APRIL 1 - JUNE 30

Interim Report Q2 2019

FLEXQUBE®

INTRODUCTION

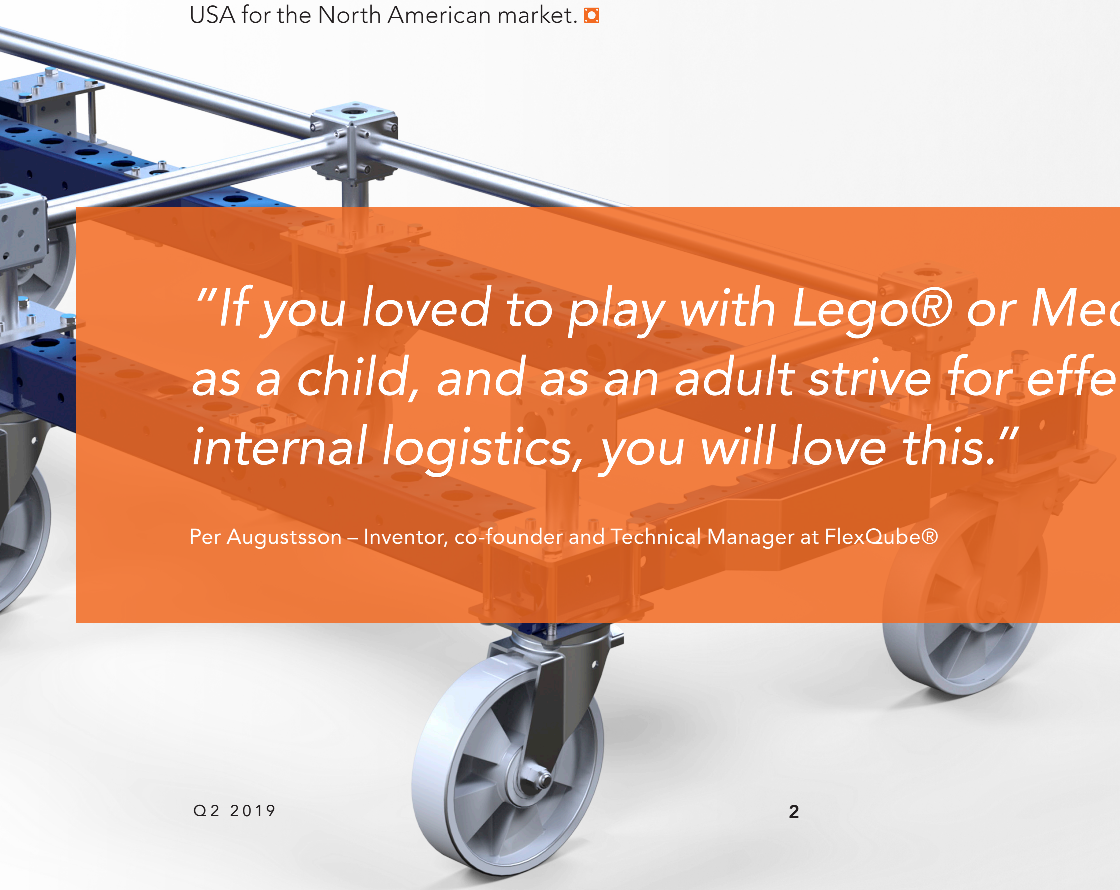
This is FlexQube

FlexQube is a global provider of flexible and robust industrial carts for material handling. The Group was founded in 2010, and in a short period of time 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, improve ergonomics and the work environment and increase flexibility.

Currently, FlexQube's sales organization focuses on Europe and North America with manufacturing in Sweden for the European market and in 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 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 targeted new share issue of 62.7 MSEK.

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

2020
#1 Global supplier of material handling carts

Q2 2019

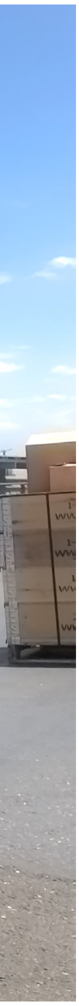
Interim Report

April 1 - June 30, 2019

- Net sales were up 5 percent to 17.7 MSEK (16.8). Adjusted for the impact of exchange rates between comparative periods, net sales were down 2 percent.
- Order intake was down 25 percent to 16.6 MSEK (22.1). Adjusted for the impact of exchange rates between comparative periods, orders received were down 30 percent.
- Earnings before interest, taxes and depreciation (EBITDA) amounted to -5.0 MSEK (-2.9) and earnings before interest and tax (EBIT) amounted to -5.2 MSEK (-3.1).
- Profit/loss before tax amounted to -5.3 MSEK (-3.1).
- Cash flow amounted to -11.9 MSEK (0.3), of which -9.0 MSEK (0.0) came from operating activities, -3.4 MSEK (-0.9) from investment activities and 0.5 MSEK (1.2) from financing activities.
- Cash and cash equivalents amounted to 38.3 MSEK (20.6) at the end of the period.
- The company took part in several trade shows and industry conferences, including ProMat in Chicago and Intra-Logistics Latin America in Mexico.

The ProMat trade show represented the company's largest ever investment. There was a good deal of interest the eQart attracted a lot of attention.

- The company launched a new website which is expected to generate even more leads and genuine interest. The website is also e-commerce ready so that direct sales can be made online going forward.
- In spite of the fact that the company launched a new website, which meant that the previous website had not been updated in recent months, and there had not has been very little online marketing, Q2 was the company's second best in terms of the number of RFQs ('Request for Quote' - signifying project inflow from customers) over a three month period. The company is expecting the new website to generate significantly more superior projects.
- Mikael Lindbäck will take up his post as CFO on September 16. Mikael was formerly CFO at Centiro Solutions AB and will replace Christian Thiel who is taking on a strategic role within the company. The organization has been strengthened in the area of marketing in Sweden and sales in Mexico.



January 1 - June 30, 2019

- Net sales were down 8 percent to 30.7 MSEK (33.2). Adjusted for the impact of exchange rates between comparative periods, net sales were down 15 percent.
- Order intake was down 8 percent to 33.3 MSEK (36.2). Adjusted for the impact of exchange rates between comparative periods, orders received were down 16 percent.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to -9.3 MSEK (-4.1) and earnings before interest and tax (EBIT) amounted to -9.8 MSEK (-4.4).
- Profit/loss before tax amounted to -9.8 MSEK (-4.5).
- Cash flow amounted to -21.8 MSEK (-13.5), of which -16.3 MSEK (-13.1) came from operating activities, -5.9 MSEK (-1.4) from investment activities and 0.4 MSEK (1.0) from financing activities.
- Cash and cash equivalents amounted to 38.3 MSEK (20.6) at the end of the period.

Events following the end of the quarter

- The company employed a global sales manager, Mattias Kindgren, on August 5. Mattias comes from a similar role at Touchtech AB and has over 15 years' experience in sales across various industries.
- The company received its first orders for an eQart® from Daimler in Germany. This eQart® will be tested at a Mercedes-Benz service center and it is possible that there will be a full roll out to all service centers across the world at a later date.

"It is really important that we continue to develop and learn even more about the requirements in those industries that are expected to experience strong growth in the future."

CEO LETTER

Investment in the future

Project activity levels were high, but there were very few orders during the quarter.

