

Interim Report Q1, 2021

January – March 2021

Financial Summary

First Quarter 2021

- Reported net revenue amounted to 2.0 mSEK (0.6)
- Other revenue amounted to 0.3 mSEK (0)
- Earnings per share amounted to -0.4 SEK (-0.8)
- Cash-flow amounted to -18.5 mSEK (45.2)
- Cash at the end of the period amounted to 69.3 mSEK (71.9)
- Comprehensive income amounted to -19.9 mSEK (-23.6)

CEO Statement

The pandemic continues to affect our industry in many ways. But although the room for long-term digitalisation decisions is small right now, FRISQ's pilot projects continue to run as planned or better. Our clients' innovation continue to depend heavily on FRISQ Care and we have in several instances been asked to increase our involvement. The feedback from care professionals on our ongoing product developments, is very encouraging. The burden of administrative tasks is reduced, patients' care processes become more quality-assured and fewer treatments are cancelled.

In line with this, I am pleased to report a Q1 turnover that already exceeds our previous full year (as well as the full year 2019). That said, we are of course far from content with the current level of sales. We are still at an early stage of a commercial journey that is affected by a pandemic that continues to push opportunities forward in time, in ways that have been gradual and unpredictable. However, on a positive note, we have over the past months also seen that more and more care providers are looking for new ways of providing remote and more efficient healthcare to the large group of comorbidity non-covid patients that need long term treatment. For this group of patients FRISQ Care is the perfect tool.

I am more than ever proud and excited when I see the potential to achieve better health outcomes by turning medical records into bridges between doctors, patients and care teams, based on best practice, modern digital habits and motivational nudging. I am certain that it will prove crucial to be an experienced, well-compliant provider of running implementations that meet high functionality demands when more decision makers will turn their heads towards the next steps in the digitalisation of healthcare processes.

George Thaw, CEO, FRISQ

Events

During the quarter

- Contract signed with Gravitare Health; FRISQ nominated Digital Expertise Partner.

Gravitare Health is a public-private partnership finance by the EU Commission and lead by the University of Oslo in cooperation with Pfizer.

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

- The AGM resolved, in accordance with the proposal put fourth by the Board of Directors, to establish an incentive program through issuance of a maximum of 2,000,000 warrants to senior executives, employees and other key individuals. The Company's share capital may increase by no more than SEK 100,000.

- FRISQ published a series of articles that, based on empirical evidences, shows a strong demand for improved digital tools aimed to support communications and interactions within the healthcare sector – a need that FRISQ can be a part of alleviating.

After the period

- Ulrika Jones nominated as CFO

Selected key indicators

	First Quarter		Full Year
	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Mar
SEK Thousands			
Net revenue	1 950	567	1 367
Operating profit/loss	-19 891	-23 568	-208 060
Earnings per share, SEK	-0.4	-0.8	-7.3
Development costs, capitalized	1 336	4 576	8 587
Cash flow	-18 549	45 210	61 106
Cash and cash equivalents	69 262	71 915	87 811
Equity per share, SEK	2	10	3
Equity/assets ratio (%)	87	94	87
Share price at quarter end, SEK	4.0	10.0	3.8
Number of employees at end of the period	25	33	29

Financial Calendar: | Q2 – July 15, 2021 | Q3 – October 28, 2021 | Q4 – January 27, 2022 | Financial reports: www.frisqholding.se

Contact: CEO George Thaw, investor@frisq.se, +46 (0)8 120 131 21; Certified Adviser: FNCA Sweden AB, info@fnca.se, +46 (0)8 528 00 399

Financial reporting – Consolidated

Consolidated revenue and earnings. Q1

Consolidated net revenue for the quarter amounted to 2.0 mSEK (0.6). 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 0.3 mSEK (0) and relate primarily to private and 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 -17.3 mSEK (-18.0), and is reported net including **capitalized work on own account** which amounted to 0.8 mSEK (1.8). The growth in expenditures, when excluding own work capitalized, is related to increased activities in product development and sales. Total **depreciation and write-down** of tangible and intangible asset amounted to 4.9 mSEK (6.2). **Operating losses** for the quarter amounted to -19.9 mSEK (-23.6). **Net financial costs** amounted to 0 mSEK (-0.1) and relate to interest costs for right-of-use assets. **Tax loss carry forward** amounted to mSEK 331.7 at the end of the reporting period. **Comprehensive income** amounted to -19.9 mSEK (-23.6). **Investments**, primarily development, amounted to 1.3 mSEK (4.6).

Consolidated profit and loss

	First Quarter		Full Year
	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
SEK thousands			
Net revenue	1 950	567	1 367
Other operating income	325	0	442
Other external costs	-11 846	-11 605	-45 551
Staff costs	-6 264	-8 183	-35 022
Own work capitalized	813	1 823	4 064
Operational costs	-17 297	-17 965	-76 509
Depreciation/write-down	-4 869	-6 170	-133 360
Total operating costs	-22 166	-24 135	-209 869
EBIT	-19 891	-23 568	-208 060
Net financial income	4	-76	-119
EBT	-19 887	-23 644	-208 179
Tax	0	0	-20 936
NET PROFIT	-19 887	-23 644	-229 115
<i>Comprehensive income</i>			
Translation differences	0	0	0
COMPREHENSIVE INCOME	-19 887	-23 644	-229 115
Earnings per share (SEK)	-0.4	-0.8	-7.3

Financial position

The balance sheet reflects continued investments in the proprietary product that amounted to 18.2 mSEK (37.0) 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.

