



FlexQubes report for the first quarter 2022

FIRST QUARTER 2022

- Order intake increased by 60.1 percent to 48.0 MSEK (30.0). Adjusted for foreign exchange rate effects between the comparison periods, orders received increased by 47.6 percent.
- Net sales increased by 185.4 percent to 43.5 MSEK (15.2). Adjusted for foreign exchange rate effects between the comparison periods, net sales increased by 163.8 percent.
- Operating profit before depreciation (EBITDA) amounted to -4.8 MSEK (-5.0) and operating profit before financial items (EBIT) amounted to -6.0 MSEK (-6.2).
- Profit before tax amounted to -6.1 MSEK (-6.3).
- Earnings per share amounted to -0.7 SEK (-0.9)
- Cash flow amounted to 0.5 MSEK (-1.0), of which -4.8 MSEK (-0.6) from operating activities, -1.8 MSEK (-0.4) from investment activities and 7.0 MSEK (-0.1) from financing activities.
- Cash and cash equivalents amounted to 35.5 MSEK (12.4) at the end of the period.
- Siemens Mobility Inc. order additional material handling trolleys from FlexQube for approximately 5 MSEK.
- At MODEX in Atlanta between March 28 and 31, FlexQube showed off the eQart® Navigator for the first time in public. This robot is an AMR (Autonomous Mobile Robot) that does not carry cargo but navigates motorized carriages.
- A global car manufacturer has placed an order worth approximately SEK 3.8 million for delivery to the factory in Berlin. The total order intake from this factory alone now amounts to SEK 22 million from the first order in the summer of 2021.
- An automotive subcontractor in the southeastern United States has placed an order for 8 eQart® Line robots and associated carts. This is the single largest order for eQart® Line robots to date.

EVENTS AFTER THE END OF QUARTER

- FlexQube's Annual Report 2021 was published on FlexQube's website with an expanded Sustainability Report.
- FlexQube has received a follow-up order worth SEK 3.7 million from an existing customer in North America. Delivery will take place at the end of 2022 to one of the customer's manufacturing units in Mexico.
- FlexQube has, as the only Swedish company, been awarded as one of the winners in Robotics Innovation Award 2022 for the new eQart® Navigator concept. FlexQube won the award within the category Technology, Product and service Innovation where the criteria was "new commercial solution which has the potential to positively influence the market or the entire robot sector".
- The company receives another order for eight eQart® Line robots from L'Oréal in USA. The robots will be installed during the third quarter of 2022.

Link to the report for the first quarter 2022: <http://www.flexqubegroup.com/secure-file.php?file=55d9bdf86bb3a8218e8970d65028207e.pdf>

Video: <http://vimeo.com/708507945/a15a781f6c>

The entire quarterly report is also attached to this press release.

CEO LETTER

SALES GROWTH OF 185% AND STRONG ORDER INTAKE

The first quarter starts the year in a positive way with particularly strong development in the US. Our strong order intake in the fourth quarter is followed up by another very strong quarter for order intake, which reaches 48 MSEK, an increase of 60% compared to the corresponding quarter in 2021. This means that over the last 6 months we have reached over 100 MSEK in order intake! As I already pointed

out in the fourth quarter report, our quoted volumes were at record levels, which together with a strong conversion contributed to the high order intake.

March was our best month for order intake in North America ever with, among other things, our largest eQart® Line order to date. Other notable sales have been made to Siemens in Sacramento of 5 MSEK, which has been a recurring customer since 2017, and to a global car manufacturer, which has grown into our largest customer overall and where we have continuously worked on projects over a long period of time. In the first quarter, we received an order for 3.8 MSEK to their factory in Berlin. To Norwegian Oda, we delivered the first part of the largest orders we received at the end of 2021. For the entire Oda project, we deliver thousands of carts in 11 different configurations with a total weight of over 250 tons. By making the assembly on site at the customer's premises, a total of 100 truck transports and a total of more than 36 tons of carbon dioxide are saved.

We also continue to work with many other strong brands across a wide range of industries, although the emphasis is still on manufacturing.

We have continued to have a strong sales development for Liftrunner in North America, the tugger train product we are exclusive dealers for in North America and South Africa. Order intake doubled during the quarter compared to the first quarter of 2021. Liftrunner is an excellent addition to our other products. They together form a good packaged solution for our customers, especially for those transitioning from truck-based to cart-based transports.

FlexQube is in a very active transformation journey to become a recognized robotics company. It is, therefore, very gratifying that in March we received our largest eQart® Line order to date from a company in the Southeastern United States. The US and Mexico have shown good growth for eQart® Line during the quarter. North America is the market we have the highest expectations regarding eQart® Line sales in 2022. We have the largest customer base there and there is a really good opportunity today to offer high-quality support and service for those customers who want it.

SALES & PROFIT

Sales of 43 MSEK represent a growth compared to last year's first quarter of 185% and are our second-best quarter to date. Much indicates that we will be able to reach at least a similar level in the second quarter.

In 2022, we began the year with an order book of over 50 MSEK, which can be compared to the 10 MSEK we entered with in 2021, after a negative impact on the order intake from the pandemic in the past second half of 2020. The strong order intake in the first quarter of this year means that the order book is still at record levels, but the material situation and lead times are still challenging in some places.

The focus of our finance team is, among other things, to manage cash flow during our strong growth phase as accounts receivables increases while there is at the same time a need to replenish stocks to meet customers expectations to keep lead times down. The fact that we are broadening the product portfolio with more high-tech robotic products means that the inventory value also increases, which affects our tied-up capital.

