243,750	243,750	243,750
Total capital assets	3,942,530	2,337,021	2,588,963
Current assets			
Finished goods and goods for sale	10,465,163	5,249,283	6,035,635
Total inventories, etc.	10,465,163	5,249,283	6,035,635
Short-term receivables			
Accounts receivable	11,726,478	3,476,744	3,017,940
Current tax receivables	48,286	24,482	37,939
Other receivables	3,500,426	116,124	530,337
Earned but un invoiced revenue	2,692,979	-	-
Prepaid costs and accrued expenses	1,817,199	461,781	2,770,436
Total short-term receivables	19,785,367	4,079,131	6,356,651
Cash and bank balances	20,292,201	495,846	34,059,241
Total current assets	50,542,732	9,824,260	46,451,527
TOTAL ASSETS	54,485,262	12,161,280	49,040,490

GROUP BALANCE SHEET

Equity and debt

SEK	2018-03-31	3/31/2017	12/31/2017
EQUITY*			
Total equity	34,410,720	-691,933	36,039,985
LONG-TERM LIABILITIES			
Liabilities to credit institutions	987,500	1,487,500	1,115,000
Other long-term liabilities**	1,717,553	2,675,000	700,000
Total long-term liabilities	2,705,053	4,162,500	1,815,000
SHORT-TERM LIABILITIES			
Liabilities to credit institutions	510,000	510,000	510,000
Accounts payable	14,612,176	4,587,996	6,361,257
Overdraft facilities***	-	1,700,436	-
Current tax liabilities	775	14,164	9,827
Other short-term liabilities	155,612	1,165,375	352,512
Accrued expenses and prepaid income	2,090,926	712,743	3,951,908
Total short-term liabilities	17,369,490	8,690,714	11,185,504
TOTAL EQUITY AND LIABILITIES	54,485,262	12,161,280	49,040,490

* The distribution of shareholders' equity is shown in the consolidated report on changes in shareholders' equity on the next page.

** Other long-term liabilities also include loans from owners and related parties.

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

	3/31/2018	3/31/2017	12/31/2017
Overdraft limit (SEK)	2,300,000	2,300,000	2,300,000
Unused part of the overdraft facility (SEK)	2,300,000	599,564	2,300,000

GROUP'S CHANGES IN EQUITY

SEK	Share capital	Other paid-up capital	Other equity		Total equity
			Accumulated currency difference	Balanced earnings, etc.	
Opening balance 01/01/2017	50,000	1,803,000	-99,069	-1,336,887	417,044
Earnings for the year				-3,050,363	-3,050,363
Exchange rate differences when calculating foreign subsidiaries			13,643		13,643
Obtained shareholder contribution		1,900,000			1,900,000
Issue of bonus shares	450,000	-450,000			0
New issue of shares	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
Earnings for the year				-1,613,858	-1,613,858
Exchange rate differences when calculating foreign subsidiaries			-15,407		-15,407
CLOSING BALANCE 3/31/2018	633,333	39,879,329	-100,833	-6,001,109	34,410,720

* Liquidity for new issue of shares is offset for listing costs amounting to approximately 3.2 MSEK.