DURING THE FIRST HALF OF THE YEAR the pace of investment in eQart® was fast during the year, but also in market presence with attendance at trade shows and the development of a new website. In addition, we increased the organization by 25% which means that profit/loss for Q2 will be in the region of -5.2 MSEK. This is slightly better than we budgeted for in spite of lower sales figures than we assumed we would achieve during the first six months of the year. Our margin improved during Q2. Compared with Q2 in 2018, the cost of commodities was down by almost 7 percent in relation to sales in Q2 of the previous year. This shows that we are gradually benefiting from higher volumes and ongoing improvement work in production and logistics.

Market and sales

Interest and customer demand for FlexQube solutions are high. The number of inquiries and customers continues to rise. Alongside this, the increased international market disruption has resulted in sales processes taking longer.

Although the number of customers and orders has increased, we have not closed any single contract with a value of more than 3 million Swedish kronor to date in 2019. However, we have had a large number of prototype orders or follow-up orders of a lesser nature. As I indicated previously, our sales cycles are long and it takes varying lengths of time for new distributors to reach their market areas in order to close larger projects. We are fully focused on identifying and being involved in more and larger projects in the future. Our hope is also that we will be able to close several of the large projects we have been working on over the past year during the second half of this year.

Our ambition is to work with a broad spread of customers within a variety of industries. We are therefore pleased to see that we are continuing to add new customers to our customer database and that we achieved a broad spread across our order intake over the quarter. In 2019, we made our first direct sales to companies that included Alstom, DHL, Kawasaki, Adidas, John Deere, Boeing and Atlas Copco. Another interesting project right now is that in Q3 we will be supplying a hundred carts to Norwegian company, Kolonial, which is Norway's largest online grocery retailer. Our ability to create the most efficient material handling carts for internal logistics is increasing steadily. "It is really important that we continue to develop and learn even more about the requirements in those industries that are expected to experience strong growth in the future."

In Europe, we more than doubled our order intake in Q2 compared with Q1. Although we obviously wanted to see a more favorable development in North America, our long-term objective is that Europe catches up with the US market. We remain at relatively low levels in Germany, but we can see that the number of projects and inquiries is increasing and our investment here is long-term. This is where volumes will increase significantly over the next few years. A step toward higher volumes is a strong local team. On July 1, Leif Jacobsen started working for us and became the second person employed by FlexQube GmbH. We can see that there will be a further requirement to recruit in Germany during the second half of the year in order to continue consolidating our presence there.

In the UK, we have just taken steps to create a direct presence with our first distributors. They made the first sales to new customers in the UK during the quarter. Here the Brexit debate and particularly uncertainties in the automobile industry are most noticeable, but we believe that the market conditions are favorable. Labor, which is already scarce, is expected to become even more scarce in the event of Brexit and consequently the eQart®, which we are planning to showcase at IHMX in Birmingham in September, will be of great interest to this market.

Challenges

Our most challenging market in 2019 has been Mexico where we have had to deal with headwinds arising from trade disputes and huge uncertainty in the automobile industry. Big changes are happening in the automobile industry right now and I believe that we are only seeing the start of what will be a huge shift over the coming decades. We will see a large number of business deals, big cuts in the sector and the growth of new company start-ups focusing on self-drive technology and fossil-free fuels. Such uncertainty means that companies have a shorter time horizon for their investment decisions and there will be a need for a return on investment in an increasingly shorter time. This represents opportunities for FlexQube through the leasing of carts and other payment models where internal logistics can go from being a fixed cost for customers to a more variable one. We are still at very modest levels compared with the size of the market but there is a large number of projects we can get involved in. In addition, we expect to take a market share, but closing projects needs more time.

Development

We launched our new web platform at the beginning of June. This will give us a completely different opportunity to scale up our market presence and sell our products online. We are aiming to make our unique library of ready designed internal logistics solutions the most inspiring place on the internet for production engineers and logistics experts.

We are expecting to complete certification for our eQart® in Q3 following which we will be able to start selling our first software-based electrified solutions.

"Provided there are no unforeseen events affecting our products, I am convinced that a large number of sales during 2020 will be attributable to eQart®."

Anders Fogelberg, CEO

The eQart® is FlexQube's biggest development initiative to date and the first products will be launched from the internal development project "FlexQube 4.0". We have invested substantial resources over the last two years in order to meet the rapidly growing demand for digital products. We expect the growth of autonomous and digitalized products to set the trend for FlexQube over the next few years and we will have a clear focus on this segment. There have been and will continue to be huge changes among suppliers of internal logistics carts in the future and it is important for us to position ourselves correctly in the market as it moves into an automation era. We have a unique offering in this respect with our modular and flexible concept which can be combined with digital building blocks. All so that we can manage both a highly changeable present and future.

Our successful development model with project management and senior engineers at the head office in Gothenburg working with development engineers, both in hardware and software, at our partners in Ahmedabad, India, is an initiative that we intend to build on further. We are also looking at opportunities to develop our mechanical building blocks in terms of shape and choice of material in order to make them more efficient for future internal logistics. Provided there are no unforeseen events affecting our products, I am convinced that a large number of sales during 2020 will be attributable to eQart®. The gross margin for this product is higher than our current products making it an important piece in the puzzle in terms of improving margins going forward.

In spite of the fact that we have a great belief that our autonomous carts are the best solution for many customer applications, there are other challengers in the market. One of the biggest is Danish MiR (Mobile Industrial Robots) which was acquired by Teradyne in spring 2018. As we have not yet launched our eQart®, there are many customers who have started testing this solution or are in the process of implementing large installations. However, what's interesting is that we have a handful of projects where we are making carts that will be integrated with MiR robots. This also applies to other types of self-drive carts and AGVs and we will continue supplying carts to customers with other types of towing/transport vehicles. By working on supplying carts for other solutions, we learn more about developments within the industry and what our customers require.

We still have work to do with raising the whole organization to a level that gives us satisfactory growth and improved margins. We will continue to consolidate our organization and improve processes further in order to make our business more scalable. Across the board, in all markets and all product segments, including eQart® and Liftrunner, we are entering Q3 with a project portfolio which has never been bigger or broader in terms of industry spread - even though we are humbled by the fact that the sales process is long and sometimes unpredictable.

Anders Fogelberg
CEO of FlexQube AB (publ)

eQart®

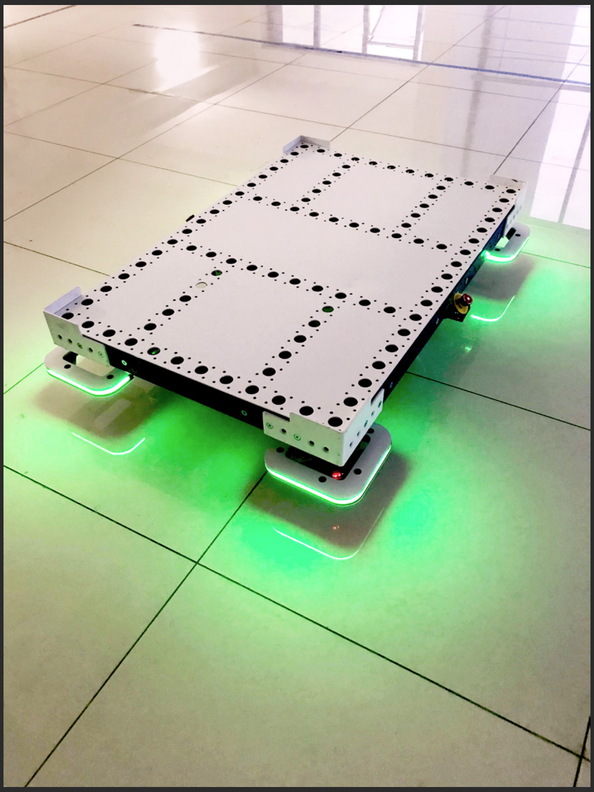
World's most user-friendly automation.

