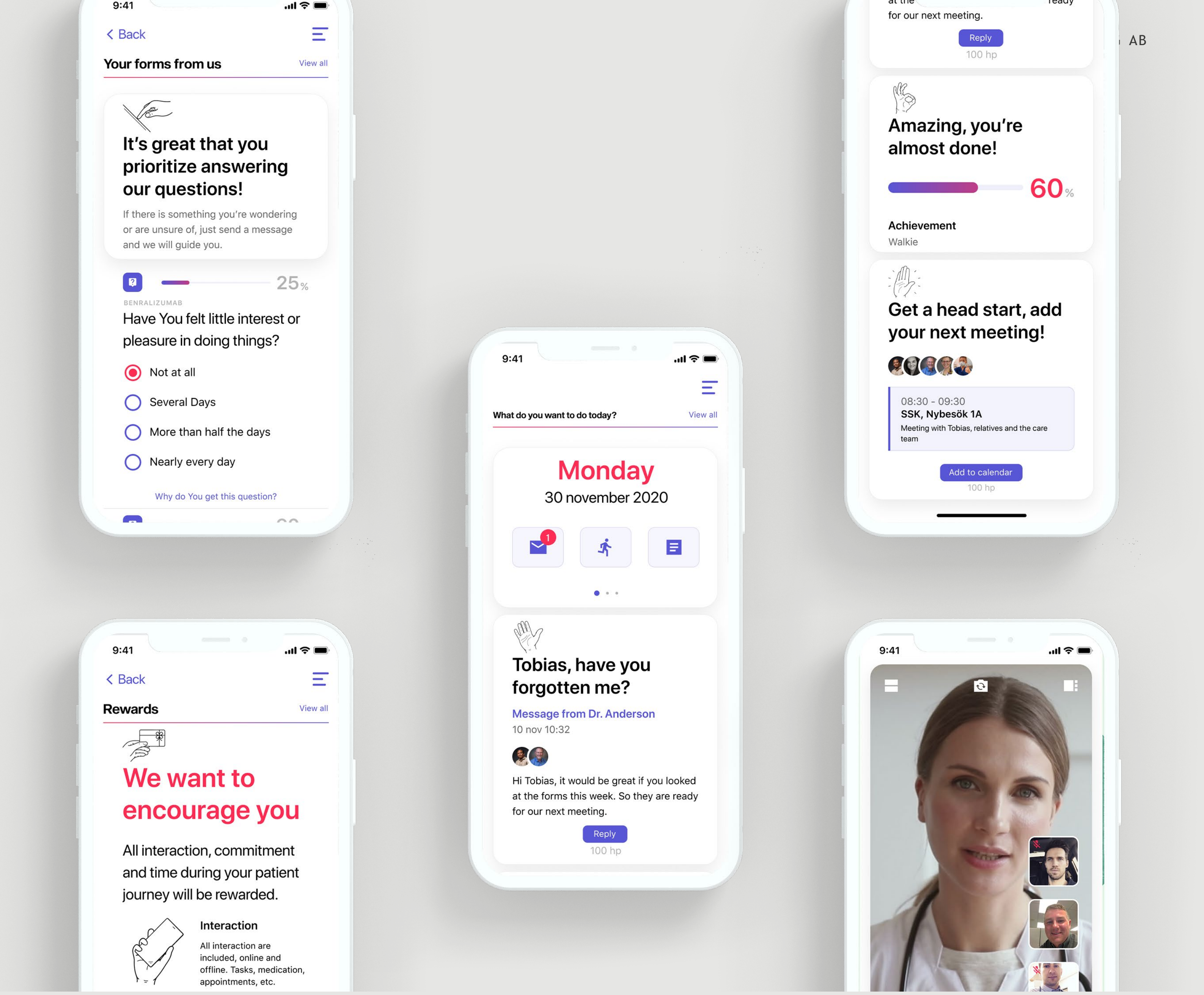
FRISQ ANNUAL REPORT 2020

This publication is a translation of the original Swedish text. In the event of inconsistency or discrepancy between the Swedish version and this publication, the Swedish language version shall prevail.

FRISQ®

UNIVERSAL HEALTH SHARE



Universal access to best practice

A health care platform that provides a single and shared view for both care providers and patients. A learning system that enables forward planning as well as continuous efficiency and care improvements.

Contents

“Two major and exciting developments in healthcare come together in FRISQ. Digital health offers remarkable potential for genuine personalisation of care, and this is allied in FRISQ with genuine patient empowerment and partnership.”

- Sir David Haslam

Commander of the Most Excellent Order of The British Empire
Fellow of The Royal College of Physicians
Fellow of The Royal College of General Practice

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CEO COMMENTARY

2020 – the year we won't forget

2020 was a year no one will ever forget, certainly nobody working in healthcare. Covid-19 put immense pressure on a healthcare industry that was forced to prioritise emergency care – repeatedly straining old-fashioned tools and systems to the limit – over improvements and digitalisation.

FRISQ, like many other companies, had a challenging year but as we conducted a strategic review early on to adapt the go-to-market strategy, the product and the team to the new market conditions, we managed to come out of it stronger than ever before - as a team and as a business.

I'm proud to say we secured two rounds of capital infusion - an oversubscribed rights issue of 74.6 MSEK in February and an oversubscribed directed share issue of 78.75 MSEK in October - which further strengthens our sales and implementation efforts.

We initiated several key partnerships including a new agreement with Västra Götalandsregionen and deepened collaboration with Capio, one of Europe's leading private health care providers. This is in line with our strategy to build a strong foothold in our home market to showcase for international expansion.

We also took the first, important steps in my home country the United Kingdom, a significant market where FRISQ's services are greatly needed to provide healthcare professionals with better tools and insights while saving taxpayers' money.

I'm convinced that as the healthcare sector recovers from the effects of Covid-19, the demand for FRISQ's services will be significant. Goodbye 2020, the year of transformations, and welcome 2021, the year of opportunities.

George Thaw
Interim CEO

Chairman's commentary

Despite 2020 being hijacked by the corona crisis we saw clear proof of the value that FRIQ adds for patients and care providers. Not only did a Swedish government report identify FRISQ as the only solution that meets the requirements for proposed legislation on patient engagement, " the patient contract", an analysis based on approximately 10,000 patient-healthcare interactions showed extremely high levels of patient engagement, around 80 percent.

Higher levels of patient engagement lead to better health outcomes. The patient contract will enable patients to be more engaged, while also making healthcare delivery more efficient. It will also reduce unnecessary physical meetings between patients and healthcare providers, particularly for patients with chronic diseases. Like the government, we believe this is an absolute necessity to respond to the challenges of healthcare going forward.

The coming year will be interesting for several reasons; Covid-19 has accelerated and accentuated the need as well as opportunities to grow FRISQ internationally. Remote cooperation and access has gone from "nice to have" to must have.

> Covid-19 has accelerated and accentuated the need as well as opportunities to grow FRISQ internationally. Remote cooperation and access has gone from "nice to have" to must have."

Like many, I'm glad to leave 2020 behind and excited for what 2021 has to bring. I'm sure it will be a year we can help more patients receive better care and make working life easier for the healthcare professionals who have done an heroic effort the last 12 months and truly deserve our support and gratitude.

Mats Lindstrand
Chairman of the Board

What FRISQ does

FRISQ Care is a health care platform that provides a single and shared view of the care plan for both care providers and patients. It's a learning system that enables forward planning as well as continuous efficiency and care improvements.

With each individual patient as the starting point, the care team – which may include doctors, nurses and all types of healthcare professionals – is assembled around the same forward-looking care plans, which is shared with the patient, updated in real time and integrated with electronic health record (EHR) systems and health apps.

The patient is digitally invited to take part in his or her own care, which increases patient engagement and improves health outcomes. Quality advancements are achieved by everyone aligning around the same plan, sharing the same information and striving toward the same goal.

FRISQ Care makes all healthcare information clear and accessible for care providers and patients. Regardless of diagnosis, FRISQ Care can help all categories of healthcare professionals through simplified administration, shared working processes and forward-looking patient care plans.

FRISQ's care planning solution is well positioned to meet the urgent need of the international healthcare system for improvements in efficiency and process orientation.

OPTIMIZES USE OF RESOURCES

With FRISQ Care, healthcare personnel can devote more of their time to patients as opposed to administration.

IMPROVES HEALTH OUTCOMES

The entire healthcare team has access to all information required to make healthcare decisions and plans, which produces the most favorable possible conditions.

MORE ENGAGED PATIENTS

The patient has full insight into their own treatment and can act as co-producer in their own care.

