

# Interim Report Q2, 2022

April – June 2022

## Financial Summary

### Second Quarter 2022

- Reported net revenue amounted to 1.3 mSEK (0.8)
- Other revenue amounted to 0.1 mSEK (0.7)
- Earnings per share amounted to -0.2 SEK (-0.4)
- Cash-flow amounted to -4.6 mSEK (-18.8)
- Cash at the end of the period amounted to 2.0 mSEK (50.4)
- Comprehensive income amounted to -15.2 mSEK (-21.4)

### January – June 2022

- Reported net revenue amounted to 2.7 mSEK (2.7)
- Other revenue amounted to 0.5 mSEK (1.0)
- Earnings per share amounted to -0.5 SEK (-0.9)
- Cash-flow amounted to -11.1 mSEK (-37.4)
- Cash at the end of the period amounted to 2.0 mSEK (50.4)
- Comprehensive income amounted to -30.5 mSEK (-41.3)

## CEO Statement

During the quarter, Sweden approached the healthcare crisis we're now in, and the summer months have been extremely challenging in many parts of the country. The health care situation means that the need for solutions that can help relieve the system without lowering the quality of care is both great and clear. We know that FRISQ can contribute to this and that became clear to many who listened to Capio's seminar at Vitalis where they highlighted some of the benefits of FRISQ, including increased patient involvement, increased quality of care and higher productivity.

Our financial situation has made us evaluate various alternatives for us to have a stable financial foundation to stand on. We are in a phase where the business has really started to take off; the newly signed agreements with some of Sweden's largest private care providers are good proofs of this. While we see a big need and a greater demand for what we offer, we also need to invest to continue developing our software and to be able to add more talent to the implementation-, sales- and development teams.

The exclusive process with Cambio that was initiated and announced in July regarding a possible divestment of FRISQ's operational activities is an interesting alternative because it would not only mean a stable financial basis for the company - it would also provide an opportunity to further develop the offer and scale faster, not least within public care where the largest part of the healthcare resources is. A divestment would also mean that we could offer more of an integrated solution together with one of the leading EMR systems in the Nordics and thus contribute to overcoming some of the fragmentation we see in the market today.

I have taken on the role as temporary CEO during the process and Cambio has offered a loan that secures the short-term need for capital. We look forward to continuing discussions and plan to close the transaction in Q3.

Mats Lindstrand, CEO, FRISQ

## Events

### During the quarter

- The Company has carried out a rights issue. In total 2,236,015 shares were subscribed, corresponding to approximately 18.65 percent of the Rights Issue. The Rights Issue thus provides the Company with approximately SEK 2.2 million before deductions of costs related to the Rights Issue

### After the period

- The Board of Directors of FRISQ Holding AB (FRISQ") has decided to enter into a formal exclusive process with the objective to divest its operative business to Cambio Health Care System AB ("Cambio"). After several months of exploring the best options to secure the continued development of FRISQ, the Board has decided to accept a proposal from Cambio. Both parties see large synergies in a potential deal and are optimistic about achieving a successful transaction.

## Selected Key Indicators

	Second Quarter		6 Months		Full Year
	2022	2021	2022	2021	2021
SEK Thousands	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net revenue	1 278	773	2 721	2 723	4 891
Operating profit/loss	-15 128	-21 421	-30 337	-41 312	-80 417
Earnings per share, SEK	-0.2	-0.4	-0.5	-0.9	-1.7
Development costs, capitalized	819	3 200	3 361	4 536	10 424
Cash flow	-4 584	-18 813	-11 097	-37 362	-74 739
Cash and cash equivalents	1 975	50 449	1 975	50 449	13 072
Equity per share, SEK	0.1	1	0.1	1	0.4
Equity/assets ratio (%)	37	74	37	74	53
Share price at quarter end, SEK	0.5	3.8	0.5	3.8	2.3
Number of employees at the end of the period	23	27	23	27	29

Financial Calendar: | Q3 – November 10, 2022 | Q4 – February 16, 2023 | Financial reports: [www.frisqholding.se](http://www.frisqholding.se)

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# Financial reporting – Consolidated

## Consolidated revenue and earnings. Q2

**Consolidated net revenue** for the quarter amounted to 1.3 mSEK (0.8). 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 0.1 mSEK (0.7) 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 13.5 mSEK (18.0), and is reported net including **capitalized work on own account** which amounted to 0.7 mSEK (0.8). The lower costs are explained by the decrease of personnel. Total **depreciation and write-down** of tangible and intangible asset amounted to 3.1 mSEK (4.9) **Operating losses** for the quarter amounted to -15.1 mSEK (-21.4). **Net financial costs** amounted to -0.1 mSEK (-0.0) and relate to interest costs for right-of-use assets. **Tax loss carry forward** amounted to mSEK 423.6 at the end of the reporting period. **Comprehensive income** for the quarter amounted to -15.2 mSEK (-21.4). **Investments**, primarily development, amounted to 0.8 mSEK (3.2).