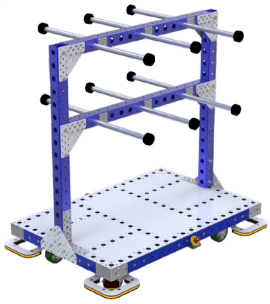
OUR AIM WITH THE EQART IS CLEAR - to offer the world's most user-friendly automation solution for internal logistics. Easiest to buy, easiest to install and easiest to use. When customers purchase this solution, they get the FlexQube concept's unique flexibility to build a wide variety of sizes and top structures.

Automation is a much debated topic, but unfortunately reality shows that the threshold for its implementation is still high. Projects risk getting stuck in a long investigation phase. High initial costs, IT system requirements and dedicated WiFi networks, fleet manager licenses and complex integrations with carts and other equipment are thresholds that have to be managed.

As a newcomer to the area of automation, it has been possible for us to focus 100% on customer requirements. How can we solve transport from A to B in the best and easiest manner for our customers? We have gathered inspiration from many different products outside our own area, such as SONOS wireless speakers, drones, cars, toys and scooters.

Our hope is that the eQart will make companies stop looking into automation and start implementing it instead. A lot of money can be saved!





User-friendly

- **No infrastructure costs**
  Low start-up threshold with an eQart® and scaling up as required.
- **Out of the box and in use in under 30 minutes**
  Automatic recording of routes enables quick and easy implementation.
- **Requires minimal training**
  Intuitive digital interface with localization options.
- **Works without wifi**
  All data is instead of are stored locally in eQart® and updated via a 4G connection.

Effective

- **Reduces manual operation**
  The eQart® can replace trucks, trains and manual transportation and can also work multiple shifts.
- **Attractive cost level**
  The focus in the development of the eQart® has been on finding an optimum balance between cost and transport benefits.
- **Simple purchase model**
  Leasing at a fixed monthly cost and free software updates, but several other models will also be available.
- **Return on investment (ROI)**
  An eQart® costs between SEK 250-400 per day compared with a truck and driver which costs around SEK 4,000 per day.

Flexible

- **Unique sizes available**
  The eQart® can be designed in lengths of up to 2.5 meters.
- **Flexibility to select top structures**
  The eQart® can be adapted for various applications by adding a top structure built according to the FlexQube concept.
- **Can be upgraded as required**
  The eQart® can be updated or upgraded to another size if required.
- **Future proof**
  The eQart® is designed in accordance with a modular architecture which enables easy upgrading of function and performance.

2019

APRIL 1 - JUNE 30, 2019

Development during Q2

Numerical data in brackets in this interim report refer to comparisons with the interim period April - June 2018 or the balance sheet date June 30, 2018. FlexQube's accounting currency is the Swedish krona (SEK). When converting the income statement of foreign subsidiaries, the Group applied the average exchange rate for the interim period 2019 or the corresponding average exchange rate for the comparative period in 2018.

Order intake, revenue and result

The Group's order intake during the current quarter amounted to 16.6 MSEK (22.1), a reduction of 25 percent compared with the same quarter in the previous year. The Group is still young and consequently there may be strong fluctuations between the quarters. The Group considers accumulated order intake over several periods as more significant than individual quarters.

Net sales for the quarter amounted to 17.7 MSEK (16.8), an increase of 5 percent compared with the previous year. Total revenue was up 7 percent and consequently amounted to 18.9 MSEK (17.6) at the end of the period. The increase in net sales is due to a higher order intake in the previous quarter. Other income relates essentially to a positive net exchange rate while capitalized work for own account relates to the development program that will complement FlexQube's mechanical building blocks with mechatronic building components ("FlexQube 4.0") and the conceptual development of FlexQube's mechanical building blocks. Capitalization during the period consists of personnel costs accrued in the period for the respective development process. Total operating income excluding capitalized work items amounted to 18.4 MSEK (17.6).

The cost of commodities, which includes commodity purchases and related expenses, such as freight and packaging, amounted to 9.5 MSEK (10.0) and represents a decrease in relation to sales during the period compared with the same quarter in the previous year.

Other external expenses amounted to 9.5 MSEK (6.9). The increase in these costs has gone according to planned expansion and mainly relates to:

- continued sales activities, including trade shows during the current interim period in Mexico and the US.
- production of profile and marketing materials for operating activities,
- increased costs of maintenance and development of the company's website,
- 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,
- increased costs of office and warehouse premises,
- increased costs for the design department due to higher project volume,
- operating costs for the UK subsidiary, FlexQube Ltd.

Personnel costs amounted to 4.9 MSEK (3.6) and have therefore increased in relation to sales compared with the previous year. 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 and HR management.

Earnings before interest, taxes and depreciation (EBITDA) amounted to -5.0 MSEK (-2.9) and earnings before interest and tax (EBIT) amounted to -5.2 MSEK (-3.1). Profit/loss before tax amounted to -5.3 MSEK (-3.1) and profit/loss after tax amounted to -5.3 MSEK (-3.1).

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

Cash flow

Cash flow for the period amounted to -11.9 MSEK (0.3), of which:

- Cash flow from operating activities amounted to -9.0 MSEK (0.0), and was driven primarily by the change in operating receivables, combined with changes in inventories and operating liabilities as well as a decrease in earnings.
- Cash flow from investment activities amounted to -3.4 MSEK (-0.9), of which the majority of the change between the comparative periods concerns investments in intangible fixed assets linked to the development program that will complement FlexQube's mechanical building blocks with mechatronic building components ("FlexQube 4.0"). Other investments have also been made in intangible assets such as patents, trademarks and IT and software solutions for customers, including a new website, and conceptual development. It should be pointed out that the item relating to the "FlexQube 4.0" development program was reclassified during the last quarter of 2018 as an intangible fixed asset; previously it was charged in part to tangible fixed assets. This reclassification does not affect cash flow from investment activities for the current interim period. Investments in tangible fixed assets relate mainly to office equipment and a new company car. The item relating to the acquisition of tangible fixed assets for the comparative period April to June 2018 has been adjusted for financial leasing which was previously included in the acquisitions total.
- Cash flow from financing activities amounted to 0.5 MSEK (1.2). Cash flow in the period and comparative periods was attributable to the amortization of external loans and financial leasing liabilities, and the utilization of overdraft facilities. No new loans were taken on during the current quarter.

Depreciation, write-downs and investments

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

Investments during the period consisted mainly of intangible fixed assets considered as expenses relating to the development program that will complement FlexQube's mechanical building blocks with mechanical building components ("FlexQube 4.0"), conceptual development of FlexQube's mechanical building blocks, development work relating to IT and software solutions for customers, including a new website, and patents and trademarks. These amounted to 3.0 MSEK (0.0). Investments also included tangible fixed assets in the form of office equipment and a new company car, which amounted to 0.5 MSEK (0.9). The item relating to the acquisition of tangible fixed assets for the comparative period April to June 2018 has been adjusted for financial leasing which was previously included in the aforementioned acquisitions amount.

