

Interim Report Q3, 2022

July-September 2022

Financial Summary

Third quarter 2022

- Reported net revenue amounted to 1.2 mSEK (0.8)
- Earnings per share amounted to -0.2 SEK (-0.4)
- Cash-flow amounted to -1,5 mSEK (-19,9)
- Cash at the end of the period amounted to 0,4 mSEK (30,5)
- Comprehensive income amounted to -11,7 mSEK (-20,1)

January – September 2022

- Reported net revenue amounted to 3,9 mSEK (3,6)
- Earnings per share amounted to -0,7 SEK (-1,3)
- Cash-flow amounted to -12,6 mSEK (-57,2)
- Cash at the end of the period amounted to 0,4 mSEK (30,5)
- Comprehensive income amounted to -42,0 mSEK (-61,4).

CEO Statement

After an extensive evaluation of the best options to secure FRISQs long-term economic stability and a broader introduction of individualized, interactive care plans that create value for both patients and healthcare staff in Sweden, the board of FRISQ Holding AB has accepted an offer to divest the operational business (in practice the subsidiary FRISQ AB) to Cambio Healthcare System AB (Cambio). The offer is divided into a purchase price of SEK 31 million upon closing and an additional purchase price of SEK 9 million within a 6-month period. The outstanding loans from Cambio of SEK 9 million will be deducted from the initial purchase price. The closing of Cambio's purchase is planned for December 1, 2022. From November 1, 2022 and until the closing of the transaction takes place, Cambio will assume the financial responsibility for FRISQ AB's operational business.

After completion of the transaction, FRISQ Holding's board of directors intends to acquire a new business with high potential to create good value for the shareholders that can replace FRISQ's current operational activities.

During the third quarter, the interest in FRISQ Care has increased significantly and it's clear that many care providers are starting to look ahead again after the long period of strong covid focus. Both public and private healthcare providers have once again begun to request demonstrations of FRISQ Care and discussions to better understand how the system can create improvements for both healthcare staff and patients.

During the quarter, Capio Elderly and Mobile Care signed a new 4-year agreement to continue the successful, broad introduction of FRISQ Care in new care units.

With Cambio as the owner of FRISQ AB, I am convinced that FRISQ Care will reach public healthcare significantly faster and better and thereby contribute to fundamentally improving healthcare delivery, both in Sweden and abroad. I look forward to following this development in the coming years.

Mats Lindstrand, CEO FRISQ

Events

During the quarter

- On July 21, the company entered into a formal exclusive process with Cambio Health Care Systems AB (Cambio) to carry out a due diligence process with the purpose of being able to present a binding offer to FRISQ Holding's board regarding the acquisition of the subsidiary FRISQ AB.
- George Thaw resigned as CEO and was replaced by Mats Lindstrand. Per-Egon Johansson took over the role as chairman of the board of FRISQ Holding AB
- The company entered a new 4-year agreement with an order value of SEK 1.6 million with Capio Elderly and Mobile care

After the period

- On October 11, the board of FRISQ Holding received a formally binding offer from Cambio of SEK 40 million to acquire FRISQ AB.
- Following a general meeting decision at the extraordinary general meeting on October 31, the board of FRISQ Holding decided to approve Cambio's bid to acquire FRISQ AB

Selected Key Indicators

	Third Quarter		9 Months		Full Year
	2022	2021	2022	2021	2021
SEK Thousands	July-Sep	July-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	1 217	835	3 938	3 558	4 891
Operating profit/loss	-11 652	-20 084	-41 989	-61 396	-80 417
Earnings per share, SEK	-0.2	-0.4	-0.7	-1.3	-1.7
Development costs, capitalized	743	2 808	4 104	7 344	10 424
Cash flow	-1 545	-19 908	-12 642	-52 270	-74 739
Cash and cash equivalents	430	30 541	430	30 541	13 072
Equity per share, SEK	0.0	0.8	0.0	0.6	0.4
Equity/assets ratio (%)	neg	67	neg	67	53
Share price at quarter end, SEK	0.1	2.2	0.1	2.2	2.3
Number of employees at the end of the period	19	23	19	23	25

Financial Calendar: Q4 – February 16, 2023 | Financial reports: www.frisqholding.se

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Financial reporting – Consolidated

Consolidated revenue and earnings. Q3

Consolidated net revenue for the quarter amounted to 1.2 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. **Other revenue** amounted to 0.1 mSEK (0.1) and relate primarily to EU-financed commercially based innovation projects.