GROUP'S CASH FLOW STATEMENT

SEK	First quarter		Whole year
	2018 Jan-Mar	2017 Jan-Mar	2017
ONGOING ACTIVITIES			
Operating earnings before financial items	-1,559,083	-1,173,320	-2,847,991
Adjustments for items that are not included in the cash flow			
Depreciation	160,588	88,557	430,658
Other items that are not included in the cash flow	-15,407	113,971	13,643
Interest obtained	-	-	534
Interest paid	-54,775	-49,627	-202,383
Paid income tax	-19,399	-15,595	-33,911
Cash flow from ongoing activities before changes in working capital	-1,488,076	-1,036,014	-2,639,450
<i>Cash flow from changes in operating capital</i>			
Changes in inventories	-4,429,528	819,750	33,398
Changes in operating receivables	-13,418,369	-925,044	-3,189,107
Changes in operating liabilities	6,193,038	1,743,304	6,042,867
Cash flow from current operations	-13,142,936	601,997	247,708
INVESTMENT ACTIVITIES			
Acquisition of intangible capital assets	-116,106	-	-491,300
Acquisition of property, plant and equipment	-1,398,050	-	-102,742
Cash flow from investment activities	-1,514,156	0	-594,042
FINANCING ACTIVITIES			
New issue of shares	-	-	36,759,662
Change in overdraft credit	-	-207,680	-1,908,116
Borrowings	1,082,158	-	3,500,000
Amortization of loans	-192,105	-62,500	-4,110,000
Cash flow from financing activities	890,053	-270,180	34,241,546
CASH FLOW FOR THE PERIOD	-13,767,039	331,817	33,895,212
Liquid capital at the beginning of the period	34,059,241	164,028	164,028
LIQUID CAPITAL AT THE END OF THE PERIOD	20,292,201	495,846	34,059,241

PARENT COMPANY'S CONSOLIDATED INCOME STATEMENT

SEK	First quarter		Whole year
	2018 Jan-Mar	2017 Jan-Mar	2017
Net Sales	156,502	-	127,373
Other operating income	9,621	-	-
Total operating income	166,123	0	127,373
OPERATING COSTS			
Other external costs	-323,557	-	-192,310
Other operating costs	-	-	-17,928
Total operating costs	-323,557	0	-210,238
Operating profit (EBIT)	-157,433	0	-82,865
RESULTS FROM FINANCIAL ITEMS			
Other interest income and similar income items	77,181	-	4,225
Operating costs and similar income items	-	-	-2,250
Total financial items	77,181	0	1,976
Earnings after financial items	-80,252	0	-80,889
Tax on period earnings	-	-	-
EARNINGS FOR THE YEAR	-80,252	0	-80,889

PARENT COMPANY'S BALANCE SHEET

SEK	2018-03-31	3/31/2017	12/31/2017
ASSETS			
Capital assets			
Financial assets			
Shares in group companies	8,835,194	1,816,072	8,585,805
Receivables from Group companies	19,017,359	-	14,517,359
Total financial capital assets	27,852,553	1,816,072	23,103,164
Total capital assets	27,852,553	1,816,072	23,103,164
Current assets			
Short-term receivables			
Receivables from Group companies	390,316	-	143,295
Other receivables	283,033	-	217,580
Prepaid costs and accrued expenses	86,385	-	4,225
Total short-term receivables	759,734	0	365,100
Cash and bank balances	12,199,456	302	19,924,944
Total current assets	12,959,190	302	20,290,044
TOTAL ASSETS	40,811,743	1,816,374	43,393,208
EQUITY			
Total equity	40,188,838	1,690,302	40,269,075
LONG-TERM LIABILITIES			
Liabilities to group companies	-	126,072	-
Total long-term liabilities	0	126,072	0
SHORT-TERM LIABILITIES			
Accounts payable	194,419	-	631,258
Liabilities to group companies	106,006	-	-
Accrued expenses and prepaid income	322,480	-	2,492,875
Total short-term liabilities	622,905	0	3,124,134
TOTAL EQUITY AND LIABILITIES	40,811,743	1,816,374	43,393,208

FINANCIAL CALENDAR

FlexQubes financial reports are available on the company's website. The following reports are scheduled to be published as follows:

- Quarterly report 2, 2018 08/10/2018
- Quarterly report 3, 2018 10/31/2018
- Quarterly report 4, 2018 2/15/2019



CONTACT INFORMATION

FlexQube AB (publ)

556905-3944

Kungsgatan 28

411 19 Göteborg, Sweden

Investor Relations

ir@flexqube.com

+4672-711-1477

www.flexqube.com



www.flexqube.com
#flexqube
www.twitter.com/flexqube
www.linkedin.com/company/flexqube-ab/
www.youtube.com/user/FlexQube
www.facebook.com/FlexQube
www.instagram.com/flexqube/