There have been no write-downs during the current quarter.


2019

JANUARY 1 - JUNE 30, 2019

Development during the accumulated period

Numerical data in brackets in this interim report refers to comparisons with the period January - June 2018 or the balance sheet date June 30, 2018. FlexQube's accounting currency is the Swedish krona (SEK). When converting the income statement of foreign subsidiaries, the Group applied the average exchange rate for the respective quarter in the accumulated period in 2019, and for the accumulated period in 2018, the corresponding average exchange rate for the whole of the period.

Order intake, revenue and result

The Group's order intake during the accumulated period amounted to 33.3 MSEK (36.2), a decrease of 8 percent compared with the same period in the previous year. The Group is still young and consequently there may be strong fluctuations between the quarters. FlexQube considers accumulated order intake over several periods as more significant than individual quarters.

Net sales for the accumulated period from January 1 to June 30, 2019 amounted to 30.7 MSEK (33.2), a decrease of 8 percent compared with the previous year. Total revenue was down 5 percent and amounted to 32.7 MSEK (34.2) at the end of the period. The increase in other income relates essentially to a positive exchange rate while capitalized work for own account relates to the development program that will complement FlexQube's mechanical building blocks with mechatronic building components ("FlexQube 4.0"), and the conceptual development of FlexQube's mechanical building blocks. Capitalization during the period consists of accumulated accrued personnel costs for the respective development process. Total operating income excluding capitalized work items amounted to 31.7 MSEK (34.2).

The cost of commodities, which includes commodity purchases and related expenses, such as freight and packaging, amounted to 16.6 MSEK (20.3) and represents an improvement in relation to sales during the period compared with the same quarter in the previous year.

Other external expenses amounted to 17.1 MSEK (10.2). The increase in these costs has gone according to planned expansion and mainly relates to:

- more sales and marketing activities, including trade shows and industry conferences during the current interim period in Germany, Mexico and the US.
- production of new printed profile and marketing materials, both for operating activities and for this year's trade shows, with the focus on "FlexQube 4.0".
- increased costs of maintenance and development of the company's website,
- increased sales trips within North America,
- increased expenses for Group staff in the form of a new board member who joined halfway through Q2 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,
- increased costs of office and warehouse premises,
- increased costs for the design department due to higher project volume,
- increased external freight costs, especially in relation to the shipping of Liftrunner products from Germany to customers in North America, and
- operating costs for the UK subsidiary, FlexQube Ltd.

Personnel costs amounted to 8.3 MSEK (7.8) and have therefore increased in relation to sales compared with the previous year. 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 and HR management.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to -9.3 MSEK (-4.1) and earnings before interest and tax (EBIT) amounted to -9.8 MSEK (-4.4). Profit/loss before tax amounted to -9.8 MSEK (-4.5) and profit after tax amounted to -9.8 MSEK (-4.5).

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

Cash flow

Cash flow for the period amounted to -21.8 MSEK (-13.5), of which:

- Cash flow from operating activities amounted to -16.3 MSEK (-13.1), and was driven primarily by changes in operating liabilities, combined with changes in inventories and operating receivables as well as a decrease in earnings compared with the previous year.
- Cash flow from investment activities amounted to -5.9 MSEK (-1.4), of which the majority of the change between the comparative periods concerns investments in intangible fixed assets linked to the development program that will complement FlexQube's mechanical building blocks with mechatronic building components ("FlexQube 4.0"). Other investments have also been made in intangible assets such as patents, trademarks and IT and software solutions for customers, including a new website, and conceptual development of FlexQube's mechanical building blocks.

  It should be pointed out that the item relating to the "FlexQube 4.0" development program was reclassified during the last quarter of 2018 as an intangible fixed asset; previously it was charged in part to tangible fixed assets. This reclassification does not affect cash flow from investment activities for the current accumulated period. Investments in tangible fixed assets relate mainly to office equipment, machines for warehouse management and a new company car. The item relating to the acquisition of tangible fixed assets for the comparative period January to June 2018 has been adjusted for financial leasing which was previously included in the acquisitions total.
- Cash flow from financing activities amounted to 0.4 MSEK (1.0). Cash flow in the period and comparative periods was attributable to the amortization of external loans and financial leasing liabilities, and the utilization of overdraft facilities Noteworthy in the period is a delayed issue cost relating to the new issue in December 2018.

Depreciation, write-downs and investments

Depreciation for the period amounted to 0.5 MSEK (0.3).

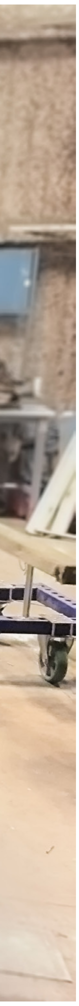
Investments during the period consisted mainly of intangible fixed assets considered as expenses relating to the development program that will complement FlexQube's mechanical building blocks with mechanical building components ("FlexQube 4.0"), conceptual development of FlexQube's mechanical building blocks, development work relating to IT and software solutions for customers, including a new website, and patents and trademarks. These amounted to 5.4 MSEK (0.1). Investments also included tangible fixed assets in the form of office equipment, machines for warehouse management and a new company car, which amounted to 0.5 MSEK (1.2). The item relating to the acquisition of tangible fixed assets for the comparative period January to June 2018 has been adjusted for financial leasing which was previously included in the aforementioned acquisitions amount.

There have been no write-downs during the current quarter.

Q2 2019

Financial position

The Group's balance sheet as of June 30, 2019 with comparison period June 30, 2018



The company's total assets amounted to 94.7 MSEK (51.7) as at June 30, 2019, of which:

Intangible fixed assets amounted to 11.1 MSEK (2.0). This item consists mainly of expenses linked to development costs for the development program that will complement FlexQube's mechanical building blocks with mechatronic building components ("FlexQube 4.0"). Other items which are included in intangible fixed assets are expenses for development work on IT and software solutions for customers, including a new website, patents, trademarks, and the conceptual development of FlexQube's mechanical building blocks.

Tangible fixed assets amounted to 2.3 MSEK (2.9) at the end of the period and consisted of office equipment and office inventory as well as fixed assets such as company cars, which were included in the Group's balance sheet as a result of financial leasing, and two directly owned cars in the Group's foreign subsidiaries. One lease car was redeemed to the leasing company during Q1. It should be pointed out that the item relating to the "FlexQube 4.0" development program was reclassified during the last quarter of 2018 as an intangible fixed asset; previously it was charged in part to tangible fixed assets.

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 81.0 MSEK (46.6) as of the balance sheet date, of which inventories amounted to 22.1 MSEK (13.1), accounts receivable including generated revenue not invoiced amounted to 17.4 MSEK (9.0) and cash and cash equivalents amounted to 38.3 MSEK (20.6). The increase in inventories is attributable to planned stock building, while the change in accounts receivable is due to the fact that most of the sales in Q2 were made at the end of the period. The increase in cash and cash equivalents is due to the new share issue in December 2018. Other short-term receivables, tax receivables and prepaid expenses and accrued income amounted to 3.1 MSEK (3.9), where the difference between the periods is attributable to prepaid accounts payable and receivables relating to value added tax.

At the end of the period, equity amounted to 77.8 MSEK (31.9). The change in equity is due primarily to the new share issue in December 2018.