> FRISQ collaborates with many of Sweden's and the world's leading suppliers of EHR systems

Digital healthcare processes focused on the patient

For the care provider

FRISQ Care facilitates the planning, implementation, documentation and monitoring of healthcare activities in an efficient and structured way.
This is accomplished by enabling the care provider to define standard processes for different patient groups through an administration interface, and enabling the treatment staff to easily create individualized, forward-looking processes for each patient.
Once a patient's treatment has begun, FRISQ Care serves as a support tool in the coordination and exchange of information within the healthcare team as well as a knowledge and decision-making tool for the treatment professional.
Healthcare personnel can monitor the healthcare process in a clear way and see the steps that have been taken, who carried them out (various professionals or the patient) and whether there are activities in the process that have not been carried out.
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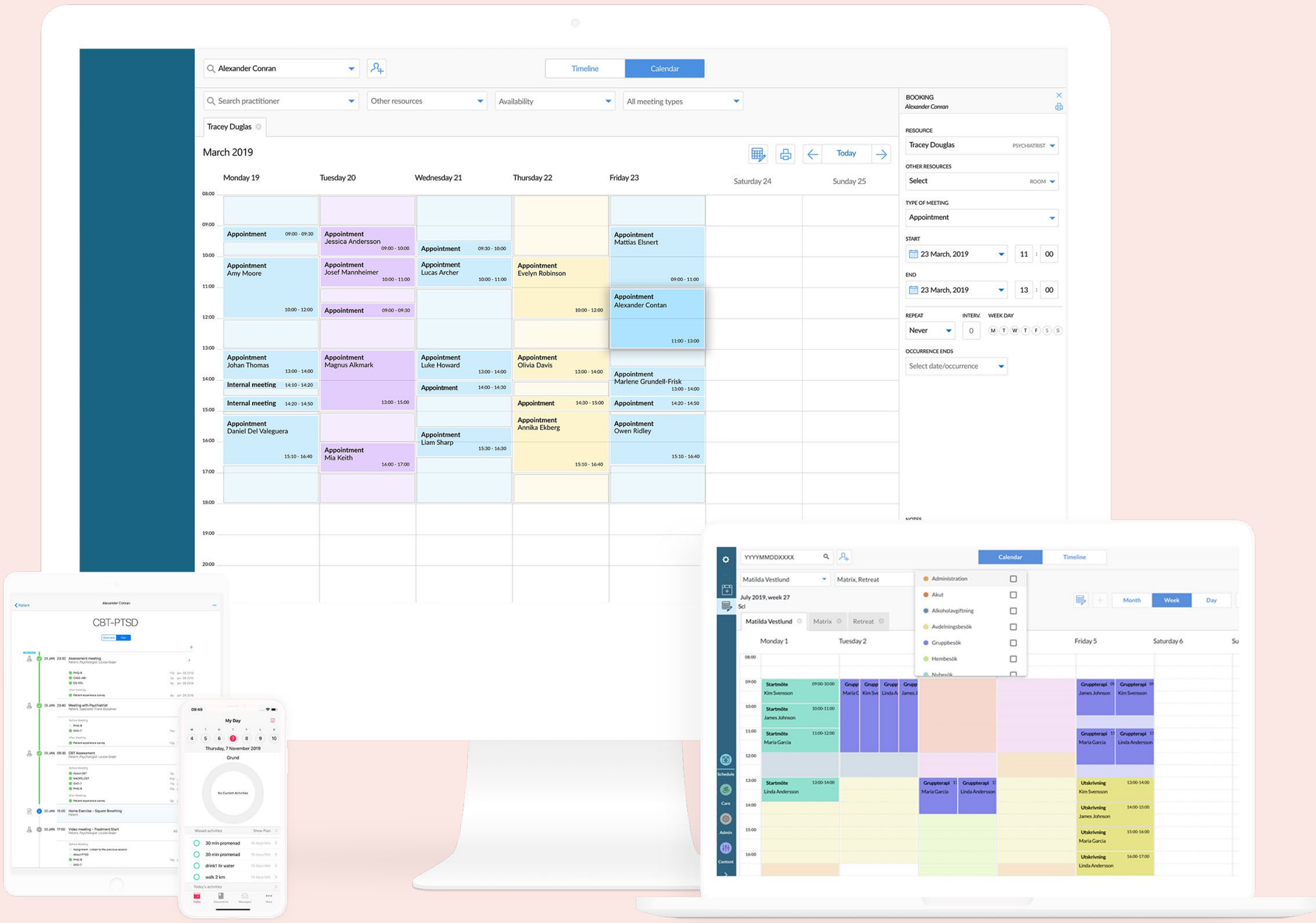
For the patient

FRISQ Care includes a patient application that connects the patient and the healthcare team. The patient gains an overview of – and is able to participate in – their own healthcare process in an entirely different way than what has traditionally been possible.
The patient's activities, objectives and health values (if the patient gives their consent) are reflected in both the healthcare team's and patient's applications. Both parties thereby gain constant access to the latest status of the healthcare process, while each change made to the process is reflected directly in the service.
The patient is also able to view a timeline detailing planned activities. If the patient is undergoing several healthcare processes simultaneously, with one or several different providers, the system is able to aggregate these, enabling the patient to get an over-view of relevant content and information.



The potential

FRISQ's advancements in a growing market

Our strategy, to build a strong foothold in Sweden to showcase for global expansion, has proven successful as we're starting to see an emerging interest from both private and public health services across Europe.

Since day one, we've developed FRISQ Care in an open, scalable manner whereby the product can easily be adapted to relevant market needs.

We now hold a leading position in a high barrier marker and our diversified business in Sweden serves as a showcase internationally, thanks to so many resources being invested in utilization across a range of diseases and healthcare providers.

We have the first mover advantage as we're dealing with complex data modelling and are integrated with several of the leading EHR systems, not only in Sweden but around the world.

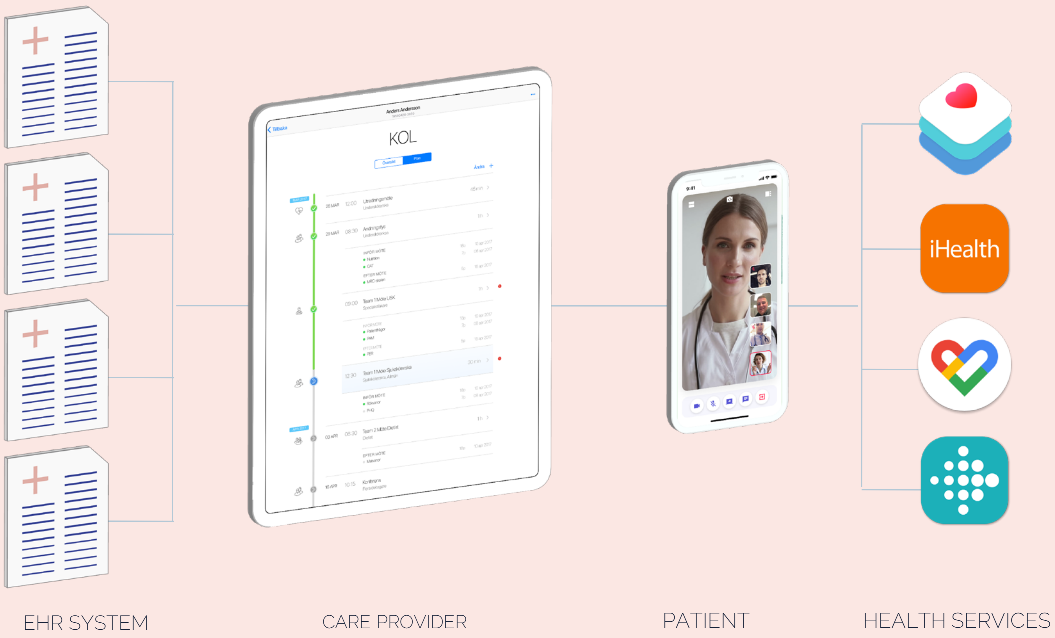
The coming year we'll continue to broaden our product offering and launch new features and expand into new verticals. We plan to expand our geographic presence during 20201, initially focusing on the UK.

In Sweden alone there are 450 000 healthcare professionals who could use our support, so the growth potential is massive. Looking at Europe the number is about 20 million and globally it exceeds 50 million people.

Our main focus continues to be care providers working with patients who have long-term healthcare needs - which today accounts for 50 percent of all patients globally and 85 percent of health care costs.

A digital care planning solution

- regardless of EHR system or diagnosis



Hello UK!

Late in 2020 FRISQ started exploring the UK to meet the demands of this very significant market. Local FRISQ representatives have now been appointed to initiate conversations in the market and support the ongoing work of George Thaw, FRISQ's interim CEO who shares his time between Stockholm and London.
The ambition is to establish a UK subsidiary as soon as commercial opportunities require a more permanent presence.

"FRISQ has tremendous potential to grow and revolutionise the healthcare industry not only in Sweden but around the world. I'm proud we're making progress in my home country, where I think FRISQ's services are greatly needed to provide healthcare professionals with better tools and insights while saving taxpayers' money," says George Thaw.

An eventful year for FRISQ

January
An analysis based on approximately 10,000 patient-healthcare interactions show extremely high levels of patient engagement, around 80 percent.

February
Conducted an over-subscribed preferential rights issue of 74.6 MSEK before associated costs.

April
Signed an agreement with Lund University
A Swedish government report identifies FRISQ as the only solution that meets the requirements for proposed legislation on patient engagement, " the patient contract".

July
Started a new collaboration project with Knowledge Center Allergy, Asthma and COPD (KAAK), Pulmonary Medicine and Allergology, Skåne University Hospital (SUS) and Innovation Skåne,

August
Appointed George Thaw as interim CEO
Signed agreement with Västra Götalandsregionen

September
Was formally awarded an innovation project by Sweden's innovation agency Vinnova.

October
Change in Board of directors as Anna Frick and Åke Hallman stepped down after almost five years
Carried out a fully subscribed, directed share issue of 78.7 MSEK before associated costs.

November
Signed an agreement with Capio Orthopedics
Went live in Sollentuna Geriatrics
Started investing and exploring the UK market

Board of Directors

MATS LINDSTRAND
Chairman

Mats has had a long career as a management consultant, including 10 years as Director at McKinsey & Company, before founding FRISQ in 2009. Over the past 8 years he has worked as entrepreneur and adviser to several international and government committees. Mats is a Member of the Boards of Erik Andersson Gruppen AB and Axolot Solutions AB.

