

Interim Report Q3, 2021

July – September 2021

Financial Summary

Third Quarter 2021

- Reported net revenue amounted to 0.8 mSEK (0.3)
- Other revenue amounted to 0.1 mSEK (0.2)
- Earnings per share amounted to -0.4 SEK (-4.7)
- Cash-flow amounted to -19.9 mSEK (-19.0)
- Cash at the end of the period amounted to 30.5 mSEK (34.1)
- Comprehensive income amounted to -20.1 mSEK (-151.1)

January – September 2021

- Reported net revenue amounted to 3.6 mSEK (1.1)
- Other revenue amounted to 1.1 mSEK (0.2)
- Earnings per share amounted to -1.3 SEK (-6.5)
- Cash-flow amounted to -57.3 mSEK (7.4)
- Cash at the end of the period amounted to 30.5 mSEK (34.1)
- Comprehensive income amounted to -61.4 mSEK (-200.9)

CEO Statement

During the quarter, we have reached a milestone in the collaboration with Capio Elderly and Mobile Care. The five-year agreement is being implemented across Capio's clinics and start-up meetings have successfully been held with employees from Capio Geriatrics. FRISQ Care has been positively received and the software is said to make it easy to "do the right thing" whilst increasing patient safety, improving collaboration across the care team and making the meeting with the patient a better experience.

I am also delighted to announce that Karen Ventura will join the team as Chief Product Officer on November 1st. Karen is a senior IT professional and leader and she has previously been Head of Interoperability at Servelec, a leader in connected healthcare software and services, with a responsibility for defining product development direction and business transformation. With Karen in place, we have a completely renewed management team with extremely good experience to accelerate growth.

As communicated in Q3, FRISQ is actively pursuing business opportunities in the UK where care providers are looking for tools to allow them to treat patients more effectively with long-term health conditions. We are actively engaging with several of the newly formed Integrated Clinical Systems (ICS). These ICSs typically are units of 1M+ patients with budgets in excess of £1B.

We are currently working on long-term financing and several alternatives for structural changes. To enable this, we review our cost base and possible credit facility.

George Thaw, CEO, FRISQ

Events

During the quarter

- 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.

Selected Key Indicators

	Third Quarter		9 Months		Full Year
	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
SEK Thousands					
Net revenue	835	266	3 558	1 093	1 367
Operating profit/loss	-20 084	-130 166	-61 396	-179 864	-208 060
Earnings per share, SEK	-0.4	-4.7	-1.3	-6.5	-7.3
Development costs, capitalized	2 808	1 512	7 344	7 716	8 587
Cash flow	-19 908	-19 008	-57 270	7 438	61 106
Cash and cash equivalents	30 541	34 143	30 541	34 143	87 811
Equity per share, SEK	1	2	1	2	3
Equity/assets ratio (%)	67	77	67	77	87
Share price at quarter end, SEK	2.2	5.7	2.2	5.7	3.8
Number of employees at the end of the period	23	37	23	37	29

Financial Calendar: | Q4 – January 27, 2022 | 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 0.8 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 0.1 mSEK (0.2) 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 16.1 mSEK (19.6), and is reported net including **capitalized work on own account** which amounted to 0.9 mSEK (0.9). The lower costs are explained by lower staff costs. Total **depreciation and write-down** of tangible and intangible asset amounted to 4.9 mSEK (11.0). **Operating losses** for the quarter amounted to -20.1 mSEK (-130.2). **Net financial costs** amounted to -0.0 mSEK (-0.0) and relate to interest costs for right-of-use assets. **Tax loss carry forward** amounted to mSEK 372.3 at the end of the reporting period. **Comprehensive income** for the quarter amounted to -20.1 mSEK (-151.1). **Investments**, primarily development, amounted to 2.8 mSEK (1.5).

Consolidated profit and loss SEK thousands	Third Quarter		9 Months		Full Year
	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net revenue	835	266	3 558	1 093	1 367
Other operating income	98	151	1 118	156	442
Other external costs	-10 454	-10 928	-34 054	-32 363	-45 551
Staff costs	-6 594	-9 564	-19 937	-28 681	-35 022
Own work capitalized	900	889	2 526	3 631	4 064
Operational costs	-16 148	-19 603	-51 465	-57 413	-76 509
Depreciation/write-down	-4 869	-110 980	-14 607	-123 700	-133 360
Total operating costs	-21 017	-130 583	-66 072	-181 113	-209 869
EBIT	-20 084	-130 166	-61 396	-179 864	-208 060
Net financial income	12	13	21	-113	-119
EBT	-20 072	-130 153	-61 375	-179 977	-208 179
Tax	0	-20 936	0	-20 936	-20 936
NET PROFIT	-20 072	-151 089	-61 375	-200 913	-229 115
<i>Comprehensive income</i>					
Translation differences	0	0	0	0	0
COMPREHENSIVE INCOME	-20 072	-151 089	-61 375	-200 913	-229 115
Earnings per share (SEK)	-0.4	-4.7	-1.3	-6.5	-7.3

Consolidated revenue and earnings, January – September 2021

Consolidated net revenue for the year to date amounted to 3.6 mSEK (1.1), while **other revenue** that relate primarily to EU-financed commercially based innovation projects amounted to 1.1 mSEK (0.2).

Consolidated costs before depreciation and write-down amounted to 51.5 mSEK (57.4) and is reported net including **capitalized work on own account** which amounted to 2.5 mSEK (3.6). Total **depreciation and write-down** of tangible and intangible assets amounted to 14.6 mSEK (123.7). 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 -61.4 mSEK (-179.9). **Net financial costs** amounted to -0.0 mSEK (-0.1) and relate primarily to interest costs on right-of-use assets. **Total comprehensive income** amounted to -61.4 mSEK (-200.9). **Investments**, primarily development costs, amounted to 7.3 mSEK (7.3) during the year.