Long-term liabilities amounted to 0.6 MSEK (3.0), this change was due to the amortization of long-term loans in Q4 2018, and the amortization of financial leasing liabilities in connection with the final redemption of one of the company's lease vehicles in Q1. It should be added that the long-term liabilities item only consists of financial leasing as at the balance sheet date for the period.

Short-term liabilities amounted to 16.3 MSEK (16.8), consisting mainly of accounts payables combined with accrued costs and deferred expenses, which relate to the company's stock building following the gradual increase in order intake and launch of the eQart®.

Customer base and order intake

FlexQube's customers are found in different industry segments and regions. As of June 30, 2019, FlexQube has a customer base of approximately 490 customers in 28 different countries. The majority of these 490 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 over the next few years.

Below are the segments in which FlexQube operates:

Manufacture of commercial vehicles such as trucks, buses and trains

Manufacture of cars

Subcontractors to the automobile industry

Manufacturing of construction and industrial machinery

Manufacture of wind turbines and other energy related products

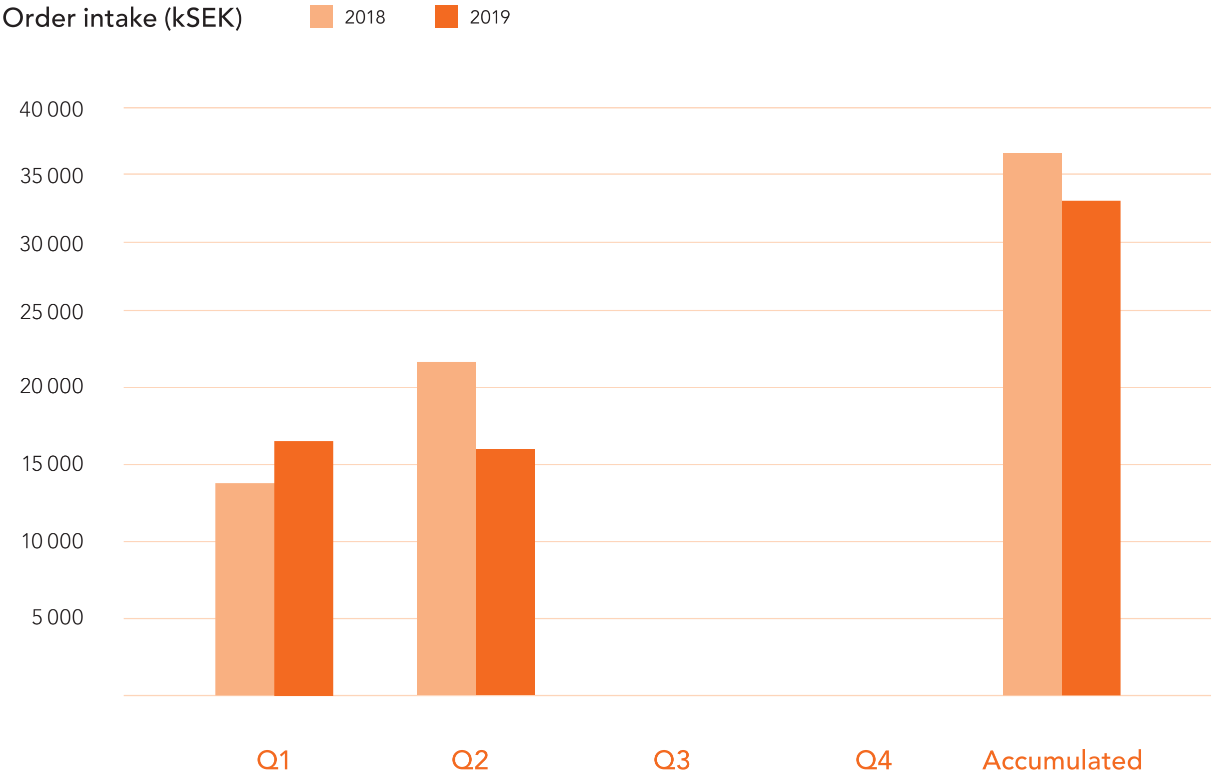
Manufacture of defense equipment

Manufacture of appliances and electronics

Storage and distribution of goods

Manufacture of medical equipment

Order intake (kSEK)



ORDER INTAKE FELL by 25 percent in Q2 compared with the same period in 2018 and amounted to approximately 16.6 MSEK (22.1). The new sales organization is starting to become properly established and the effects are becoming increasingly clear even though individual large orders (over 3 MSEK) were unfortunately not received during the quarter. In the comparative period, for example, an order was received from Brose Fahrzeugteile of approximately 6.1 MSEK. The distributors now have larger and more qualitative project portfolios than previously and overall the company has never had such an interesting pipeline as it has now.

Order intake is one of FlexQube's most important metrics and something that will be communicated to the market insofar as 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, although they continue to grow day by day. 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 that are carried out. Historically, FlexQube has not seen a customer stop buying products, but rather that their need consistently increases over time. At the same time, this need is governed by the other customer projects that are in progress, which may vary from year to year.

Reduced order intake accumulated 2019

Number of new customers in Q2 2019

Market and trends

FlexQube is a global provider 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 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.

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 internal Group transactions.

The liquidity risk is primarily due to the fact that the Group's major customers require long payment periods and that the Group is in an expansion phase. The Group is actively working to reduce these risks, 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 partners.

Currency

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

Personnel

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 a somewhat limited costs in the short term.

The number of employees as of June 30, 2019 was 27 (19), of whom 5 (3) were women. The average number of employees during the interim period April to June 2019 was 24 (17), of whom 4 (3) were women.

Although the number of employees in the company is relatively low, the company still has a wide range of expertise in relevant areas, stemming from the background, education and experience of its employees. In addition, if necessary, the company will hire staff to gain the necessary skills and to a large extent cooperate with the company's subcontractors. It should therefore be pointed out that within the company's organizational structure, the company has over 30-40 employees based with suppliers and external consultants.

↑ 30%

Development of the share price since listing in December 2017

FlexQube shares

FlexQube's share capital amounted to 0.7 MSEK on March 31, 2019. The number of shares amounted to 7,433,333 with equal rights, corresponding to a quota value of 0.1 SEK.

The company's stock has been listed on Nasdaq Stockholm First North under the FLEXQ symbol since December 14, 2017. FlexQube had sales of 158,595 shares during the period between April 1 and June 30, 2019. This resulted in an average turnover of approximately 2,688 shares per trading day worth 108,247 SEK. The average price of the share during the period was approximately 42.2 SEK.

FlexQube had sales of 305,517 shares during the accumulated period between January 1 and June 30, 2019. This resulted in an average turnover of 2,525 shares per trading day worth 123,727 SEK. The average price of the share during the period was around 49.7 SEK.

The last closing price at the end of the period was 39.1 SEK, indicating an increase of around 30 percent on the subscription price associated with its listing on December 14, 2017 or a fall of around 8 percent from the closing price on December 31, 2018.

Accounting principles

The current interim report is prepared according to ÅRL and the Swedish Accounting Board's BFNAR 2012: 1 Annual Report and Consolidated Financial Statements (K3). The accounting principles have not changed from the previous year.

The most important accounting principles are described below.

Consolidated financial statements

Companies in which FlexQube holds the majority of votes at the Annual General Meeting are classified as subsidiaries and included 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 purchase accounting 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.

Disputes between Group companies are 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 sport rate on the date of the transaction.