Education: M.Sc. Civil Engineering from the Royal Institute of Technology in Stockholm; MBA from Columbia Business School in New York.

Warrants: –
Shareholding: 1 971 351

GÖRAN HÄGGLUND
Director

Göran has had a significant career in politics. He was elected to parliament in 1991 and served as party leader for the Christian Democrat Party (2004-15) and Minister of Social Affaris. In recent years, he has been extensively involved in health and healthcare issues, e.g., as Director for Aleris and Senior adviser at the PR agency Narva. Göran is Chairman of Systembolaget, and a Member of the Boards of Feelgood AB, Samtrafiken i Sverige AB, Ellevio AB, Forska!Sverige.

Education: Industry-wide training in the insurance sector; in-house training in the finance sector.

Warrants: –
Shareholding: –

PER EGON JOHANSSON
Director

Per Egon has many years' experience in politics, including as Undersecretary at the Ministry of Transportation (1991-94). He has extensive experience as adviser and management consultant, e.g., in the pharmaceutical industry, and from a range of operational managerial positions as e.g., CEO of Bilprovningen.
Per Egon is a Board Member of Almvik Holding AB, Raoul Wallenbergskolorna AB, Förarprov, Trafikverket.

Education: Economist, University of Gothenburg.

Warrants: –
Shareholding: 18 600

LARS BJÖRK
Director

Lars has extensive experience from the tech industry. He worked at Qlik for 17 years, the last ten years as CEO. The international expansion carried out under Lars's leadership is among the most successful in Swedish tech history.
Lars is a Board Member of Allone AB, Shift Technologies, 1337AB, and Privitar

Education: Master in Business Administration, Lund University.

Warrants: 300 000
Shareholding: 485 788

Leadership team

GEORGE THAW
CEO of FRISQ HOLDING & FRISQ AB

George has proven experience in creating and driving growth in global SaaS-enterprises – within and beyond the healthcare sector. He has developed sustainable business strategies that have been successfully rolled out by leveraging cross-functional dynamic geographic teams in organizations where he has held leading positions such as e.g., Head of European Service Business, and Global Head of Product Support Services, Microsoft Corp; CEO, Arctic Slope Regional Corp in Alaska; COO, SAP UK & Irland; Global CEO, Advanced Health & Care; CEO, Fuel 3D (MedTech).

Education: BA (Hons) degrees in Business Law and Marketing from Strathclyde University, UK

Warrants: -
Shareholding: -

ANNIKA MUSKANTOR
CHIEF FINANCIAL OFFICER

Annika has broad financial experience. Over the past 20 years she has focused on business development as interim CFO for listed and unlisted companies, including e.g., Bisnode, eBay, Sobi, MMG Turner Broadcasting, Zodiak Media and Scienta Omicron.

Education: B.A in Economics and German from Northwestern University in Chicago (double Honors); MBA from the Kellogg Graduate School of Management in Chicago.

Warrants: -
Shareholding: -

PATRIK MATTSSON
CHEIF CUSTOMER SUCCESS OFFICER

Patrik has extensive experience in mana-gement and customer-focused work in the healthcare sector. His previous positions and digitalization units in Region Västra Götaland.

Education: IT Management studies at the University of Gothenburg; courses in leadership and project management.

Warrants: 50,000
Shareholding: 1 853

PETER ELLEBY
CHIEF TECHNICAL ADVISOR

Peter was previously Chief Technical Officer for Anatwine, the e-commerce integration platform acquired by Zalando. He was also CTO for Greenlight, one of the largest independent digital agencies in the UK, VP of Engineering for Touch Clarity (acquired first by Omniture and Adobe), Board Adviser to Qubit, as well as CTO and CIO for Powa Technologies, the UK payments technology unicorn.

Education: Master of Science in Engineering – Technical University of Denmark and Brunel University London.

Warrants: -
Shareholding: -

RAIN ERIKSOO
CHIEF REVENUE OFFICER

Rain has 15+ years of leadership experience from executive positions in international MedTech companies. He is a well-qualified leader with demonstrated ability to drive profitableness, international expansion and change processes. Prior to FRISQ, he held positions such as VP Global Sales, Siemens Life Support Systems; CEO, Tunstall Nordic; CEO, Cavidi Care; Business Unit Director, Mawell E-Health Systems.
Education: Master of Science degree in Chemical engineering; Lund University

Teckningsoptioner: -
Aktieinnehav: -

CASPER WINSNES
CHIEF INNOVATION OFFICER

Casper has successful developed and run several notable e-health initiatives in Sweden. His previous positions included Chief Innovation Officer and Project Manager with focus on enterprise architecture. Prior to FRISQ Casper worked for Chorus, Vattenfall and Gartner

Education: Business, Stockholm University

Warrants: 150 000 (own and related party holdings)
Shareholding: 65 000 (indirect)

FRISQ's share

Depending on context, "FRISQ" pertains to FRISQ Holding AB (publ), org. no. 556959-2867 (a Swedish public limited liability company), or the group of companies in which FRISQ Holding is the parent company ("the Group"). FRISQ has been listed on Nasdaq First North under the ticker symbol "FRISQ" with the ISIN code SE0006994539 since October 12, 2016. FRISQ's share performance in 2020 was -72% compared to Nasdaq First North ALL, which was +69%. The share price closed at 3.8 SEK at year end, corresponding to a market capitalization of SEK 182.2 million based on outstanding shares and shares under registration. In 2020, two new issues were carried out, contributing with approximately SEK 142.5 million after deduction of issue related costs

The number of shares increased during the year from 23,918,202 to 32,204,773. When including the 15,750,000 shares under registration total number of shares would amount to 47,954,773.

TRADE IN THE SHARE

During 2020, 9 529 134 FRISQ shares were traded on Nasdaq First North, corresponding to 34 percent of the average number of outstanding shares. The average trading volume was 37 664 shares per day during the year.

CERTIFIED ADVISER AT FIRST NORTH

All companies traded on Nasdaq First North have a Certified Adviser that guides and supports the company. FRISQ's Certified Adviser is FNCA Sweden AB FNCA holds no shares in FRISQ Holding AB. info@fnca.se, +46 (0)8 528 00 399.

SHARE CAPITAL PERFORMANCE IN 2020

FRISQ Holding AB's share capital totaled 1,610,239 SEK at year-end, distributed over 32,204,773 shares with a quota value of 0.05 SEK.

In February 2020, a fully guaranteed rights issue with preferential rights for the Company's existing shareholders as approved by the Extra General Meeting held on 30 January 2020, was conducted. The issue provided FRISQ with funding of approximately 74.6 MSEK before deduction of related costs. The net proceeds were primarily used to strengthen the organization, commercialize the Company's products and to increase the scalability of the product in the face of an international expansion.
The issue implied a dilution of 25.7 percent as the number of shares increased by 8,286,571 to 32,204,773. The subscription price was SEK 9.0 per share. The share capital increased by SEK 414,328.55 from SEK 1,195,910.10 to SEK 1,610,238.65.

In October 2020, a directed issue was carried out with deviation from the shareholders' preferential rights, as approved by the Extraordinary General Meeting held on November 4, 2020. The issue contributed approximately SEK 78.7 million to FRISQ before deduction of related costs.

The net proceeds are primarily to be used to increase the pace of sales and implementation efforts. The issue implies a dilution of 32.84 percent, as the number of shares increased by 15,750,000 to 47,954,773 . The subscription price was SEK 5.0 per share. The share capital increased by SEK 787,500.00, from SEK 1,610,238.65 to SEK 2,397,738.65.

SHARE CAPITAL DEVELOPMENT AFTER THE PERIOD

The rights issue, which took place in November. 2020, was registered in January 2021, at which time the number of shares increased by 15,750,000 from 32,204,773 to 47,954,773.

OWNERSHIP STRUCTURE

At year end, FRISQ had a total of 4.556 registered shareholders, of which Handelsbanken Fonder, Swedbank Robur Fonder, and UBS on behalf of investor, held 27.9% of all outstanding shares and votes.

