

Report Q4 and Full Year 2021

January – December 2021

Financial Summary

Fourth Quarter 2021

- Reported net revenue amounted to 1,3 mSEK (0,3)
- Other revenue amounted to 0,5 mSEK (0,3)
- Earnings per share amounted to -0,4 SEK (-0,9)
- Cash-flow amounted to -17,5 mSEK (53,7)
- Cash at the end of the period amounted to 13,1 mSEK (87,8)
- Comprehensive income amounted to -19,0 mSEK (-28,2)

January – December 2021

- Reported net revenue amounted to 4,9 mSEK (1,4)
- Other revenue amounted to 1,6 mSEK (0,4)
- Earnings per share amounted to -1,7 SEK (-7,3)
- Cash-flow amounted to 74,7 mSEK (61,1)
- Comprehensive income amounted to -80,4 mSEK (-229,1), of which 0,0 (125,4) relates to the write down of goodwill and the reversal of tax assets

CEO Statement

The hope that healthcare could look to the time after the pandemic, including the necessary innovation work needed, were once again sharply shaken when the Omicron variant created a new wave in the last quarter of 2021. We are therefore extra proud of what we have managed to achieve despite these external challenges. The collaboration with pharmaceutical companies USB and Amgen breaks new grounds for us as a business and shows that FRISQ Care can add value in many different business segments. The three-year agreement with Capio Orthopedics after a successful pilot project together with them really shows that we have a solution that creates value worth paying for. The pilot project with Aleris to improve maternity care has gained medial awareness in the industry, which underlines both the relevance and the level of innovation the project brings.

Our financial situation made us investigate different alternatives to ensure both a stable foundation and an opportunity to accelerate and grow our business. At the EGM on February 22nd, the shareholders voted in favor of a sale of FRISQ Holding's subsidiaries to Tempest SPV Ltd, subject to the conditions that the purchase price was not changed (SEK 106,4 million), the share purchase agreement (SPA) took place on market terms and that signing would take place no later than February 28th 2022. Due to a serious illness, the buyer requested a deferral of submitting a signed and binding SPA, which the Board approved. The Board will convene a new EGM to approve the investment, provided that there is a signed SPA. Tempest SPV Ltd has undertaken to provide the subsidiaries with SEK 120 million in working capital after a completed acquisition, which would constitute a good financial base for our operations going forward. A sale would mean that FRISQ Holding no longer will have any operating activities as a listed company. In its further evaluation, the Board of FRISQ is considering various alternatives for creating value for shareholders in such a scenario, while they also continue to investigate options to secure the long-term financing. The company has a credit facility of 15 mSEK that will cover the operational cash flow until the 31st of May 2022, unless the sale of the subsidiaries or a new long-term financing is in place before that. George Thaw, CEO, FRISQ

Events

During the quarter

- FRISQ entered into an agreement with biotechnology companies UCB and Amgen, to collaborate with selected clinics to design comprehensive, digitalized care plans for patients suffering from osteoporosis. The order value for FRISQ is approximately SEK 0,5 million, excluding any additional orders for implementation and license revenues that may be added for additional clinics that join.
- FRISQ and Aleris have, together with Aleris-owned BB Stockholm and Ultragyn, entered into a pilot project to strengthen the collaboration between the prospective parent couple, the midwife clinic and the delivery unit. The ambition of the project is to streamline resource utilization through modernized working methods and to simplify and improve the care journey for both the pregnant woman and the care staff. The value of the project is 0,2 MSEK and the project runs for 12 months

During precious quarters

- FRISQ has signed a commercial agreement with Capio Elderly and Mobile Care. The agreement runs for 5 years and the order value amounts to SEK 15 million. The agreement entered into force on 1 July 2021 and replaces the previous pilot agreement, after FRISQ Care has been evaluated in competition with other systems.

After the period

- After a 12-month pilot project, FRISQ signed a three-year agreement with Capio Orthopedics with the purpose to introduce FRISQ Care in all Capio Orthopedics units.
- EGM voted in favour of a Change of articles, giving authorization for the board to issue shares.
- EGM voted in favor of divesting FRISQ Holding's subsidiaries to Tempest SPV Ltd, subject to the conditions that purchase price is not changed, the share purchase agreement will be on normal market terms and signing shall occur on or before 28 February 2022.
- The Board has decided to give Tempest SPV Ltd a deferral to submit the necessary documentation.