Revenue

Sales of goods are recognized when significant risks and benefits are transferred from distributors to buyers in accordance with the terms of sale. Sales are recognized less 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 imply that rights and obligations are recognized in the balance sheet as assets and liabilities, respectively. Asset and liabilities are 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. Leased assets are depreciated on a straight-line basis over their estimated service life.

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

Employee benefits (short-term benefits)

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

Compensation after termination of employment

The Group only has defined contribution plans.

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

Income tax

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

Intangible fixed assets

Intangible fixed assets are recognized at cost less accumulated amortization and impairment losses. The capitalization model for internally generated intangible fixed assets is applied in the consolidated financial statements, which means that;

Development expenditure directly attributable to the development and testing of identifiable, unique software products controlled by the Group 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 on a straight-line basis over the estimated useful life. The amortization period for internally generated intangible fixed assets is between five and ten years.

Tangible fixed assets

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

The following depreciation periods are applied:

Inventories, 3 to 5 years.
Cars, 3 to 6 years.

Financial instruments

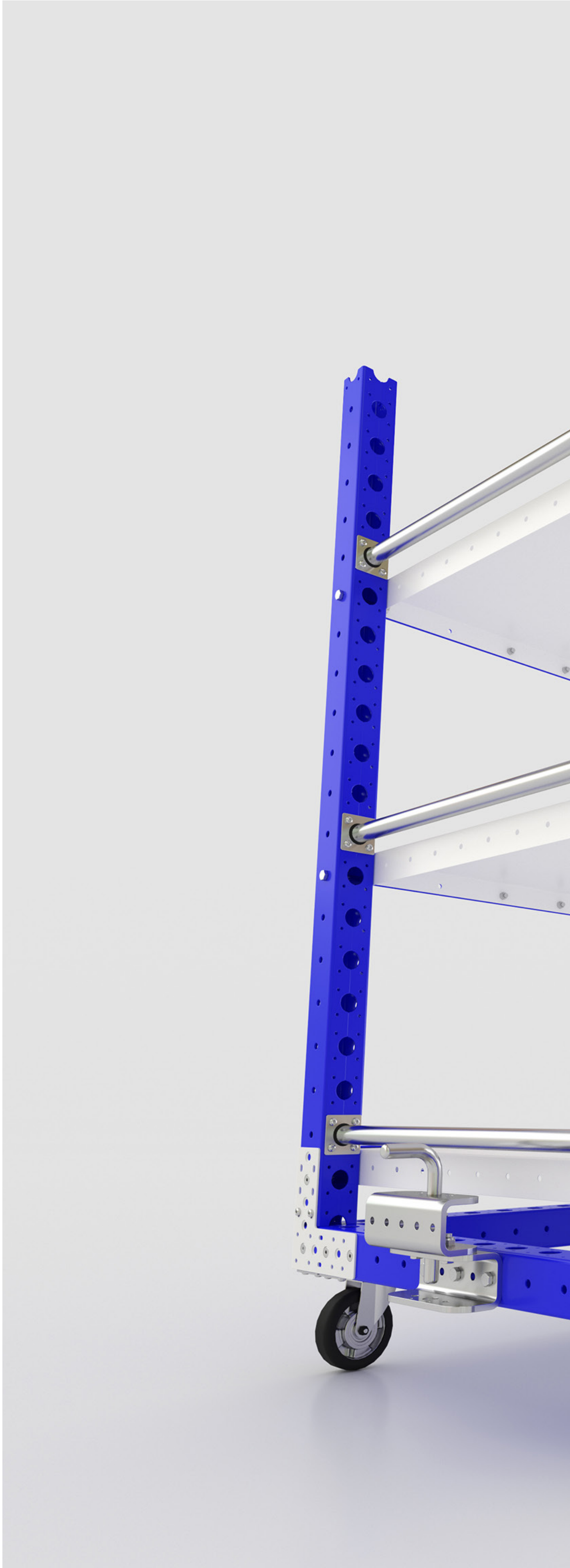
Financial instruments are reported in accordance with the rules in Chapter 11 of K3, which means that valuation is based on cost. Financial instruments recognized in the balance sheet include accounts receivable and other receivables, accounts payable and loan liabilities. The instruments are recognized 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 only includes transactions that have resulted in incoming or outgoing payments. The company classifies current accounts as cash and cash equivalents.



About the 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 internal Group parties, are carried out primarily by the subsidiaries.

Numerical data in brackets in this interim report refers to comparisons with the interim period April 1 - June 30, 2018 for development in Q2, the accumulated period January 1 - June 30, 2018 for development in the accumulated period or the balance sheet date June 30, 2018. The parent company's accounting currency is the Swedish krona (SEK).

Parent company development during Q2

April 1 - June 30, 2019

The parent company's net sales amounted to 0.4 MSEK (0.1) in the current quarter and are attributable mainly to Group management fees which are charged to subsidiaries. Other operating income relates to foreign exchange gains on loans to subsidiaries in a foreign currency.

Other external costs which amounted to 0.5 MSEK (0.3) are attributable mainly to board administration and Group management. Other operating expenses amounted to 0.1 MSEK (0.0). Financial items in the current quarter relate to accrued interest income from loans granted to subsidiaries of 0.5 MSEK (0.1), interest expenses and bank charges. The changes in this item are also due to loans granted to subsidiaries.

Earnings before interest and taxes (EBIT) amounted to -0.2 MSEK (0.4). Profit/loss before tax amounted to 0.4 MSEK (0.4) and profit/loss after tax amounted to 0.4 MSEK (0.4).

Development of the parent company during the accumulated period

January 1 - June 30, 2019

The parent company's net sales amounted to 0.6 MSEK (0.3) in the accumulated period and are attributable to Group management fees which are charged to subsidiaries. Other operating income relates to foreign exchange gains on loans to subsidiaries in a foreign currency.

Other external costs which amounted to 0.8 MSEK (0.6) are attributable mainly to board administration and Group management. Financial items in the current quarter relate to accrued interest income from loans granted to subsidiaries of 0.9 MSEK (0.2), interest expenses and bank charges. The changes in this item are also due to loans granted to subsidiaries.

Earnings before interest and taxes (EBIT) amounted to 0.4 MSEK (0.2). Profit/loss before taxes amounted to 1.3 MSEK (0.3) and profit after tax amounted to 1.3 million MSEK (0.3).

Parent company's financial position

The parent company's total assets amounted to 99.8 MSEK (40.9) as at June 30, 2019.

Fixed assets amounted to 82.1 MSEK (30.9) and consisted mainly of shares in subsidiaries and loans to subsidiaries. The difference between comparison periods is attributable not only to increased capital contributions to subsidiaries in the form of shareholder contributions and loans granted, but also the start-up of subsidiaries in Germany and the UK.

Current assets amounted to 17.6 MSEK (10.0) and consisted mainly of cash and cash equivalents. The parent company had equity of 98.8 MSEK (40.6). Changes in equity and cash and cash equivalents compared with June 30, 2018 are due to the new share issue in December 2018. Short-term liabilities amounted to 0.9 MSEK (0.3), consisting mainly of accrued costs, such as accrued interest income on Group loans and Board fees.

Parent company's accounting 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 in 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 and Group contributions are added to the acquisition value when they are submitted. 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.

Q2 2019

Signing

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 earnings, and describes significant risks and uncertainties that the parent company and the companies included in the Group face.