Consolidated profit and loss in summary	Second Quarter		6 Months		Full Year
	2022	2021	2022	2021	2021
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Jan-Dec
SEK thousands					
Net revenue	1 278	773	2 721	2 723	4 891
Other operating income	128	695	469	1 020	1 596
Other external costs	-7 233	-11 754	-15 476	-23 600	-43 474
Staff costs	-6 949	-7 079	-13 858	-13 343	-27 006
Own work capitalized	714	813	1 746	1 626	3 538
<b>Operational costs</b>	<b>-13 468</b>	<b>-18 020</b>	<b>-27 588</b>	<b>-35 317</b>	<b>-66 942</b>
Depreciation/write-down	-3 066	-4 869	-5 939	-9 738	-19 962
<b>Total operating costs</b>	<b>-16 534</b>	<b>-22 889</b>	<b>-33 527</b>	<b>-45 055</b>	<b>-86 904</b>
<b>EBIT</b>	<b>-15 128</b>	<b>-21 421</b>	<b>-30 337</b>	<b>-41 312</b>	<b>-80 417</b>
Net financial income	-93	5	-193	9	31
<b>EBT</b>	<b>-15 221</b>	<b>-21 416</b>	<b>-30 530</b>	<b>-41 303</b>	<b>-80 386</b>
Tax	0	0	0	0	0
<b>NET PROFIT</b>	<b>-15 221</b>	<b>-21 416</b>	<b>-30 530</b>	<b>-41 303</b>	<b>-80 386</b>
<i>Comprehensive income</i>					
Translation differences	0	0	0	0	0
<b>COMPREHENSIVE INCOME</b>	<b>-15 221</b>	<b>-21 416</b>	<b>-30 530</b>	<b>-41 303</b>	<b>-80 386</b>
Earnings per share (SEK)	-0.2	-0.4	-0.5	-0.9	-1.7

## Consolidated revenue and earnings, January – September 2022

**Consolidated net revenue** for the year to date amounted to 2.7 mSEK (2.7), while **other revenue** that relate primarily to EU-financed commercially based innovation projects amounted to 0.5 mSEK (1.0). **Consolidated costs before depreciation and write-down** amounted to 27.6 mSEK (35.3) and is reported net including **capitalized work on own account** which amounted to 1.7 mSEK (1.6). Total **depreciation and write-down** of tangible and intangible assets amounted to 5.9 mSEK (9.7). 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 -30.3 mSEK (-41.3). **Net financial costs** amounted to -0.2 mSEK (-0.01) and relate primarily to interest costs on right-of-use assets. **Total comprehensive income** amounted to -30.5 mSEK (-41.3). **Investments**, primarily development costs, amounted to 3.4 mSEK (4.5) during the year.

## Financial position

The balance sheet reflects continued investments in the proprietary product that amounted to 13.8 mSEK (17.4) at the end of the period. The lower net amount is not a reflection on future earnings expectations, but rather a reflection of the fact that 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 2.0 mSEK (50.4). The company continue it's work to secure long-term financing.

Consolidated Balance Sheet in summary	2022	2021	2021
	Jun. 30	Jun. 30	Dec. 31
SEK thousands			
Capitalized development	13 796	17 374	14 729
Tangible assets	460	527	578
Right-of-use assets	7 532	10 603	9 039
<b>Total fixed assets</b>	<b>21 788</b>	<b>28 504</b>	<b>24 346</b>
Accounts receivable	472	284	1 259
Other receivables	2 041	2 575	2 146
Cash in bank	1 975	50 449	13 072
<b>Total current assets</b>	<b>4 488</b>	<b>53 308</b>	<b>16 477</b>
<b>TOTAL ASSETS</b>	<b>26 276</b>	<b>81 812</b>	<b>40 823</b>
Share Capital	3 339	2 398	2 398
Share Capital under registration	0	0	0
Other contributed capital	510 529	492 487	492 637
Translation reserve	5	5	5
Accumulated profit/loss	-504 071	-434 458	-473 541
<b>Total equity</b>	<b>9 802</b>	<b>60 432</b>	<b>21 499</b>
Leasing liability; long-term	4 685	7 623	6 172
Lease liability; short-term	2 938	3 077	2 867
Accounts payable	3 278	3 432	4 236
Other liabilities	5 573	7 248	6 049
<b>Total current liabilities</b>	<b>16 474</b>	<b>21 380</b>	<b>19 324</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26 276</b>	<b>81 812</b>	<b>40 823</b>

Change in Equity in summary	Second Quarter		6 Months		Full Year
	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
SEK thousands					
<b>Opening balance</b>	<b>17 263</b>	<b>81 764</b>	<b>21 499</b>	<b>101 639</b>	<b>101 639</b>
Net profit	-15 221	-21 416	-30 530	-41 303	-80 386
Warrant premium	40	84	113	215	365
New Issue <sup>1)</sup>	7 720	0	18 720	-119	-119
<b>Closing Balance</b>	<b>9 802</b>	<b>60 432</b>	<b>9 802</b>	<b>60 432</b>	<b>21 499</b>

<sup>1)</sup> New issues in quarter: during the quarter new issue was conducted and generated a cash injectin of 8 mSEK.