EBITDA amounted to -4.8 MSEK, which is in line with the previous year, primarily affected by our increased workforce needed to meet the increased demand. Higher marketing costs also weigh down the quarter with about -2.5 MSEK, primarily tied to the MODEX fair. The underlying product margin improved in the quarter.

FLEXQUBES ROBOTIZED EQART®

Our project portfolio around eQart® Line is growing and at the end of the quarter we closed our largest deal to date for eQart® Line when a subcontractor to the automotive industry ordered eight eQart® Line robots just shortly after they installed their first eQart® Line in the business. A clear confirmation that a reduced complexity in the implementation means that the threshold for moving forward and investing in more robots is easy. We're also very happy that we landed a similar deal with L'Oréal USA for an additional eight eQart® Line robots at the beginning of the second quarter.

Right at the start of 2022, we set the sales strategy around eQart Line for the year, which included an organizational change and more clear and defined market focus. I feel that we are on the right track even though the sales cycles are generally longer on automation products, we get time and time again proof that the simplicity of eQart® Line appeals to many of our customers, especially in the automotive industry. From the autumn, all eQart® Line robots sold will have a new brain with a more powerful processor, better camera and completely new possibilities for integration with other systems such as roller tables and other equipment with sensors. The speed will go from 0.6 m/s to 1.0 m/s and improved performance that increases efficiency.

There are still long lead times on electronic components, which may mean that lead times from order to sales for our robotized segment will be longer than normal in 2022.

Our transformation towards a recognized robotics and automation company is in full swing and the great interest in us as a company at MODEX in the US in March was a big confirmation that we are on the right track. The big difference this year was the great interest from industry colleagues who really put a lot of time in our booth and showed enthusiasm for our product innovation. America's biggest podcast on robotics and automation, The Robot Report mentioned eQart® Navigator as one of the major product innovations of MODEX 2022.

In addition, after the fair, we have already scheduled meetings with several of the largest car manufacturers in the world. Car manufacturers have processes where the eQart® Navigator concept can bring great efficiency gains.

Our focus on building robotics as a natural extension of our mechanical concept and our collective knowledge of internal logistics processes, feels more and more like a very successful strategic choice. We differ significantly from others in the industry where the focus has been on technology and software.

DEVELOPMENT

We have four main focus areas for the year and the first is to work towards becoming a recognized robotics company. Working with Amazon and other well-known stakeholders for our eQart concept is definitely in line with this goal. The second is to accelerate sales through a more focused work on key customers, organizing the sales team for eQart sales, and increasing the share of distributor and integration sales. The third is to scale up our operations and thus our delivery capacity. This point is extremely important where we have seen that our operation has historically limited our growth in the short term, and we need to invest time and resources in creating a greater scalability. This applies both to increase the number of suppliers but also to work on a concept that even more facilitates on-site assembly at the customer's premises. The fourth main focus area is profitability and cash flow, which is also a key factor in our continued journey where there are a number of initiatives to improve us further in these areas.

In the first quarter of this year, we finally had the opportunity to showcase our product portfolio and meet existing and potential new customers physically for the first time in two years. We have been to trade fairs in Mexico and the US during the quarter. However, this weighs on earnings in the first quarter by approximately 2.5 MSEK compared to the corresponding quarter in 2021 but it is an investment in future order intake and long-term customer relationships. For most of our existing customer relationships fairs have had a very significant impact.

As the prices of inputs such as steel have increased sharply over the past year, we have actively worked to increase the prices of our products. We have a short maturity for our quotes and price increases are continuous. In addition, we work actively to price differentiate more around unassembled deliveries and when the customer wants more specially designed products. Increasing our gross margin through increased margin on the mechanical concept but also through increased sales of eQarts is a top priority.

The quarter was also affected by high absence during the beginning of the year due to covid-19 and Omicron. The subsequent war in Ukraine, which is an extreme humanitarian disaster, also had an impact. It was a great shock to us and the whole world where we have contributed to a humanitarian aid effort in Medyka, Poland for Ukrainian refugees. To what extent we will be affected, we do not yet know as our order intake remains strong, but as I said, we see higher commodity prices and longer lead times.

Due to the high order intake we have signed up for short term rental contracts on locations in both Gothenburg and Småland to quickly ramp up available production- and storage space. At the end of this summer we will consolidate all our locations to a new and bigger facility in Mölndal. This gives us the ability for our headquarters to once again sit together in a newly renovated facility which will add clear synergies, increased capacity and add to the working morale in the company.

From a very successful 2021 with a final strong fourth quarter, we have started 2022 satisfactorily on many levels but we have an incredible amount of initiatives to continue to improving on. We have a strong belief in our staff and our product portfolio's ability to deliver good results in the future, and every day we take a step closer to our vision that every factory and warehouse in the world will move materials with the help of FlexQube.

Anders Fogelberg

CEO FlexQube AB (publ)

About FlexQube

FlexQube is a technology company headquartered in Gothenburg, Sweden with subsidiaries in USA, Mexico, Germany and England. FlexQube offers solutions for cart-based material handling using a patented modular concept. FlexQube develops and designs customized solutions for both robotic and mechanical cart logistics. Through the own developed and unique automation concept FlexQube can offer robust and self-driving robotic carts. FlexQube has more than 1000 customers in 37 countries with primary markets being North America and Europe.

FlexQube's customers can be found within the manufacturing industry, distribution- and warehousing. We represent some of the most successful companies in the world with a significant share being represented on the Fortune 500 list. These companies exist within automotive, electric vehicle manufacturing, online retail, heavy-duty trucks, industrial automation and retail logistics.

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The share (FLEXQ) is traded on Nasdaq First North. FNCA Sweden AB, telephone +46 8-528 00 399, is the Company's Certified Adviser. Read more at www.flexqube.com

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