PROPOSED DIVIDEND AND DIVIDEND POLICY

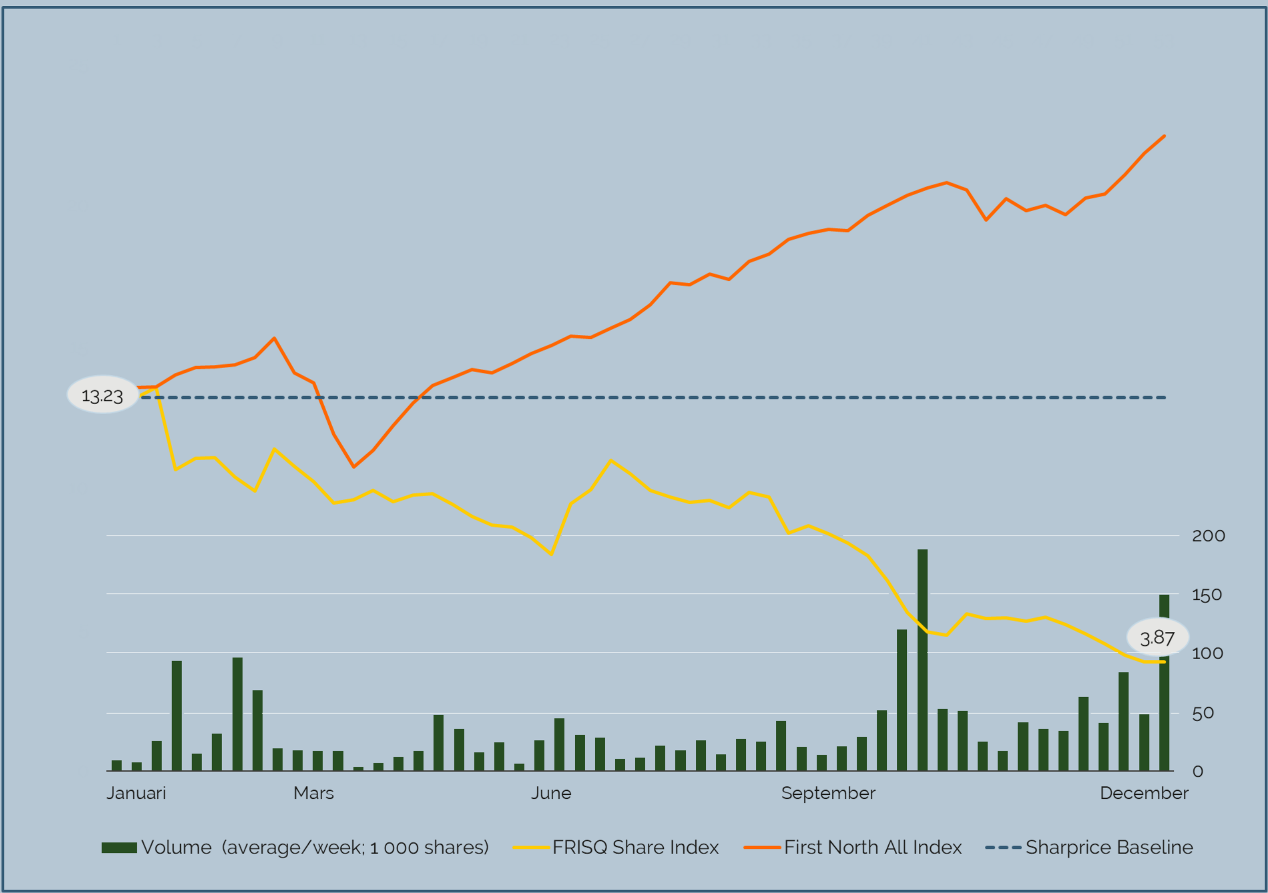
No dividend distribution is proposed for FRISQ's shareholders. A dividend distribution to shareholders will not be proposed until the Company achieves stable profitability. Available funds will continue to be applied to, among other things, strengthening the organization, commercializing FRISQ's products and expanding internationally. The size of any future dividends will be determined by a range of factors including earnings, financial position, cash flow, liquidity, and working capital requirement.

Shareholders and share data

SHAREHOLDER	NO OF SHARES	SHARE (%) OF CAPITAL AND VOTES
Handelsbanken Fonder	3,515,139	10.91%
Swedbank Robur Fonder	2,972,454	9.23%
UBS för klients räkning	2,500,000	7.77%
M. Lindstrand Investment AB and private	1,971,351	6.12%
Nordic Cross Asset Management	1,680,000	5.22%
Loer AB	1,255,710	3.90%
Alarik Förvaltning AB	873,800	2.71%
Avanza Pension	651,888	2.02%
Amadra AB	569,173	1.77%
Stephan Clarkson	518,591	1.61%

Source: Monitor and Modular Finance AB

VOLUME AND PRICE TRENDS, 2020



The Board of Directors and Chief Executive Officer of FRISQ Holding AB (publ), org. no. 556959-2867, hereby submit the annual report and consolidated accounts for financial year January 1–December 31, 2020.

Administration report

FRISQ develops and sells software to the care and healthcare sector. FRISQ's software improves the efficiency of care delivery and engages patients in their own care, while also supporting interactive communication between participants in the healthcare chain. The products are designed as modules and sold as a service provided by FRISQ and are delivered to clients mainly as a SaaS (Software as a Service) solution. The products are adaptable and can be integrated with customers' existing IT environments.

The Company's first commercial product, FRISQ Care, is adapted for computers, tablets and cell phones, giving care providers and patients the capacity to work clearly and efficiently with forward-looking healthcare processes, independent of diagnosis.

FRISQ Care gives patients information on their treatment and care history, directly on their phones, and gives the care team a digital tool for the patient's treatment plan that enables efficient communication among members of the care team and with the patient. This provides patients with a clear overview of their healthcare journey and creates patient engagement.

FRISQ Care automates large parts of healthcare's cumbersome administrative information management and documentation processes, freeing up time for healthcare professionals. FRISQ Care is principally a complement to existing healthcare systems, such as the electronic health record systems used by virtually all care providers in the western world. As a SaaS solution, FRISQ Care is globally scalable and is designed to meet international standards that govern the regulatory framework for digitalizing healthcare and medical information.

Significant events during the financial year

FIRST QUARTER

- Letter of Intent signed with Dartmouth-Hitchcock Medical Center relating to a standard licensing agreement.
- A fully guaranteed rights issue of 7,175,460 shares at a subscription price of 9.0 SEK per share with preferential rights for the Company's existing shareholders was conducted. The rights issue was subscribed at approximately 120%. In addition, the Board chose to exercise the over-subscription option of 1,111,111 shares – in total representing an issue volume of approximately 74.6 MSEK before related costs.
- The AGM approved a warrant program and an associated rights issue of maximum 320,000 shares.

SECOND QUARTER

- Contact signed with University of Lund; support for research project on Mental Health
- The Swedish Government report identified FRISQ as the only digital solution, to date, that meets the requirements of the "patient contract".

THIRD QUARTER

- Contract signed with
  - Region Skåne; assessment of work based on forward looking care plans
  - VGR; development, maintenance and support
  - KI and VGR; research grant focusing on care plans for chronic complex illnesses.
- George Thaw appointed Interim CEO.
- A rightsizing and restructuring plan - coupled with a realignment and upgrade of the competence base - was launched.
- The Board to reassess the time horizon for earnings related to the original acquired goodwill – why the full amount of MSEK 104.5 was written down. Concurrently, the deferred tax asset of MSEK 20.9, was reversed. Neither the write-down nor the reversal have an impact on cash flow.

FOURTH QUARTER

- Contract signed with Capio Orthopedics.
- The EGM held November 4th, approved a direct share issue, with deviation from the shareholders' preferential rights, of 15,750,000 shares at SEK 5.0 per share. The share issue will provide the company with mSEK 78.7 before deduction of related costs.
- Anna Frick and Åke Hallman resigned from the Board.

AFTER THE REPORTING PERIOD

- No events to be reported.

Regarding the parent company and the Group's results and position in general, please refer to the profit and loss statements and balance sheets, statements of comprehensive income and changes in equity, cash flow statements, and Notes that follow. All amounts are presented in SEK thousand unless otherwise indicated.

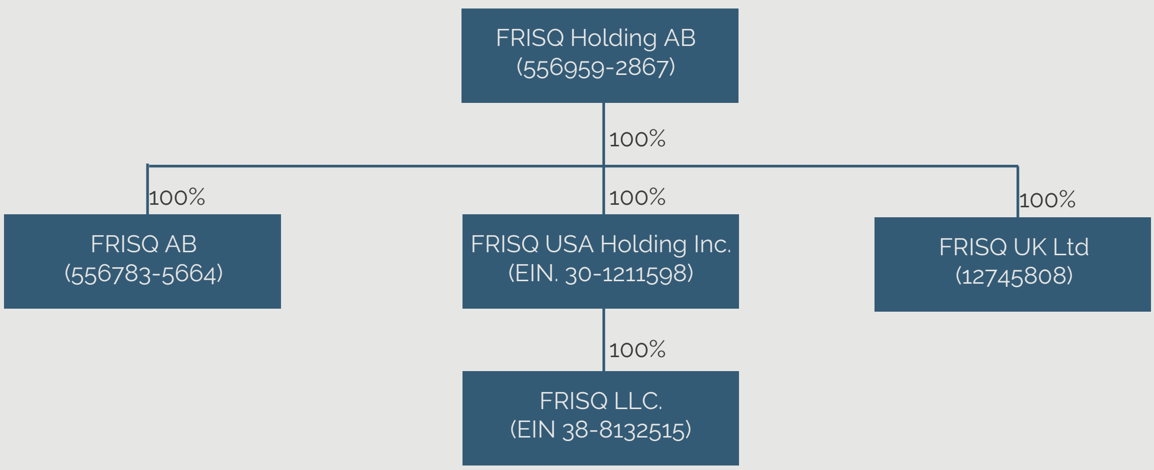
Multi-year comparison, Group

	2020	2019	2018	2017	2016
Net sales	1 367	1 936	5 255	248	0
Operating profit/loss	-208 060	-73 457	-46 273	-32 701	-24 180
Profit/loss for the year	-229 115	-73 763	-42 015	-24 894	-18 299
Earnings per share, SEK	-7.3	-3,2	-2,2	-1,5	-1,3
Balance sheet total	116 251	203 642	214 597	199 717	171 660
Equity/asset ratio (%)	87%	92%	93%	96%	98%
Number of employees, annual average	31	25	14	14	8
Number of employees, end of period	29	33	17	14	13

Group structure

As of December 31, 2020, the Group is comprised of parent company FRISQ Holding AB, org. no. 556959-2867, and wholly owned subsidiaries FRISQ AB, org. no. 556783-5664, FRISQ USA Holding Inc. The latter owns 100 percent of the capital and votes in FRISQ LLC. In addition, the wholly owned UK company FRISQ UK Ltd, org no. 12745808 was founded late in 2020.