## Cash flow

**QUARTER:** Cash flow from **operating activities** amounted to -10.8 mSEK (-14.8) as a result of investments in product development in combination with, as yet limited revenues. Cash flow amounted to -4.6 mSEK (-18.8). **Investment** amounted to -0.8 mSEK (-3.2) related primarily to capitalized development. **Financing** amounted to 7.0 mSEK (-0.8).

**YEAR TO DATE:** Cash flow amounted to -11.4 mSEK (-37.4) where ifinancing activities generated 1.7 mSEK (-1.7). 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	Second Quarter		6 Months		Full Year
	2022	2021	2022	2021	2021
SEK thousands	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Earnings before taxes	-15 221	-21 416	-30 530	-41 303	-80 386
Depreciation/write-down	3 066	4 869	5 939	9 738	19 962
Other non-cash items	40	84	113	215	365
Change in working capital	1 343	1 665	-541	263	-678
<b>Cash flow from</b>					
Operating activities	<b>-10 772</b>	<b>-14 798</b>	<b>-25 019</b>	<b>-31 087</b>	<b>-60 737</b>
Investment activities	<b>-819</b>	<b>-3 200</b>	<b>-3 382</b>	<b>-4 536</b>	<b>-10 602</b>
Financing activities	<b>7 007</b>	<b>-815</b>	<b>17 304</b>	<b>-1 739</b>	<b>-3 400</b>
<b>Cash flow for the period</b>	<b>-4 584</b>	<b>-18 813</b>	<b>-11 097</b>	<b>-37 362</b>	<b>-74 739</b>
Cash at beginning of period	6 559	69 262	13 072	87 811	87 811
<b>Cash at close of period</b>	<b>1 975</b>	<b>50 449</b>	<b>1 975</b>	<b>50 449</b>	<b>13 072</b>

## Financial reporting – Parent Company

Parent Company Profit and Loss in summary	2022	2021
SEK thousand	Jan-Jun	Jan-Jun
Net revenue	2 299	2 927
Other operating income	4	2
Other external costs	-3 337	-5 614
Staff costs	-651	-917
<b>Total operating expenses</b>	<b>-3 988</b>	<b>-6 531</b>
<b>EBIT</b>	<b>-1 685</b>	<b>-3 602</b>
Net financial income	-11 417	-17 938
<b>EBT</b>	<b>-13 102</b>	<b>-21 540</b>
Tax	0	0
<b>NET PROFIT</b>	<b>-13 102</b>	<b>-21 540</b>

FRISQ Holding AB's primary focus is Group administration. **Net revenue** amounted to 2.3 mSEK (2.9) year to date and reflect invoicing to subsidiaries for administrative services. **Operating losses** amounted to -1.7 MSEK (-3.6) 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 -11.4 mSEK (-17.9) and relates to impairment of shares in the subsidiary FRISQ AB.

Parent Company Balance Sheet in summary	2022	2021
SEK thousand	Jun. 30	Dec. 31
Financial assets	45 010	29 063
<b>Total fixed assets</b>	<b>45 010</b>	<b>47 063</b>
Other receivables	290	852
Cash in bank	887	47 648
<b>Total current assets</b>	<b>1 177</b>	<b>48 500</b>
<b>TOTAL ASSETS</b>	<b>46 187</b>	<b>77 563</b>
Share capital	3 339	2 398
Share capital under registration	0	0
Share premium reserve	509 420	491 641
Accumulated profit/loss	-467 924	-418 059
<b>Total equity</b>	<b>44 835</b>	<b>75 980</b>
Accounts payable	923	908
Other liabilities	429	675
<b>Total current liabilities</b>	<b>1 352</b>	<b>1 583</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46 187</b>	<b>77 563</b>

## Number of Shares

Number of Shares	Second Quarter		6 Months		Full Year
	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Opening	58 954 773	47 954 773	47 523 266	32 204 773	32 204 773
Closing	66 770 795	47 954 773	66 770 795	47 954 773	47 954 773
Average	63 163 400	47 954 773	57 059 663	47 084 607	47 523 266

## Employees

The average number of employees during the quarter was 23 (27). At the close of the quarter FRISQ had 23 (27) employees. There have been no material transactions with **related parties**.

## 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 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 3.5%.

## 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 18 August 2022. 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.