Gothenburg, August 9, 2019

Ulf Ivarsson
Chair of the Board

Anders Ströby
Member of the Board

Christian Thiel
Member of the Board

Per Augustsson
Member of the Board

Kristina Ljunggren
Member of the Board

Anders Fogelberg
CEO

This report has not been audited by the company's auditors.

Q2 2019

Financial accounting

Group's KPI

		Q2		6 months		Whole year
Earnings	**Unit**	**2019 Apr-Jun**	**2018 Apr-Jun**	**2019 Jan-Jun**	**2018 Jan-Jun**	**2018**
Order intake*	kSEK	16 615	22 094	33 322	36 249	63 743
Net sales	kSEK	17 732	16 844	30 699	33 224	68 901
Group sales growth	%	5%	132%	-8%	104%	138%
EBITDA	kSEK	-4 997	-2 897	-9 310	-4 077	-5 971
EBIT	kSEK	-5 237	-3 079	-9 785	-4 420	-6 714
Operating margin	%	-30%	-18%	-32%	-13%	-10%
Profit/loss before tax	kSEK	-5 251	-3 123	-9 831	-4 518	-6 901
Profit margin	%	-30%	-19%	-32%	-14%	-10%
Earnings per share before and after dilution***	SEK	-0.7	-0.5	-1.3	-0.7	-1.1
FINANCIAL POSITION						
Net debt including shareholder loans**	kSEK	-64 158	-26 833	-64 158	-26 833	-78 565
Working capital	kSEK	64 780	29 875	64 780	29 875	79 610
Current ratio	%	499%	278%	499%	278%	502%
Working capital as a percentage of net sales	%	365%	177%	211%	90%	116%
Quick ratio including unused part of overdraft facilities	%	373%	205%	362%	205%	406%
Equity per share before and after dilution	SEK	10.5	5.0	10.5	5.0	11.7
CASH FLOW* **						
Cash flow from operating activities	kSEK	-9 021	-23	-16 272	-13 117	-23 541
Cash flow from investment activities	kSEK	-3 419	-940	-5 897	-1 372	-5 278
Cash flow from financing activities	kSEK	524	1 224	358	983	54 781
SHARES						
Number of shares at the end of the period before and after dilution	No.	7 433 333	6 333 333	7 433 333	6 333 333	7 433 333
Average number of shares before and after dilution***	No.	7 433 333	6 333 333	7 433 333	6 333 333	6 384 566
EMPLOYEES						
Average number of employees	No.	24	17	22	15	17
Number of employees at the end of the period	No.	27	19	27	19	21

* The order intake in foreign currency related to the interim period for 2019 is converted at the average exchange rate for the respective month in 2019, and the comparative period for 2018 is converted at the average exchange rate for the respective month in 2018. The full year 2018 has been recalculated according to the average exchange rate for the whole of 2018.

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

***KPI adjusted historically for average number of shares per respective period and financial leasing which has been broken down into an individual item under Amortization of financial leasing liability in the cash flow statement.

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.

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

Consolidated income statement

	Q2		6 months		Whole year
SEK	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018
Net sales	17 732 164	16 843 859	30 698 799	33 223 547	68 901 365
Work performed by the company for its own use and capitalized	529 816	-	976 917	-	1 135 088
Other operating income*	634 504	752 260	989 807	997 913	1 216 891
Total operating income	**18 896 484**	**17 596 119**	**32 665 523**	**34 221 460**	**71 253 344**
OPERATING COSTS					
Goods for resale	-9 518 330	-10 045 263	-16 569 403	-20 270 920	-42 401 392
Other external costs	-9 515 383	-6 857 270	-17 063 255	-10 196 627	-21 392 662
Personnel costs	-4 859 979	-3 590 123	-8 342 767	-7 830 716	-13 430 222
Depreciation of fixed assets	-239 858	-182 897	-475 353	-343 244	-743 302
Other operating costs*	-	-	-	-	-
Total operating costs	**-24 133 549**	**-20 675 553**	**-42 450 778**	**-38 641 507**	**-77 967 578**
EBIT	**-5 237 065**	**-3 079 434**	**-9 785 254**	**-4 420 047**	**-6 714 234**
PROFIT/LOSS FROM FINANCIAL ITEMS					
Operating costs and similar profit/loss items	-14 200	-43 528	-45 612	-98 243	-186 904
Total financial items	**-14 200**	**-43 528**	**-45 612**	**-98 243**	**-186 904**
Profit/loss after financial items	**-5 251 265**	**-3 122 961**	**-9 830 866**	**-4 518 289**	**-6 901 138**
Tax on profit/loss for the period	-	-11 345	-	-10 978	-20 738
PROFIT/LOSS FOR THE PERIOD	**-5 251 265**	**-3 134 307**	**-9 830 866**	**-4 529 267**	**-6 921 877**
ATTRIBUTABLE TO:					
the parent company's owners	-5 251 265	-3 134 307	-9 830 866	-4 529 267	-6 921 877
Earnings per share attributable to the parent company's owners	-0.7	-0.5	-1.3	-0.7	-1.1

When converting the income statement of foreign subsidiaries, the Group applied the average exchange rate for the respective interim period in 2019 and 2018, including the 2018 accumulated period.

For the period January - June 2019, the average exchange rate for the respective quarter was applied.

The full year 2018 has been recalculated according to the average exchange rate for 2018.

*Includes exchange rate changes of operating items.

Consolidated balance sheet

Assets

SEK	6/30/2019	6/30/2018	12/31/2018
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized expenditure for development work and similar work*	9 287 403	601 000	4 492 250
Concessions, patents, licenses, trademarks	1 839 841	1 361 234	1 480 480
Total intangible fixed assets	**11 127 244**	**1 962 234**	**5 972 730**
Tangible fixed assets			
Machinery and other technical assets	1 422 935	1 688 864	1 569 093
Equipment, tools and fixtures and fittings*	835 754	1 189 473	804 451
Total tangible fixed assets	**2 258 689**	**2 878 337**	**2 373 544**
Financial assets			
Other non-current receivables	243 750	243 750	243 750
Total financial assets	**243 750**	**243 750**	**243 750**
Total fixed assets	**13 629 684**	**5 084 321**	**8 590 024**
Current assets			
Inventories	22 143 229	13 115 564	18 993 630
Total inventories, etc.	**22 143 229**	**13 115 564**	**18 993 630**
Current receivables			
Accounts receivable	17 444 380	8 177 186	17 206 391
Current tax assets	58 633	58 633	37 939
Other receivables	1 066 697	1 500 487	1 079 056
Generated revenue not invoiced	-	807 388	-
Prepaid expenses and accrued income	1 973 191	2 341 484	2 012 568
Total current receivables	**20 542 901**	**12 885 177**	**20 335 953**
Cash and bank balances	38 343 988	20 648 539	60 065 111
Total current assets	**81 030 118**	**46 649 280**	**99 394 693**
TOTAL ASSETS	94 659 801	51 733 601	107 984 717

*The "FlexQube 4.0" development work was reclassified in 2018 by moving it from tangible to intangible fixed assets.