Selected key indicators

	Fourth Quarter		Full Year	
	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
SEK Thousands				
Net revenue	1 333	274	4 891	1 367
Operating profit/loss	-19 021	-28 196	-80 417	-208 060
Earnings per share, SEK	-0,4	-0,9	-1,7	-7,3
Development costs, capitalized	3 080	871	10 424	8 587
Cash flow	-17 469	53 668	-74 739	61 106
Cash and cash equivalents	13 072	87 811	13 072	87 811
Equity per share, SEK	0,4	3	0,4	3
Equity/assets ratio (%)	53	87	53	87
Share price at quarter end, SEK	2,3	3,8	2,3	3,8
Number of employees at end of the period	25	29	25	29

Financial Calendar: Annual Report 2021 – March 31, 2022 | Q1 – May 12, 2022 | Q2 – August 18, 2022 | Q3 – November 10, 2022 | Q4 – February 16, 2023

AGM May 5, 2022; Financial reports: www.frisqholding.se

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Financial reporting – Consolidated

Consolidated revenue and earnings, Q4

Consolidated net revenue for the quarter amounted to 1,3 mSEK (0,3). The revenue reported for the quarter includes a higher ratio of recurring license-based revenues than did the same quarter last year. However, the ongoing pandemic has slowed down sales and roll-outs. **Other revenue** amounted to 0,5 mSEK (0,3) and relate primarily to EU-financed commercially based innovation projects.

Consolidated **operational costs before depreciation and write-down** are primarily driven by staff costs, development and operational expenditures, and amounted to 15,5 mSEK (19,1), and is reported net including **capitalized work on own account** which amounted to 1,0 mSEK (0,4). The growth in expenditures is related to increased activities in product development and sales. Total **depreciation and write-down** of tangible and intangible asset amounted to 5,4 mSEK (9,7) **Operating losses** for the quarter amounted to -19,0 mSEK (-28,2). **Net financial costs** amounted to 0,01 mSEK (-0,00) and relate to interest costs for right-of-use assets. **Tax loss carry forward** amounted to mSEK 392,8 at the end of the reporting period. **Comprehensive income** for the quarter amounted to -19,0 mSEK (-28,2). **Investments**, primarily development, amounted to 3,3 MSEK (0,9).

Consolidated profit and loss in summary SEK thousands	Fourth Quarter		Full Year	
	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net revenue	1 333	274	4 891	1 367
Other operating income	478	286	1 596	442
Other external costs	-9 420	-13 188	-43 474	-45 551
Staff costs	-7 069	-6 341	-27 006	-35 022
Own work capitalized	1 012	433	3 538	4 064
Operational costs	-15 477	-19 096	-66 942	-76 509
Depreciation/write-down	-5 355	-9 660	-19 962	-133 360
Total operating costs	-20 832	-28 756	-86 904	-213 933
EBIT	-19 021	-28 196	-80 417	-208 060
Net financial income	10	-6	31	-119
EBT	-19 011	-28 202	-80 386	-208 179
Tax	0	0	0	-20 936
NET PROFIT	-19 011	-28 202	-80 386	-229 115
<i>Comprehensive income</i>				
Translation differences	0	0	0	0
COMPREHENSIVE INCOME	-19 011	-28 202	-80 386	-229 115
Earnings per share before and after dilution (SEK)	-0,4	-0,9	-1,7	-7,3

Consolidated revenue and earnings, Full Year

Consolidated net revenue for the year to date amounted to 4,9 mSEK (1,4), while **other revenue** that relate primarily to EU-financed commercially based innovation projects amounted to 1,6 mSEK (0,4). **Consolidated costs before depreciation and write-down** amounted to 66,9 mSEK (76,5) and is reported net including **capitalized work on own account** which amounted to 3,5 mSEK (4,1). Total **depreciation and write-down** of tangible and intangible assets amounted to 20,0 mSEK (133,4), of which 0,0 (104,5) relates to write-down of goodwill. It is the Company's assessment that the ongoing Covid-19 pandemic does not impact the valuation of assets on the financial statements.

Operating losses amounted to -80,4 mSEK (-208,1) of which 0,0 (104,5) relates to write-down of goodwill. **Net financial costs** amounted to +0,03 mSEK (-0,1) and relate primarily to interest costs on right-of-use assets. **Total comprehensive income** amounted to -80,4 mSEK (-229,1), of which 0,0 (125,4) mSEK relates to the write down of goodwill and the reversal of tax asset. **Investments**, primarily development costs, amounted to 10,6 mSEK (8,6) during the year.

Financial position

The balance sheet reflects continued investments in the proprietary product that amounted to 14,7 mSEK (20,9) at the end of the period.