The US and UK subsidiaries, are all under establishment. The Group's operating activities are conducted in FRISQ AB. The Group operates in one segment.



Significant risks and uncertainties

HISTORY OF OPERATING LOSSES

The Company has historically posted operating losses. FRISQ is a young development company that operates in, and is trying to change, a traditionally slow-moving industry by creating digital tools to enable interactive communication between participants in the healthcare chain. The Company has posted negative results since its start. The Company's commercialization strategies may prove to be ineffective or misdirected, which may result in the Company's revenues being insufficient to finance its commitments. In the event the Company succeeds in reporting operating profits in the future, there is a risk that this will occur only after a long period of time.

LIQUIDITY/FINANCING RISK

Liquidity risk, the risk of the Company experiencing difficulty in fulfilling its commitments, arises when assets and liabilities have different maturities. The Company's shortage of major recurring revenues may lead to a lack of liquidity. To ensure its survival, the Company may need additional external financing for its operating activities. The Board of Directors monitors rolling liquidity forecasts to ensure that there is sufficient liquidity to meet the needs of the Company's operating activities. The Company's cash-in-hand, including the recently closed preferential rights issue, is intended to meet the Company's capital requirements for the coming 12 months. The Board of Directors will propose to the next Annual General Meeting that the AGM authorize the Board to decide on the issue of shares and/or warrants and/or convertibles for consideration in the form of cash payment.

DEPENDENCE OF KEY EMPLOYEES

The Company considers that a few key people are of particular importance to the business but deems the risk of any key person leaving their position to be low. Should this occur, there would be a medium to high short-term impact on the Company's operations.

DEPENDENCE ON PROTECTION OF DATA SOURCE CODE

FRISQ is reliant on and claims copyright to the data source code the Company has developed and integrated into the platform. This does not provide the same scope of protection as that provided by registrable rights. There is a risk of improper utilization/encroachment by third parties, which may have a significant adverse impact on the business's results and financial position.

PARTIAL DEPENDENCE ON EHR SYSTEM SUPPLIERS

As of year-end 2020, FRISQ collaborates and/or is integrated with four EHR system suppliers that collectively cover approximately 95 percent of the Swedish market in terms of number of healthcare users. There is a risk that the Company will be unable to sign agreements with relevant EHR system suppliers and that current collaborations will be terminated prematurely or delayed.

EXPOSURE TO LEGAL AND REGULATORY RISKS

Several of the contracts the Company is aiming to conclude are awarded through public procurement processes. There is a risk that the Company will fail to deliver in accordance with applicable requirements specifications, which may result in cancellation of contracts already entered into or in damage claims against the Company.

The Company is also party to a number of subcontracts with operators who were awarded contracts through public procurement processes. There is a risk of contracts awarded to the main supplier being cancelled, which would entail termination of the main supplier's contract with FRISQ.

ASSESSMENT OF UNCERTAINITIES AND RISKS

There was no material change in the assessment of risks or uncertainties during 2020.

FÖRVÄNTAD FRAMTIDA UTVECKLING

During 2020 the Company focused on working with a number of strategically important customers to develop the standard offering, to enable demonstration of the product's functionality and efficiency. This goal was achieved during the year and was verifiable through objective patient engagement surveys and customer testimonials. However, the Covid-19 pandemic has been a major test on the Swedish healthcare system and is likely to be so for a long time to come. FRISQ has proven time and time again to be an important part of meeting the future challenges in healthcare, partly through the recognition of authorities and investigations, but also through the good results the Company has been able to show through, among other things, patient engagement measurements.

All focus in 2021 will therefore be on further developing the scalability of the product and meeting a healthcare sector in need of new solutions. It is a development that FRISQ intends to be part of and drive at the forefront.

EFFECTS OF COVID-19

Since FRISQ operates in the healthcare sector, the Company is dependent on customers/healthcare professionals being available - which is difficult to predict during the current pandemic. The effects are likely to influence the company's income in the near future. The Company does not consider the valuation of retained assets has been affected by the current Covid-19 pandemic.

Proposed appropriation of profits (SEK)

Undistributed profits at the disposal of the AGM	
Accumulated profit/loss	-7 520 453
Share premium reserve	491 760 098
Profit/loss for the year	-389 213 119
	95 026 526
The Board of Directors proposes carrying forward	95 026 526
	95 026 526

Consolidated profit and loss statement (TSEK)

	Note	2020	2019
Operating income			
Net sales	5	1 367	1 936
Other operating income	7	442	1 157
Operating expenses			
Other external costs	8, 9	-45 379	-32 958
Staff costs	10	-35 022	-24 375
Capitalized work on own account		4 064	5026
Depreciation and impairment of tangible and intangible assets	8, 11	-133 360	-24 092
Other operating expenses		-172	-151
Total operating expenses		-209 869	-76 550
Operating profit/loss		**-208 060**	**-73 457**
Profit/loss from financial items			
Financial income		103	72
Financial expenses	8	-222	-378
Total financial items		-119	-306
Profit/loss before tax		-208 179	-73 763
Tax on profit/loss for the year	12	-20 936	0
PROFIT/LOSS FOR THE YEAR		**-229 115**	**-73 763**
Earnings per share before/after dilution (SEK)	25	-7.3	-3.2

Consolidated statement of comprehensive income (TSEK)

	2019	2019
Profit/loss for the year	-229 115	-73 763
Other comprehensive income		
Translation differences in foreign subsidiaries	0	5
COMPREHENSIVE INCOME FOR THE YEAR	**-229 115**	**-73 758**

Consolidated balance sheet (TSEK)

	Note	Dec. 31, 20	Dec. 31, 19
ASSETS			
Fixed assets			
Capitalized development costs	13	20 899	37 665
Goodwill	14	0	104 490
Tangible assets	15	640	885
Right to use assets	16	3 128	6 714
Deferred tax assets	12	0	20 936
Other long-term receivables	18	0	500
Total fixed assets		**24 667**	**171 190**
Current assets			
Accounts receivable	19	1 994	717
Current tax assets		48	0
Other receivables		414	3 222
Prepaid expenses and accrued income	19, 20	1 317	1 808
Cash in bank	21	87 811	26 705
Total current assets		**91 584**	**32 452**
TOTAL ASSETS		**116 251**	**203 642**
EQUITY AND LIABILITIES			
Equity			
Share capital	22	1 610	1 196
Share capital under registration		788	0
Other contributed capital	23	492 391	350 686
Translation reserve		5	5
Accumulated profit/loss incl. profit/loss for the year		-393 155	-164 040
Equity attributable to parent company shareholders		101 639	187 847
Total equity		**101 639**	**187 847**
Non-current liabilities			
Lease liability	26	0	3 382
Total non-current liabilities		**0**	**3 382**
Current liabilities			
Lease liability	26	3 281	3 418
Accounts payable		5 159	4 589
Current tax liability		0	177
Other liabilities		992	1 147
Accrued expenses and deferred income	27	5 180	3 082
Total current liabilities		**14 612**	**12 413**
TOTAL EQUITY AND LIABILITIES		**116 251**	**203 642**

Consolidated statement of changes in equity (TSEK)

	Share capital	Share capital under registration	Other contrib-uted capital	Transla-tion reserve	Retained earnings incl profit/loss for the year	Total equity attributable to parent company share holders
Opening balance Jan 1, 2019	1 011	0	289 652	0	-90 277	200 386
COMPREHENSIVE INCOME						
Comprehensive income for the year					-73 763	-73 763
Other comprehensive income					-73 763	-73 763
Translation differences				5		5
Total comprehensive income				**5**	**-73 763**	**-73 758**
Transactions with shareholders						
New share issue	185		66 415			66 600
New issue expenses			-5 381			-5 381
Total transactions with shareholders	**185**	**0**	**61 034**	**0**	**0**	**61 219**
Closing balance Dec 31, 2019	**1 196**	**0**	**350 686**	**5**	**-164 040**	**187 847**
Opening balance Jan 1, 2020	1 196	0	350 686	5	-164 040	187 847
COMPREHENSIVE INCOME						
Comprehensive income for the year					-229 115	-229 115
Total comprehensive income					**-229 115**	**-229 115**
Transactions with shareholders						
New share issue	414	788	152 127			153 329
Warrant premium			379			379
New issue expenses			-10 801			-10 801
Total transactions with shareholders	**414**	**788**	**141 705**	**0**	**0**	**142 907**
Closing balance Dec 31, 2020	**1 610**	**788**	**492 391**	**5**	**-393 155**	**101 639**

Consolidated cash flow statement (TSEK)

	Note	2020	2019
Operating activities		-208 060	-73 457
Operating profit/loss			
Adjustments for non-cash items:	11	133 360	24 092
- Depreciation/amortization and impairments		0	5
- Translation difference		172	149
- Capital gain realized on sale of tangible and intangible assets		379	0
Interest received		103	72
Interest paid		-222	-378
Income tax paid		0	0
Cash flow from operations before changes in working capital		**-74 268**	**-49 517**
CHANGES IN WORKING CAPITAL			
Decrease(+)/increase(-) in receivables		2 021	1 904
Decrease(-)/increase(+) in liabilities		2 290	-5 108
Cash flow from operating activities		**-69 957**	**-52 721**
INVESTING ACTIVITIES			
Acquisition of intangible assets	13	-8 587	-19 315
Acquisition of tangible assets	15	-601	-799
Investments in other financial assets		480	0
Cash flow from investing activities	18	500	-300
Cash flow from investing activities		**-8 208**	**-20 414**
FINANCING ACTIVITIES			
New issues		142 528	61 219
Amortization of lease liability	28	-3 257	-3 068
Cash flow from financing activities		**139 271**	**58 151**
Cash flow for the year		61 106	-14 984
Cash and cash equivalents at beginning of the year		26 705	41 689
Cash and cash equivalents at year-end	21	**87 811**	**26 705**