Consolidated balance sheet

Equity and liabilities

SEK	6/30/2019	6/30/2018	12/31/2018
EQUITY**			
Total equity	77 787 381	31 917 187	87 154 975
LONG-TERM LIABILITIES			
Liabilities to credit institutions	-	1 010 000	-
Other non-current liabilities	622 107	2 031 921	1 044 780
Total non-current liabilities	622 107	3 041 921	1 044 780
CURRENT LIABILITIES			
Liabilities to credit institutions	-	360 000	-
Accounts payable	10 939 026	12 208 248	11 704 034
Overdraft facilities***	565 303	1 465 061	-
Current tax liability	-	39 791	-
Other current liabilities	1 467 685	100 000	1 409 692
Accrued expenses and deferred income	3 278 299	2 601 394	6 671 237
Total current liabilities	16 250 313	16 774 493	19 784 963
TOTAL EQUITY AND LIABILITIES	94 659 801	51 733 601	107 984 717

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

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

	6/30/2019	6/30/2018	12/31/2018
Overdraft limit (SEK)	2 300 000	2 300 000	2 300 000
Unused part of the overdraft facility (SEK)	1 734 697	834 939	2 300 000

Consolidated changes in equity

			Other equity		
SEK	Share capital	Other paid-up capital	Translation difference	Profit carried forward, etc.	Total equity
Opening balance 1/1/2018	633 333	39 879 329	-85 426	-4 387 250	36 039 985
Profit/loss for the year				**-6 921 877**	**-6 921 877**
Exchange rate differences when calculating foreign subsidiaries			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**	**584 606**	**-11 309 127**	**87 154 975**
Opening balance 1/1/2019	743 333	97 172 163	548 606	-11 309 127	87 154 975
Profit/loss for the period				**-9 830 866**	**-9 830 866**
Exchange rate differences when calculating foreign subsidiaries			565 973		565 973
Issue costs**		-102 700			-102 700
CLOSING BALANCE ON 6/30/2019	**743 333**	**97 069 463**	**1 114 579**	**-21 139 993**	**77 787 382**

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

**Issue costs for new issue in December 2018.

Consolidated cash flow statement

	Q2		6 months		Whole year
SEK	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018
OPERATING ACTIVITIES					
Operating profit/loss before financial items	-5 237 065	-3 079 434	-9 785 254	-4 420 047	-6 714 234
Adjustments for non-cash items					
Depreciation/amortization	239 858	182 897	475 353	343 244	743 302
Other non-cash items	-95 046	545 381	458 620	311 076	590 734
Interest received	-	-	-	-	-
Interest paid	-14 200	-43 528	-45 612	-98 243	-186 904
Income tax paid	-10 347	17 323	-20 694	-1 708	-30 565
Cash flow from operating activities before changes in working capital	**-5 116 800**	**-2 377 360**	**-8 917 587**	**-3 865 678**	**-5 597 669**
Cash flow from changes in working capital					
Changes in inventories	142 737	-2 650 401	-3 149 599	-7 079 929	-12 957 994
Changes in operating receivables	-4 103 783	6 910 538	-186 254	-6 507 832	-13 979 302
Changes in operating liabilities	56 522	-1 905 758	-4 018 902	4 336 239	8 994 233
Cash flow from operating activities	**-9 021 324**	**-22 981**	**-16 272 342**	**-13 117 199**	**-23 540 732**
INVESTMENT ACTIVITIES					
Acquisition of intangible fixed assets	-2 968 553	-31 146	-5 370 214	-147 252	-4 355 308
Acquisition of tangible fixed assets	-450 289	-909 164	-526 532	-1 224 815	-922 749
Cash flow from investment activities	**-3 418 842**	**-940 310**	**-5 896 746**	**-1 372 067**	**-5 278 057**
FINANCING ACTIVITIES					
New issue*	-	-	-102 700	-	57 402 834
Change in overdraft facility	565 303	1 465 061	565 303	1 465 061	-
Borrowings	-	-	-	-	-
Amortization of loans	-	-197 510	-	-389 615	-2 425 000
Amortization of financial leasing liability	-41 220	-43 315	-104 448	-92 274	-196 703
Cash flow from financing activities	**524 083**	**1 224 236**	**358 155**	**983 172**	**54 781 131**
CASH FLOW FOR THE PERIOD	-11 916 084	260 945	-21 810 934	-13 506 094	25 962 342
Cash and cash equivalents at beginning of period	50 206 311	20 292 201	60 065 111	34 059 241	34 059 241
Exchange rate differences in cash and cash equivalents	53 760	95 393	89 811	95 393	43 528
CASH AND CASH EQUIVALENTS AT END OF PERIOD	38 343 988	20 648 539	38 343 988	20 648 539	60 065 111

*Payments for the new issue in 2018 are offset against issue costs, which amounted to approximately 5.3 MSEK, and associated issue costs in the current quarter.

Parent company income statement

	Q2		6 months		Whole year
SEK	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018
Net sales	433 495	147 672	621 667	304 175	622 326
Other operating income	-	506 229	566 477	515 850	391 859
Total operating income	**433 495**	**653 901**	**1 188 145**	**820 025**	**1 014 185**
OPERATING COSTS					
Other external costs	-485 713	-302 659	-823 689	-626 201	-1 435 812
Other operating costs	-110 175	-	-	-	-
Total operating costs	**-595 887**	**-302 659**	**-823 689**	**-626 201**	**-1 435 812**
EBIT	**-162 392**	**351 242**	**364 456**	**193 824**	**-421 627**
PROFIT/LOSS FROM FINANCIAL ITEMS					
Other interest income and similar profit/loss items	527 462	77 181	928 404	154 362	743 464
Operating costs and similar profit/loss items	-	-	-14 161	-	-5 641
Total financial items	**527 462**	**77 181**	**914 243**	**154 362**	**737 822**
Profit/loss after financial items	**365 070**	**428 423**	**1 278 699**	**348 186**	**316 194**
Appropriations	-	-	-	-	-316 194
Tax on profit/loss for the period	-	-	-	-	-
PROFIT/LOSS FOR THE PERIOD	365 070	428 423	1 278 699	348 186	0

Parent company balance sheet

SEK	6/30/2019	6/30/2018	12/31/2018
ASSETS			
Fixed assets			
Financial assets			
Participations in Group companies	21 918 994	8 835 194	9 612 365
Receivables from Group companies	60 196 223	22 053 586	31 676 166
Total financial assets	**82 115 217**	**30 888 780**	**41 288 531**
Total fixed assets	**82 115 217**	**30 888 780**	**41 288 531**
Current assets			
Current receivables			
Receivables from Group companies	2 277 797	952 063	944 058
Other receivables	37 754	282 981	50 804
Prepaid expenses and accrued income	159 574	58 146	1 667
Total current receivables	**2 475 125**	**1 293 189**	**996 529**
Cash and bank balances	15 167 494	8 695 207	56 869 706
Total current assets	**17 642 618**	**9 988 396**	**57 866 235**
TOTAL ASSETS	99 757 835	40 877 176	99 154 766
EQUITY AND LIABILITIES			
Equity			
Total equity	98 847 908	40 617 262	97 671 910
NON-CURRENT LIABILITIES			
Total non-current liabilities	0	0	0
CURRENT LIABILITIES			
Accounts payable	253 818	36 000	283 793
Liabilities to Group companies	351 253	-	316 194
Accrued expenses and deferred income	304 856	223 915	882 870
Total current liabilities	**909 927**	**259 915**	**1 482 857**
TOTAL EQUITY AND LIABILITIES	99 757 835	40 877 176	99 154 766

REPORTS

Financial calendar

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

Q3 Report 2019
11/1/2019

Q4 Report 2019
2/21/2020

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