The Company is fairly young and has adopted a conservative policy with low capitalization and high depreciation rates.

Cash balance at the end of the period was MSEK 13,1 mSEK (87,8). The company has a creditfacility of 15 mSEK that will cover the operational cash flow until the 31st of May 2022, unless the sale of the subsidiaries (which will inject the Company with 106,4 mSEK) or a new long term financing is in place before that.

Consolidated Balance Sheet in summary SEK thousands	2021	2020
	Dec. 31	Dec. 31
Capitalized development	14 729	20 899
Tangible assets	578	640
Right-of-use assets	9 039	3 128
Total fixed assets	24 346	24 667
Accounts receivable	1 259	1 994
Other receivables	2 146	1 779
Cash in bank	13 072	87 811
Total current assets	16 477	91 584
TOTAL ASSETS	40 823	116 251
Share Capital	2 398	1 610
Share Capital under registration	0	788
Other contributed capital	492 637	492 391
Translation reserve	5	5
Accumulated profit/loss	-473 541	-393 155
Total equity	21 499	101 639
Leasing liability; long-term	6 172	0
Lease liability; short-term	2 867	3 281
Accounts payable	4 236	5 159
Other liabilities	6 049	6 172
Total current liabilities	19 324	14 612
TOTAL EQUITY AND LIABILITIES	40 823	116 251

Change in Equity Summary SEK thousands	Fourth Quarter		Full Year	
	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Opening balance	40 435	53 979	101 639	187 847
Net Profit	-19 011	-28 202	-80 386	-229 115
Warrant premium	75	133	365	379
New Issue ¹⁾	0	75 729	-119	142 528
Utgående eget kapital	21 499	101 639	21 499	101 639

¹⁾ New issue in 2020 Q4: 78 750 ISEK reduced with related costs of 3,021 ISEK.
Total issues 2020 153 329 ISEK reduced with related costs of 10,801 ISEK.

Cash flow

QUARTER: Cash flow from **operating activities** amounted to -13,4 mSEK (-20,4) as a result of investments in product development in combination with, as yet limited revenues. Cash flow amounted to -17,5 mSEK (53,7). **Investment** amounted to -3,3 mSEK (-0,9) related primarily to capitalized development. **Financing** amounted to -0,9 mSEK (74,9).

YEAR TO DATE: Cash flow amounted to -74,7 mSEK (61,1) where investment activities generated -3,4 mSEK (139,3). FRISQ does not have any debt financing and funds its operations through equity. See information of risks on dependence of external financing.

Cash flow in Summary SEK thousands	Fourth Quarter		Full Year	
	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Earnings before taxes	-19 011	-28 202	-80 386	-208 179
Depreciation/write-down	5 355	9 660	19 962	133 360
Other non-cash items	75	133	365	551
Change in working capital	209	1 985	-678	4 312
Cash flow from				
Operating activities	-13 372	-20 394	-60 737	-69 956
Investment activities	-3 258	-872	-10 602	-8 209
Financing activities	-839	74 934	-3 400	139 271
Cash flow for the period	-17 469	53 668	-74 739	61 106
Cash at beginning of period	30 541	34 143	87 811	26 705
Cash at close of period	13 072	87 811	13 072	87 811

Financial reporting – Parent Company

Parent Company Profit and Loss in summary SEK thousand	2021	2020
	Jan-Dec	Jan-Dec
Net revenue	5 854	3 867
Other operating income	0	18
Other external costs	-9 714	-11 874
Staff costs	-2 600	-1 325
Total operating expenses	-12 314	-13 199
EBIT	-6 460	-9 314
Net financial income	95	-379 900
EBT	-6 365	-389 214
Tax	0	0
NET PROFIT	-6 365	-389 214

FRISQ Holding AB's primary focus is Group administration. **Net revenue** amounted to 5.9 mSEK (3.9) year to date and reflect invoicing to subsidiaries for administrative services. **Operating losses** amounted to -6.5 MSEK (-9.3) year to date. Costs in the Parent Company are primarily driven by the company's listing on Nasdaq First North. **Net financial income** amounted to MSEK 0.1 mSEK (-379.9).