Parent company profit and loss statement (TSEK)

	Note	2020	2019
Operating income			
Net sales	5, 6	3 867	2 200
Other operating income	7	18	0
Total income		3 885	2 200
Operating expenses			
Other external costs	6, 9	-11 874	-5 824
Staff costs	10	-1 325	-895
Other operating expenses		0	-2
Total operating expenses		-13 199	-6 721
Operating profit/loss		**-9 314**	**-4 521**
Profit/loss from financial items			
Interest income from group companies	17	-380 000	0
Interest income and similar profit/loss items		0	3
Interest income		100	67
Interest expense		0	-3
Total financial items		**-379 900**	**67**
Profit/loss before tax		**-389 214**	**-4 454**
Tax on profit/loss for the year	12	0	0
PROFIT/LOSS FOR THE YEAR		**-389 214**	**-4 454**

Parent company statement of comprehensive income (TSEK)

	2020	2019
Profit/loss for the year	-389 214	-4 454
Other comprehensive income	0	0
COMPREHENSIVE INCOME FOR THE YEAR	**-389 214**	**-4 454**

Parent company balance sheet (TSEK)

	Note	Dec. 31, 20	Dec. 31, 19
ASSETS			
Fixed assets			
Financial assets			
Participations in group companies	16	29 063	267 063
Total fixed assets		**29 063**	**267 063**
Current assets			
Receivables from group companies		712	56 741
Other receivables		0	528
Prepaid expenses and accrued income	19	62	97
Cash in bank	20	68 924	20 541
Total current assets		**69 698**	**77 907**
TOTAL ASSETS		**98 761**	**344 970**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	22	1 610	1 196
Share capital under registration		788	0
Total restricted equity		2 398	1 196
Non-restricted equity			
Share premium reserve	23	491 761	350 435
Accumulated profit/loss		-7 521	-3 446
Profit/loss for the year		-389 214	-4 454
Total non-restricted equity	24	95 026	342 535
Total equity		**97 424**	**343 731**
Current liabilities			
Accounts payable		1 112	1 066
Other liabilities		92	99
Accrued expenses and deferred income	27	133	74
Total current liabilities		**1 337**	**1 239**
TOTAL EQUITY AND LIABILITIES		**98 761**	**344 970**

Parent company statement of changes in equity (TSEK)

	Share – capital	Shares under registration	Share premium reserve	Retained earnings incl profit/loss for the year	Total equity
Opening balance 1 January 2019	1 011	0	289 401	-3 446	286 966
COMPRAHENSIVE INCOME					
Comprahensive income for the year				-4 454	-4 454
Total comprehensive income				**-4 454**	**-4 454**
Transactions with shareholders					
New issue	185		66 415		66 600
New issue expenses			-5 381		-5 381
Total transactions with shareholders	**185**		**61 034**		**61 219**
Closing balance 31 December 2019	**1 196**	**0**	**350 435**	**-7 900**	**343 731**

	Share – capital	Shares under registration	Share premium reserve	Retained earnings incl profit/loss for the year	Total equity
Opening balance 1 January 2020	1 196	0	350 435	-7 900	343 731
COMPRAHENSIVE INCOME					
Comprahensive income for the year				-389 214	-389 214
Total comprehensive income				**-389 214**	**-389 214**
Transactions with shareholders					
New issue	414	788	152 127		153 329
Warrant premium				379	379
New issue expenses			-10 801		-10 801
Total transactions with shareholders	**414**	**788**	**141 326**	**379**	**142 907**
Closing balance 31 December 2020	**1 610**	**788**	**491 761**	**-396 735**	**97 424**

Notes

Note 1 General information

FRISQ Holding AB (publ), org. no. 556959-2867, is a Swedish public limited liability company domiciled in Stockholm, Sweden. The address of the head office is Lästmakargatan 20, 111 44 Stockholm. The share has been traded on Nasdaq First North as of October 12, 2016 under the stock symbol FRISQ.

FRISQ develops and sells software to the care and healthcare sector. FRISQ's software improves the efficiency of care delivery and engages patients in their own care, while also supporting interactive communication between participants in the healthcare chain. The products are designed as modules and sold as a service provided by FRISQ and are delivered to clients mainly as a SaaS (Software as a Service) solution. The products are adaptable and can be integrated with customers' existing IT environments.

The Group is comprised of parent company FRISQ Holding AB, org. no. 556959-2867, and wholly owned subsidiaries FRISQ AB, org. no. 556783-5664, and FRISQ USA Holding Inc. The latter owns 100 percent of the capital and votes in FRISQ LLC, and the newly started FRISQ UK Ltd.

This annual report and the consolidated accounts were approved by the Board of Directors and the CEO on 28 January 2021 and will be presented for adoption at the Annual General Meeting on 26 February 2020.

All amounts are presented in SEK thousand unless otherwise indicated. Figures in parentheses refer to the year-earlier period.

Note 2 Accounting and valuation principles

Preparation of the parent company's and the Group's financial statements

The most significant accounting principles that were applied in preparing the consolidated accounts are presented below. Unless otherwise indicated, these principles were applied consistently for all periods presented in these financial statements.

The consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) as adopted by the EU. The Swedish Financial Reporting Board's Recommendation RFR 1, Supplementary Accounting Rules for Groups, and applicable statements were also applied.

The Parent company applies the same accounting principles as the Group, with the exception of the provisions specified in Swedish Financial Reporting Board Recommendation RFR 2, Accounting for Legal Entities. Accounting principles applied by the parent company are presented in the section "Accounting principles for the parent company" and are uniform with the Group unless otherwise stated.

Bases of valuation

Assets and liabilities are reported at historical cost.

Functional currency and currency

The Swedish krona (SEK) is the functional currency of the parent company and the reporting currency of the parent company and Group. The financial statements are therefore presented in SEK.

New standards and interpretations applied by the Group

No new or changed accounting standards have been applied.

New standards and interpretations that have not yet been applied by the Group

No new or changed accounting standards are deemed to have a material impact on the Group's financial statements.

Classification of assets and liabilities

Fixed assets and long-term liabilities are, for all material purposes, amounts expected to be recovered or paid after more than 12 months from the balance sheet date

Group consolidation

Subsidiaries are entities over which the Group has controlling influence. Controlling influence exists when the Group is exposed to or has the right to receive variable returns from its holding in the company and is able to use its influence over the company to affect returns.

Subsidiaries are included in the consolidated accounts from the day controlling influence is transferred to the Group. The acquisition method of accounting is used to report the Group's business combinations. The purchase price for acquisition of a subsidiary is comprised of the fair value of transferred assets, the liabilities incurred by the Group from the acquired company's former shareholders, and the shares issued by the Group. In a business combination, acquired identifiable assets and acquired liabilities are initially valued at fair value on acquisition date. Acquisition-related expenses are expensed as they arise. When the purchase price exceeds the acquired identifiable net assets, the excess amount is reported as goodwill.

Intra-group transactions, balance sheet items and unrealized gains and losses on transactions between Group companies are eliminated. Accounting principles for subsidiaries have been amended when applicable to guarantee the consistent application of the Group's principles.

Transactions in foreign currency are translated to functional currency at the exchange rate in effect on the transaction date. Assets and liabilities in foreign currency are translated to functional currency at the closing day rate.

Foreign subsidiaries prepare their annual reports in foreign currency and their financial statements are translated to SEK; all assets and liabilities are translated at the closing day rate and the profit and loss statement is translated at the year's average rate. Translation differences that arise are reported in other comprehensive income for the Group and are recognized directly against Group equity. This is reported on an accumulated basis in a separate equity item, the translation reserve.

Revenue recognition

FRISQ's business model is based primarily on revenue from software licenses and implementtation services. In addition, the Company receives compensation for a number of commercial EU grants.

ACCOUNTING FOR COMMERCIAL CONTRACTS

The basic principle is that revenue is recognized in the manner that best reflects the transfer of the promised good or service/performance obligation to the customer and payment is deemed certain. Revenue from contracts is recognized through a five-step model:
(1) identify the contract, (2) separate performance obligations, (3) determine transaction price,
(4) allocate the transaction price to the obligation,
(5) recognize revenue when the obligations are fulfilled

If the transaction price includes variable consideration (e.g., bonuses or discounts), this is estimated and included in the transaction price.

Revenue from services delivered is recognized in the period the services are provided. In fixed-price agreements, revenue is recognized based on percentage of the total agreed-upon service delivered (i.e., of benefit to the customer). Revenue is based on actual hours worked as opposed to total hours estimated to be required for delivery.

In contracts with multiple performance obligations, the transaction price is allocated to each individual performance obligation based on their stand-alone sales price. Any consequences following changes to assumptions are reported as a gain or loss during the period the revaluation occurs.

For fixed-price agreements, the customer pays at agreed points in time. If the payments exceed the services delivered, a contractual liability is recognized. If the services delivered exceed the payment and payment with certainty will be received, a contract asset is recognized.

In open account contracts based on hourly price, revenue is recognized to the extent the customer receives control over the delivered services, normally on a monthly basis.

License fees are usually invoiced monthly in advance, after which the license revenue is recognized in the month to which the license fee applies.