Consolidated **operational costs before depreciation** are primarily driven by staff costs, development and operational expenditures, and amounted to 9.9 mSEK (16.1), and is reported net including **capitalized work on own account** which amounted to 0.5 mSEK (0.9). The lower costs are explained by the decrease of personnel and external consultants. Total **depreciation** of tangible and intangible asset amounted to 3.1 mSEK (4.9) **Operating losses** for the quarter amounted to -11.7 mSEK (-20.1). **Net financial costs** amounted to -0.3 mSEK (0.0) and relate to interest costs for right-of-use assets and interest cost for short-term borrowings. **Tax loss carry forward** amounted to mSEK 451 at the end of the reporting period. **Comprehensive income** for the quarter amounted to -11.9 mSEK (-20.1). **Investments**, primarily development, amounted to 0.7 mSEK (2.8).

Consolidated profit and loss in summary	Third Quarter		9 Months		Full Year
	2022	2021	2022	2021	2021
SEK thousands	July-Sep	July-Sep	Jan-Sept	Jan-Sept	Jan-Dec
Net revenue	1 217	835	3 938	3 558	4 891
Other operating income	74	98	543	1 118	1 596
Other external costs	-5 285	-10 454	-20 761	-34 054	-43 474
Staff costs	-5 034	-6 594	-18 892	-19 937	-27 006
Own work capitalized	460	900	2 206	2 526	3 538
Operational costs	-9 859	-16 148	-37 447	-51 465	-66 942
Depreciation/write-down	-3 084	-4 869	-9 023	-14 607	-19 962
Total operating costs	-12 943	-21 017	-46 470	-66 072	-86 904
EBIT	-11 652	-20 084	-41 989	-61 396	-80 417
Net financial income	-292	12	-485	21	31
EBT	-11 944	-20 072	-42 474	-61 375	-80 386
Tax	0	0	0	0	0
NET PROFIT/LOSS	-11 944	-20 072	-42 474	-61 375	-80 386
COMPREHENSIVE INCOME	-11 944	-20 072	-42 474	-61 375	-80 386
Earnings per share (SEK)	-0.2	-0.4	-0.7	-1.3	-1.7

Consolidated revenue and earnings, January – September 2022

Consolidated net revenue for the year to date amounted to 3.9 mSEK (3.6), while **other revenue** that relate primarily to EU-financed commercially based innovation projects amounted to 0.5 mSEK (1.1).

Consolidated costs before depreciation amounted to 37.4 mSEK (51.5) and is reported net including **capitalized work on own account** which amounted to 2.2 mSEK (2.5). Total **depreciation** of tangible and intangible assets amounted to 9.0 mSEK (14.6). **Operating losses** amounted to -42.0 mSEK (-61.4). **Net financial costs** amounted to -0.5 mSEK (0.0) and relate primarily to interest costs on right-of-use assets and interest cost for short-term borrowings. **Total comprehensive income** amounted to -42.5 mSEK (-61.4). **Investments**, primarily development costs, amounted to 4.1 mSEK (7.3) during the year.

Financial position

The balance sheet reflects continued investments in the proprietary product that amounted to 12.3 mSEK (16.2) 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 3.1 mSEK (34.0).

Consolidated Balance Sheet in summary	2022	2021	2021
SEK thousands	Sep. 30	Sep. 30	Dec. 31
Capitalized development	12 279	16 151	14 729
Tangible assets	390	470	578
Right-of-use assets	6 779	9 821	9 039
Total fixed assets	19 448	26 442	24 346
Accounts receivable	567	289	1 259
Other receivables	2 149	3 210	2 146
Cash in bank	430	30 541	13 072
Total current assets	3 146	34 040	16 477
TOTAL ASSETS	22 594	60 482	40 823
Share Capital	3 339	2 398	2 398
Other contributed capital	510 563	492 562	492 637
Accumulated profit/loss	-516 010	-454 525	-473 536
Total equity	-2 108	40 435	21 499
Leasing liability; long-term	3 928	6 902	6 172
Lease liability; short-term	2 974	2 973	2 867
Accounts payable	3 066	3 142	4 236
Other liabilities	14 734	7 030	6 049
Total current liabilities	24 702	20 047	19 324
TOTAL EQUITY AND LIABILITIES	22 594	60 482	40 823