Goodwill amounted to mSEK 0 (104.5). Cash balance at the end of the period was MSEK 69.3 mSEK (71.9).

Consolidated Balance Sheet

	2021	2020	2020
	Mar. 31	Mar. 31	Dec. 31
SEK thousands			
Capitalized development	18 205	36 992	20 899
Goodwill	0	104 490	0
Tangible assets	584	813	640
Right-of-use assets	2 345	6 518	3 128
Financial assets	0	500	0
Deferred tax assets	0	20 936	0
Total fixed assets	21 134	170 249	24 667
Accounts receivable	910	281	1 994
Other receivables	2 483	4 434	1 779
Cash in bank	69 262	71 915	87 811
Total current assets	72 655	76 630	91 584
TOTAL ASSETS	93 789	246 879	116 251
Share Capital	2 398	1 196	1 610
Share Capital under registration	0	414	788
Other contributed capital	492 403	417 024	492 391
Translation reserve	5	5	5
Accumulated profit/loss	-413 042	-187 683	-393 155
Total equity	81 764	230 956	101 639
Leasing liability; long-term	0	3 216	0
Lease liability; short-term	2 476	3 409	3 281
Accounts payable	4 781	3 312	5 159
Other liabilities	4 768	5 986	6 172
Total current liabilities	12 025	15 923	14 612
TOTAL EQUITY AND LIABILITIES	93 789	246 879	116 251

Change in Equity

	First Quarter		Full Year
	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
SEK thousands			
Opening balance	101 639	187 847	187 847
Net Profit	-19 887	-23 644	-229 115
Warrant premium	131	0	379
New Issue ¹⁾	-119	66 753	142 528
Closing Balance	81 764	230 956	101 639

¹⁾ New issues in quarter: no new issue was conducted during the quarter, but 119 ISEK relates to the new issue conducted in November, 2020 and registered in January, 2021.
Rights issue Q1, 2020: 74 622 Tkr reduced with related costs of 7 869 ISEK.
Total issues in year: 153 329 ISEK reduced with related costs of 10 801 ISEK.

Cash flow

QUARTER: Cash flow from **operating activities** amounted to -16.3 mSEK (-16.8) as a result of investments in product development in combination with, as yet limited revenues. Cash flow amounted to -18.5 mSEK (45.2). **Investment** amounted to -1.3 mSEK (-4.6) related primarily to capitalized development. **Financing** amounted to 0.9 mSEK (66.6), where last year included the rights issue.

Cash flow

	First Quarter		Full Year
	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
SEK thousands			
Earnings before taxes	-19 887	-23 644	-208 179
Depreciation/write-down	4 869	6 170	133 360
Other non-cash items	131	0	551
Change in working capital	-1 402	635	4 312
Cash flow from			
Operating activities	-16 289	-16 839	-69 956
Investment activities	-1 336	-4 576	-8 208
Financing activities	-924	66 625	139 271
Cash flow for the period	-18 549	45 210	61 106
Cash at beginning of period	87 811	26 705	26 705
Cash at close of period	69 262	71 915	87 811

Financial reporting – Parent Company

Parent Company Profit and Loss SEK thousand	2021	2020
	Jan-Mar	Jan-Mar
Net revenue	1 463	450
Other operating income	0	0
Other external costs	-3 073	-3 476
Staff costs	-333	-236
Total operating expenses	-3 406	-3 712
EBIT	-1 943	-3 262
Net financial income	34	2
EBT	-1 909	-3 260
Tax	0	0
NET PROFIT	-1 909	-3 260

FRISQ Holding AB's primary focus is Group administration. **Net revenue** amounted to 1.5 mSEK (0.4) year to date and reflect invoicing to subsidiaries for administrative services. **Operating losses** amounted to -1.9 MSEK (-3.3) 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 mSEK (0).

Parent Company Balance Sheet SEK thousand	2021	2020
	Mar. 31	Dec. 31
Financial assets	29 063	29 063
Total fixed assets	29 063	29 063
Other receivables	725	774
Cash in bank	67 279	68 924
Total current assets	68 004	69 698
TOTAL ASSETS	97 067	98 761
Share capital	2 398	1 610
Share capital under registration	0	788
Share premium reserve	491 641	491 761
Accumulated profit/loss	-398 511	-396 735
Total equity	95 528	97 424
Accounts payable	981	1 112
Other liabilities	558	225
Total current liabilities	1 539	1 337
TOTAL EQUITY AND LIABILITIES	97 067	98 761

Number of Shares

Number of Shares	First Quarter		Full Year
	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Opening	32 204 773	23 918 202	23 918 202
Closing	47 954 773	32 204 773	32 204 773
Of which BTA:s under registration	0	8 286 571	0
Average	45 285 281	29 017 630	31 412 341

Fully paid subscription shares, in Sw. Betalda Technad Aktie (BTA)

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 27 (33). At the close of the quarter FRISQ had 25 (33) employees. There have been no material transactions with **related parties** other than one Board Member who invoiced a total of TSEK 60 for consulting services.

Warrant programs FRISQ Holding AB

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 2018:1, with a maximum of 600,000 warrants, aimed at key employees in the Group. The subscription period is June 2021. Each warrant entitles the holder to subscribe to one share at a price of 44 SEK. If fully subscribed the share capital will increase by SEK 29,994.

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 8.4%.

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.

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 20 April 2021. 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.