Payment terms may specify payment in advance or after delivery, as agreed in the customer contract. Cash-settled amounts and actual outcomes are reconciled as contractually agreed and at contractually specified times

No guarantees are provided that would give rise to the disclosure of separate performance obligations.

Expenses directly related to contract formation (e.g., commissions) are posted as assets when they arise and are expensed over the contract period.

ACCOUNTING FOR GRANTS

Grants are recognized at fair value as soon as there is reasonable assurance that the conditions associated with the grant will be met and thus that the grant will be received. Contributions received to cover costs are reported as other operating income.

Contract assets and liabilities

The timing of revenue recognition, invoicing and payments produces invoiced accounts receivable and uninvoiced accounts receivable. Uninvoiced accounts receivable are reported in balance sheet item "Prepaid expenses and accrued income". Invoiced but as yet unpaid services are reported in balance sheet item "Accrued expenses and deferred income".

Segment reporting

An operating segment is a part of a company that operates a business from which the company can generate revenue and incur expenses, for which operating profit/ loss is regularly reviewed by the company's chief operating decision maker, and for which independent financial information is available. The Company's operating segment reporting corresponds with internal reporting to the chief operating decision maker, who is the person that assesses the operating segment's results and decides on the allocation of resources. The Company's CEO is the chief operating decision maker.

Financial information reported to the CEO as supporting documentation for allocation of resources and assessment of the Group's results is not divided into operating segments. The Group therefore comprises one operating segment.

Employee compensation

SALARY AND PERFORMACE COMPENSATION

Short-term employee benefits are calculated without discounting and are reported as a cost when the related services are received.

PENSIONS

For the pension plans offered by FRISQ, the Company pays a fixed premium to a pension provider. FRISQ subsequently has no legal or informal obligation to pay further premiums if the pension provider does not hold sufficient assets to pay benefits to the insured.

Consolidated profit/loss is charged with expenses as the benefits are earned, which normally coincides with the time premiums are paid. Prepaid premiums are posted as an asset when they result in a reduction in future premium payments.

COMPENSATION UPON TERMINATION

Severance pay is paid when employment is terminated pursuant to an agreement with the employee. The Group reports remaining contractual commitments as a liability in the period the agreement is made.

Foreign currency transactions

Transactions denominated in foreign currencies are converted into the functional currency at the exchange rate on the date of the transaction. Exchange gains and losses on operating receivables and liabilities are reported in operating profit, while exchange gains and losses on financial receivables and liabilities are reported as financial items. Exchange differences are recognized in the profit or loss for the period in which they arise.

Leasing

A new lease agreement is recognized as right-of-use asset and a lease liability on the balance sheet. IFRS 16 states that, in principle all leases, are recognized on the balance sheet, as no distinction is made between financial and operational leasing.

For new finance lease agreements, the fixed asset is carried at the amount equal to the leased asset's fair value or, if lower, the present value of future minimum lease payments for non-cancellable lease terms. Each lease payment is allocated between liabilities and financial expense. The lease liability, after interest, is reported as other long- and short-term liabilities.

The interest component of the financing cost is charged to the profit and loss statement over the lease term in such that the interest rate remains constant for the remaining liability.

The leased asset is depreciated to the residual value of the asset's useful life or the lease agreement duration, whichever is shorter. Extension periods may be included if the Group is reasonably certain they will be utilized.

The Group's significant lease agreements pertain to leases of office premises. The Company's marginal lending rate (currently 5 percent) is applied when discounting. If the lease agreement is amended during the lease term, the lease liability and right-of-use asset are revalued. Leasing fees are allocated between amortization of the lease liability and payment of interest. The Company applies relief rules for lease agreements in cases where the underlying asset is of low value and for short-term leases. These lease agreements are reported as an expense during the period in which they are used.

Tax

Total tax for the Group comprises current tax and deferred tax. Income taxes are reported in profit/loss for the year, except in cases where the underlying transactions are reported in other comprehensive income or in equity; in those cases, the tax effect is reported in other comprehensive income or in equity.

Current tax is income tax for the current financial year pertaining to the year's taxable profit and the portion of the previous financial year's income tax that has not yet been reported. Current tax is calculated at the probable amount pursuant to the tax rates and tax regulations applicable on the balance sheet date.

Deferred tax is income tax on taxable profit for future financial years resulting from previous transactions or events. Deferred tax is calculated on temporary differences. A temporary difference arises when the carrying amount of an asset or liability differs from its taxable amount. Deferred tax assets are reported to the extent there are factors convincingly indicating that sufficient future taxable profit is probable.

Earnings per share

Earnings per share are calculated based on consolidated profit/loss for the period attributable to parent company shareholders and the weighted average number of shares outstanding during the period.

Intangible assets

GOODWILL

Goodwill was fully impaired in 2020. The goodwill recognized in 2019 related to values that arose when the acquisition value exceeded the subsidiary's net assets at acquisition. Impairment losses on goodwill are not reversed in subsequent periods..

CAPITALIZED DEVELOPMENT COSTS

Capitalized development costs are reported at acquizition value less accumulated depreciation and any impairment losses. Assets are depreciated on a straight-line basis over their estimated useful lives as of the date the product is fully developed. Assets' residual values and useful lives are tested at each reporting date and adjusted as needed.

Residual values and useful lives of the assets are tested at each reporting date and adjusted as required. Capitalized development expenditure includes subcontracting and personnel costs incurred in the development of the retained asset.

Development costs are reported as intangible assets when the following conditions are met:

- It is technically feasible to complete the asset and there are adequate resources to do so
- The Company intends to complete it
- The Company can demonstrate that the asset will generate future economic benefits
- The costs attributable to the asset during its development can be reliably calculated.

Other development costs that do not meet these criteria are expenses as they arise.

Development costs that have been previously expensed are not reported as assets in subsequent periods. An assessment is made of expected useful life (normally 2-5 years) upon completion.

Tangible fixed assets

Tangible fixed assets are reported at acquisition value less accumulated depreciation and any impairments. Acquisition value includes purchase price and expenses directly attributable to bringing the asset to the location and condition necessary for its use. Assets are depreciated on a straight-line basis over their useful lives.

Assets' residual values and useful lives are tested monthly and are adjusted as needed. Depreciation is based on the following expected useful lives:
Leasehold improvements: 5 years;
Servers and technical facilities: 3 years;
Equipment used for development: 2 years,
Right-of-use assets: 3 years

Other investments, such as those in more basic computers, cell phones, accessories and repairs/maintenance, are expensed during the period in which they arise.

Segment reporting - assets

All operational assets are reported in the Swedish subsidiary.

Depreciation and impairment of intangible assets

Assets that have an indefinite useful live (e.g., good- will and intangible assets not ready for use) are not amortized but are tested annually and whenever there is indication of a possible impairment requirement. The diminution of value of amortized assets is assessed when events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is reported at the amount at which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the asset's fair value less divestment costs or its value in use, whichever is greater. Value in use is calculated by discounting expected future cash flow to present value at a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks associated with the asset.

The Company determines at each reporting date whether there are indications that the previous impairment of an asset (apart from goodwill) is no longer wholly or partially justified.

Impairment losses are reversed only to the extent the asset's carrying amount does not exceed the amount the Company would have reported (after depreciation) if the Company had not written down the asset. Reversals of write-downs are reported in the profit and loss statement.

Financial instruments

FINANSIAL ASSETS

The Group classifies and values its financial assets based on the business model that manages the asset's contracted cash flows and the nature of the asset. Financial assets are classified in one of the following categories: (1) financial assets valued at amortized cost, (2) financial assets valued at fair value through other comprehensive income, or (3) financial assets valued at fair value through profit or loss.

The Group currently only has financial assets valued at amortized cost, for which the purpose of the holding is to receive contractual cash flows. These financial assets are included in current assets with the exception of items maturing more than 12 months after the close of the reporting period, which are classified as fixed assets. Valuation is at amortized cost applying the effective interest method.

When acquiring financial assets, expected credit losses are reported regularly over the holding period. When there is an increase in credit risk, reservation is made for credit losses expected to be incurred during the asset's life. Based on historical data on the payment patterns and payment capacity of current counterparties, expected credit losses are deemed to be limited.

FINANCIAL LIABILITIES

All financial liabilities in the Group are classified and valued at amortized cost applying the effective interest method. Initial reporting is at fair value, net after transaction costs.

AMORTIZED COSTS

Amortized cost is the amount at which the asset or liability was initially reported less amortization, additions or deductions for accumulated accruals pursuant to the effective interest method of the initial difference between amount received/paid and amount to pay/be received on the due date, plus deductions for write-downs.

The effective interest rate is the rate that, when discounting cash flow forecasts over the expected duration, produces the initial carrying amount for the financial asset or liability. Financial receivables and liabilities with short maturities are reported at nominal value with no discounting.

CASH AND CASH EQUIVALENT

Cash and cash equivalents include cash and bank balances and other short-term liquid investments that can easily be converted to cash and are subject to an insignificant risk of changes in value. Classification as cash and cash equivalents requires a duration of three month or less from the date of acquisition. Bank deposits are payable on demand and, accordingly, amortized cost corresponds to the nominal amount

Cash flow statement

The cash flow statement is prepared pursuant to the indirect method. Reported cash flow includes transactions that involve payments or disbursements.

Contingent liabilities

A contingent liability is reported when a commitment arises from events which are dependent on one or more uncertain future events, or when a commitment is not reported as a liability or provision based on the unlikelihood of an outflow of resources being required.

Equity

Transaction costs directly attributable to the issue of new shares or options are reported in equity as deductions from the subscription amount.