Financial position

The balance sheet reflects continued investments in the proprietary product that amounted to 16.2 mSEK (28.9) 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 (0). Cash balance at the end of the period was mSEK 30.5 mSEK (34.1).

Consolidated Balance Sheet

SEK thousands	2021 Sep. 30	2020 Sep. 30	2020 Dec. 31
Capitalized development	16 151	28 849	20 899
Tangible assets	470	697	640
Right-of-use assets	9 821	3 909	3 128
Total fixed assets	26 442	33 455	24 667
Accounts receivable	289	231	1 994
Other receivables	3 210	2 347	1 779
Cash in bank	30 541	34 143	87 811
Total current assets	34 040	36 721	91 584
TOTAL ASSETS	60 482	70 176	116 251
Share Capital	2 398	1 610	1 610
Share Capital under registration	0	0	788
Other contributed capital	492 562	417 316	492 391
Translation reserve	5	5	5
Accumulated profit/loss	-454 530	-364 952	-393 155
Total equity	40 435	53 979	101 639
Leasing liability; long-term	6 902	835	0
Lease liability; short-term	2 973	3 241	3 281
Accounts payable	3 142	4 758	5 159
Other liabilities	7 030	7 363	6 172
Total current liabilities	20 047	16 197	14 612
TOTAL EQUITY AND LIABILITIES	60 482	70 176	116 251

Change in Equity

SEK thousands	Third Quarter		9 Months		Full Year
	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Opening balance	60 432	204 034	101 639	187 847	187 847
Net profit	-20 072	-151 089	-61 375	-200 913	-229 115
Warrant premium	75	134	290	246	379
New Issue ¹⁾	0	0	-119	66 799	142 528
Closing Balance	40 435	53 979	40 435	53 979	101 639

¹⁾ New issues in quarter: no new issue was conducted during the quarter, but 119 tSEK relates to the new issue conducted in November, 2020 and registered in January, 2021.

Cash flow

QUARTER: Cash flow from **operating activities** amounted to -16.3 mSEK (-16.6) as a result of investments in product development in combination with, as yet limited revenues. Cash flow amounted to -19.9 mSEK (-19.0). **Investment** amounted to -2.8 mSEK (-1.6) related primarily to capitalized development. **Financing** amounted to -0.8 mSEK (-0.8).

YEAR TO DATE: Cash flow amounted to -57.3 mSEK (7.4) where financing activities generated -2.6 mSEK (64.3). FRISQ does not have any debt financing and funds its operations through equity. See information of risks on dependence of external financing.

Cash flow SEK thousands	Third Quarter		9 Months		Full Year
	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Earnings before taxes	-20 072	-130 153	-61 375	-179 977	-208 179
Depreciation/write-down	4 869	110 980	14 607	123 700	133 360
Other non-cash items	75	248	290	418	551
Change in working capital	-1 150	2 347	-887	6 297	4 312
Cash flow from					
Operating activities	-16 278	-16 578	-47 365	-49 562	-69 956
Investment activities	-2 808	-1 633	-7 344	-7 337	-8 209
Financing activities	-822	-797	-2 561	64 337	139 271
Cash flow for the period	-19 908	-19 008	-57 270	7 438	61 106
Cash at beginning of period	50 449	53 151	87 811	26 705	26 705
Cash at close of period	30 541	34 143	30 541	34 143	87 811

Financial reporting – Parent Company

Parent Company Profit and Loss SEK thousand	2021	2020
	Jan-Sep	Jan-Sep
Net revenue	4 390	2 079
Other operating income	2	9
Other external costs	-8 010	-7 828
Staff costs	-1 699	-1 170
Total operating expenses	-9 709	-8 998
EBIT	-5 317	-6 910
Net financial income	-17 916	-349 931
EBT	-23 233	-356 841
Tax	0	0
NET PROFIT	-23 233	-356 841

FRISQ Holding AB's primary focus is Group administration. **Net revenue** amounted to 4.4 mSEK (2.1 year to date and reflect invoicing to subsidiaries for administrative services). **Operating losses** amounted to -5.3 MSEK (-6.9) 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 -17.9 mSEK (-349.9) and relates to impairment of shares in the subsidiary FRISQ AB.

Parent Company Balance Sheet SEK thousand	2021	2020
	Sep. 30	Dec. 31
Financial assets	34 163	29 063
Total fixed assets	34 163	29 063
Other receivables	13 772	774
Cash in bank	28 353	68 924
Total current assets	42 125	69 698
TOTAL ASSETS	76 288	98 761
Share capital	2 398	1 610
Share capital under registration	0	788
Share premium reserve	491 641	491 761
Accumulated profit/loss	-419 677	-396 735
Total equity	74 362	97 424
Accounts payable	518	1 112
Other liabilities	1 408	225
Total current liabilities	1 926	1 337
TOTAL EQUITY AND LIABILITIES	76 288	98 761

Number of Shares

Number of Shares	Third Quarter		9 Months		Full Year
	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Opening	47 954 773	32 204 773	32 204 773	23 918 202	23 918 202
Closing	47 954 773	32 204 773	47 954 773	32 204 773	32 204 773
Average	47 954 773	32 204 773	47 377 850	30 146 269	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 24 (37). At the close of the quarter FRISQ had 23 (37) employees. There have been no material transactions with **related parties** other than one Board Members who have invoiced a total of TSEK 60. 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.

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 11 November 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.