Change in Equity in summary	Third Quarter		9 Months		Full Year
SEK thousands	2022	2021	2022	2021	2021
	July-Sep	July-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Opening balance	9 802	60 432	21 499	101 639	101 639
Net profit	-11 944	-20 072	-42 474	-61 375	-80 386
Warrant premium	34	75	147	290	365
New Issue ¹⁾	0	0	18 720	-119	-119
Closing Balance	-2 108	40 435	-2 108	40 435	21 499

¹⁾ During the period new issue was conducted and generated a cash injection of 18 720 tSEK.

Cash flow

QUARTER: Cash flow from **operating activities** amounted to -9.5 mSEK (-16.3) as a result of investments in product development in combination with, as yet limited revenues. Cash flow from **investment activities** amounted to -0.8 mSEK (-2.8) related primarily to capitalized development. Cash flow from **financing activities** amounted to 8.7 mSEK (-0.8), where the amount for the period includes external loans amounted to 9.4 mSEK. **YEAR TO DATE:** Cash flow from **operating activities** amounted to -34.5 mSEK (-47.4). Cash flow from **investment activities** amounted to -4.1 mSEK (-7.3) related primarily to capitalized development. Cash flow from **financing activities** amounted to 26.0 mSEK (-2.6), and includes for the period external loans and a new issue.

Cash flow in summary	Third Quarter		9 Months		Full Year
SEK thousands	2022	2021	2022	2021	2021
	July-Sep	July-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Earnings before taxes	-11 944	-20 072	-42 474	-61 375	-80 386
Depreciation/write-down	3 084	4 869	9 023	14 607	19 962
Other non-cash items	34	75	147	290	365
Change in working capital	-657	-1 150	-1 198	-887	-678
Cash flow from					
Operating activities	-9 483	-16 278	-34 502	-47 365	-60 737
Investment activities	-744	-2 808	-4 126	-7 344	-10 602
Financing activities	8 682	-822	25 986	-2 561	-3 400
Cash flow for the period	-1 545	-19 908	-12 642	-57 270	-74 739
Cash at beginning of period	1 975	50 449	13 072	87 811	87 811
Cash at close of period	430	30 541	430	30 541	13 072

Financial reporting – Parent Company

Parent Company Profit and Loss in summary SEK thousand	2022	2021
	Jan-Sep	Jan-Sep
Net revenue	2 749	4 390
Other operating income	4	2
Other external costs	-4 944	-8 010
Staff costs	-847	-1 699
Total operating expenses	-5 791	-9 706
EBIT	-3 038	-5 317
Net financial income	-25 832	-17 916
EBT	-25 870	-23 233
Tax	0	0
NET PROFIT/LOSS	-25 870	-23 233

FRISQ Holding AB's primary focus is Group administration. **Net revenue** amounted to 2.7 mSEK (4.4) year to date and reflect invoicing to subsidiaries for administrative services. **Operating losses** amounted to -3.0 MSEK (-5.3) 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 -25.8 mSEK (-17.9) and relates to impairment of shares in the subsidiary FRISQ AB and interest cost for external loans.

Parent Company Balance Sheet in summary SEK thousand	2022	2021
	Sep. 30	Dec. 31
Financial assets	40 000	29 063
Total fixed assets	40 000	29 063
Other receivables	312	625
Cash in bank	130	10 397
Total current assets	442	11 022
TOTAL ASSETS	40 442	40 085
Share capital	3 339	2 398
Share premium reserve	509 420	491 641
Accumulated profit/loss	-483 658	-454 934
Total equity	29 101	39 105
Accounts payable	450	455
Other liabilities	10 891	525
Total current liabilities	11 341	980
TOTAL EQUITY AND LIABILITIES	40 442	40 085

Number of Shares

Number of Shares	Third Quarter		9 Months		Full Year
	2022	2021	2022	2021	2021
	July-Sep	July-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Opening	66 770 795	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	66 770 795	47 954 773	60 332 279	47 377 850	47 523 266

Employees

The average number of employees during the quarter was 21 (24). At the close of the quarter FRISQ had 19 (23) 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 3.5% 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 66 770 795.

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 liquidated. 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. 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 10 November 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.