Parent Company Balance Sheet in summary SEK thousand	2021	2020
	Dec. 31	Dec. 31
Financial assets	81 263	29 063
Total fixed assets	81 263	29 063
Other receivables	625	774
Cash in bank	10 397	68 924
Total current assets	11 022	69 698
TOTAL ASSETS	92 285	98 761
Share capital	2 398	1 610
Share capital under registration	0	788
Share premium reserve	491 641	491 761
Accumulated profit/loss	-402 734	-396 735
Total equity	91 305	97 424
Accounts payable	455	1 112
Other liabilities	525	225
Total current liabilities	980	1 337
TOTAL EQUITY AND LIABILITIES	92 285	98 761

Number of Shares

Number of Shares	Fourth Quarter		Full Year	
	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Opening	47 954 773	32 204 773	32 204 773	23 918 202
Closing	47 954 773	32 204 773	47 954 773	32 204 773
Average	47 954 773	32 204 773	47 523 266	31 412 341

The new issue conducted in November 2020, was registered in January 2021, at which time the number of shares increased by 15,750,000 to 47,954,773.

Employees

The average number of employees during the quarter was 22 (33). At the close of the quarter FRISQ had 25 (29) employees. There have been no material transactions with **related parties** other than one Board Member who have invoiced a total of TSEK 240. No further transactions with related parties took place during the quarter in addition to the usual remuneration (which includes the CEO's remuneration) for work performed.

Warrant programs

The warrant programs issued in FRISQ Holding AB aim to align shareholders and employee incentives. The warrants have been transferred at market price based on independent valuations and are subject to customary recalculations in connection with share issues, etc. For additional information see AGM announcements from relevant years.

Program 2017, a direct issue where warrants were issued to secure FRISQ's commitment, given fulfillment of certain conditions, to pay an additional consideration for the acquisition of new care path concepts, and associated prototype code. It allows a maximum 1,100,000 warrants each entitling to the subscription of one share, by no later than 31 May 2022, at a price of 0.05 SEK corresponding to the share's quota value.

Program 2020/2026, for the Director Lars Björk for his involvement in the establishment of FRISQ in the US. The program includes 320,000 warrants, of which 300,000 warrants are awarded to Lars Björk without consideration, and 20,000 are allocated to cover related. The warrants are earned over three years. Each warrant carries the right to subscribe to one new share, by 15 April 2026, at a price of 11.44 SEK. If fully subscribed, the Company's share capital will increase by SEK 16 000.

Program 2020/2024, with a maximum of 2,000,000 warrants (maximum of approximately 4% of total shares), aimed at key employees and individuals in the Group. The subscription period is 1 January - 31 March 2024. Each warrant entitles the holder to subscribe to one share at a price corresponding to 200 % of the average volume weighted price 1-12 March 2021; but no lower than 9 SEK/share. If fully subscribed, the Company's share capital will increase by SEK 100 000.

Full subscription of the above programs would increase the total number of shares by 7.1%.

Accounting principles and other information

Shares FRISQ Holding AB's shares are traded on Nasdaq First North under the stock symbol FRISQ since October 12, 2016. The number of shares as per end of the period were 47 954 773.

The Group Structure encompasses the parent company FRISQ Holding AB, org. no. 556959-2867 and the wholly owned subsidiaries FRISQ AB, org. no. 556783-5664; FRISQ USA Holding Inc., with its own wholly owned US based subsidiary FRISQ LLC; and FRISQ UK Ltd. The US and UK subsidiaries are in the process of being established. The Group's operating activities are conducted in FRISQ AB.

The accounting principles governing this report adhere to the Swedish Annual Accounts Act, and IFRS as adopted by the EU and RFR 1. The Parent Company applies the Annual Accounting Act and RFR 2. This report has been prepared in accordance with IAS 34. The accounting policies applied herein are consistent with the latest published Annual Report. New and amended standards adopted from the current year are not deemed to have any material impact on the Group's financial position.

The Company has only one type of revenue, software licensing and implementation services for the software.

This report has not been reviewed by the company's auditor.

Risks and uncertainties exist given that FRISQ is a relatively young company with limited revenue generation. It is therefore not yet possible to make sales or profit predictions until a stable earning level is achieved. As long as product development continues, the company is in need of additional external capital injections. FRISQ is dependent upon being able to enter into licensing and partnership agreements and upon several permits, remuneration systems and associated laws, regulations, decisions by government authorities and praxes (which can change). FRISQ is also dependent on intellectual property rights which are difficult to protect via registration. In addition, FRISQ is dependent on the access to care staff – which is difficult to predict under the current pandemic. The Board's view of risks and uncertainties has not changed. For further information, see Risks and Uncertainties in the last published Annual Report.

Statement of assurance This report has been adopted by the Board of FRISQ Holding AB on March 2nd. The Board and the Managing Director, certify that this interim report provides a fair assessment of the Parent Company, Group's activities, financial position, profits and describes material risks and uncertainties.