Parent company accounting principles

The parent company's financial statements were prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's RFR 2, Accounting for Legal Entities, and applicable statements from the Swedish Financial Reporting Board.

RFR 2 requires the parent company to apply IFRS and statements as adopted by the EU as far as possible in its annual report for the legal entity.

The changes to RFR 2 Accounting in legal entities that took effect on January 1, 2020 have not had a material impact on the parent Company's financial statements.

The differences between Group and the parent accounting policies are set out below. The accounting policies set out below for the parent company have been applied consistently in the parent company's financial statements

CLASSIFICATION AND PRESENTATION

The parent company's profit and loss statement and balance are presented in accordance with Swedish Annual Account Act schedules. The main differences between this method and IAS 1, Presentation of Financial Statements, which is applied to the consolidated financial statements, are the reporting of financial income and expense, fixed assets, equity, and the occurrence of provisions under their own headings.

PARTS IN GROUP COMPANIES

Shares in subsidiaries are reported in the parent company at acquisition value less accumulated impairments. The value of the shares is tested when there is indication of a reduction in value. Acquisition-related expenses are included in acquisition value. Dividends received are reported in the profit and loss statement.

SHAREHOLDERS' CONTRIBUTION

The parent company reports shareholders' contributions in accordance with statements issued by the Swedish Financial Reporting Board. Shareholders' contributions are recognized against equity (recipient) and capitalized in shares (grantor) to the extent no write-down is required.

FINANCIAL INSTRUMENTS

The Parent Company does not apply IFRS 9 except when calculating the net realizable value of trade receivables, contractual assets and other receivables where the principles for impairment testing and loss risk provision are applied consistently across the Group. In the Parent Company, financial fixed assets are valued at cost less any impairment losses and financial assets at the lower of cost and fair value disposal costs.

LEASING

The new standard IFRS 16 does not affect the parent company as the standard is exempted from application by a legal entity. Accordingly, all leases are reported as expense on a straight-line basis over the lease term.

Note 3 Significant estimates and assessments

Corporate management makes assessments and estimates in preparing the financial statements. These affect the reported values of assets, liabilities, revenues and expenses. Actual outcomes may deviate from these estimates and assessments.

Capitalized development costs

Capitalized development costs are impairment tested at least once per year. Impairment testing assesses whether the unit's recoverable amount is greater than it's carrying amount. Recoverable amount has been calculated based on value in use, which is the present value of the unit's expected future cash flows. There is uncertainty about future cash flows, as well as interest rates that form the basis for the discounting factor used to calculate present value. See Note 13 for additional information.

Note 4 Financial risks and financial instruments

FRISQ is a young development company that operates in, and is trying to change, a traditionally slow-moving industry by creating digital tools to enable interactive communication between participants in the healthcare chain. The Company's commercialization strategies may prove to be ineffective or misdirected, which may result in FRISQ's revenues being insufficient to finance its operations or commitments as they fall due. In the event the Company does not become profitable, the Company may need to restructure all or parts of its operations, revise its business plan and/or make various financing arrangements..

The responsibility for the Group's financing and financial risk management lies with the Board of Directors and is carried out by the CEO through the CFO. Risks are evaluated annually in conjunction with budgeting and on an ongoing basis throughout the year. Through its operations, the Group is exposed to various financial risks including credit risk, liquidity risk, currency risk and interest rate risk. The overarching goal is to minimize negative effects on consolidated profit or loss and manage risks cost-effectively.

Credit risk

Credit risk is the risk that parties with whom the Group has a receivable are unable to fulfill their obligations, thereby causing a financial loss for the Group. Account receivable are limited as of the balance sheet date, and there is no need for a provision for doubtful accounts receivable. The Company's credit risk is deemed to be low.

Liquidity risk

Liquidity risk is the risk that the Group may have difficulties in fulfilling its obligations related to the Group's expenses and liabilities. There is no guarantee that the Company will be able to obtain the necessary liquidity if the development itself is positive. The general market situation for liquidity supply is also of great importance.

The Group's cash and cash equivalents amount to 87,811 TSEK on the balance sheet date.

MATURITY ANALYSIS OF CONTRACTUAL PAYMENTS FOR FINANCIAL LIABILITIES:

Group Dec. 31, 2020

	Within 3 months	3-12 months	1-5 years	More than 5 years	Total
Lease liability (amortization & interest)	869	2 506	0	0	3 375
Accounts payable	5 159	0	0	0	5 159
Other liabilities	992	0	0	0	992
Total	**7 020**	**2 506**	**0**	**0**	**9 526**

Group Dec. 31, 2019

	Within 3 months	3-12 months	1-5 years	More than 5 years	Total
Lease liability (amortization & interest)	880	2 543	3 515	0	6 938
Accounts payable	4 589	0	0	0	4 589
Other liabilities	1 147	0	0	0	1 147
Total	**6 616**	**2 543**	**3 515**	**0**	**12 674**

All financial liabilities in the parent company mature within three months.

Currency risk

Currency risk is the risk that fair values and cash flows may fluctuate with changes in the value of foreign currencies

TRANSACTION RISK

The Group is exposed to various types of currency risks. The main exposure stems from the need to cover costs related to the US, and UK.

TRANSLATION RISK

The foreign subsidiaries receive most of their revenues in the accounting currency. There is therefore a currency risk in the translation of foreign subsidiaries' assets. The Group is currently mainly exposed to USD and GBP fluctuations against the Swedish krona.

The effect of any translation fluctuations is currently considered to be small as the business is under start-up phase and the cost base will not be scaled up before adequate future revenue flows can be expected

Translation of foreign subsidiaries had an effect of 0 TSEK (5) on consolidated equity in 2020, with the exchange rate fluctuation in USD affecting the size of the translation difference. A 5 percent change in the exchange rate impacts consolidated profit/loss and would have an impact on sales of +/- 0 TSEK (0) and an impact on comprehensive income for the year of +/- 0 TSEK (17).

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an adverse impact on results and cash flow. At year-end the Group had no outstanding liabilities to banks or other credit institutions, aside from reported lease liability. Operations are financed with equity. A portion of interest-bearing assets carry interest. A 0.5 percent change in the interest rate impacts consolidated profit/loss and would have an impact on comprehensive income of +/- 192 TSEK (142). The Company's interest rate risk is therefore marginal.

Capital risk

The Company's Board of Directors oversees the Group's capital structure and financial management, decides on issues concerning acquisitions, investments and financing, and continuously monitors the Group's exposure to financial risks. The Group's capital management objective is to ensure the Group's capacity to continue its operations in order to generate reasonable returns for shareholders and benefits for other stakeholders. Neither the parent company nor the subsidiary are subject to external capital requirements. The Group's current policy is not to distribute any dividend. A dividend distribution will not be proposed until the Company achieves long-term profitability.

FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Parent Company	
	Dec. 31, 20	Dec. 31, 19	Dec. 31, 20	Dec. 31, 19
Financial assets				
Accounts receivable	1 994	717	0	0
Receivables from group companies	0	0	712	56 741
Other receivables	414	3 222	0	528
Accrued income	0	372	0	0
Cash and cash equivalents	87 811	26 705	68 924	20 541
Total	**90 219**	**31 016**	**69 636**	**77 810**
Finansiella skulder				
Lease liability	3 281	6 800	0	0
Accounts payable	5 159	4 589	1 112	1 066
Other liabilities	992	1 147	92	99
Accrued costs	2 525	1 477	90	74
Total	**11 957**	**14 013**	**1 294**	**1 239**

Financial assets are valued at amortized cost.

Information on fair value

The carrying amount of financial assets and financial liabilities is considered a good approximation of fair value, as the durations and/or fixed interest terms are short. Accordingly, discounting based on prevailing market conditions is not considered to have any significant effect.

Note 5 Net Sales

	Group		Parent Company	
	2020	**2019**	**2020**	**2019**
Software licenses and implementation	1 367	1 931	0	0
Commissions	0	5	0	0
Intra-group	0	0	3 867	2 200
Total	**1 367**	**1 936**	**3 867**	**2 200**

Four customers each account for over 10 percent of net sales

Note 6 Purchases and sales between group companies

Transactions between group companies were done on market terms and have been eliminated in the Group. The parent company invoiced subsidiaries for management fees totaling 3 867 TSEK (2 200). The parent company's purchases from subsidiaries totaled 1 645 TSEK (63) and pertained to reinvoiced expenses.

Note 7 Other operating income

	Group		Parent Company	
	2020	**2019**	**2020**	**2019**
EU Grants	407	1 113	0	0
Exchange Gains	35	19	18	0
Other	0	25	0	0
Total	**442**	**1 157**	**18**	**0**

Note 8 Lease agreements

The Group leased premises under operating leases through January 1, 2020. With the transition to IFRS 16, all lease agreements are reported in the balance sheet with the exception of short-term and low-value leases. At year-end closing the Group has lease agreements for premises and cars that are reported as finance leases. Cars were included under reported leases in 2019 and parts of 2020. All cars were sold in 2020.

	Group	
Impact on earnings, IFRS 16	**2020**	**2019**
Amounts reported in profit and loss statement		
Amortization of rights of use	3 272	3 154
Interest expense, lease liability	221	366
Costs attributable to variable lease payments that are not included in the valuation of the lease liability	320	320
Expenses attributable to low-value lease agreements	40	35
Expenses attributable to short-term lease agreements	134	158
Total	**3 987**	**4 033**

The Group's commitments under short-term lease agreements amounted to 49 TSEK (49) per December 31, 2020. Total cash-flow for lease agreements excluding interest expenses totaled 3,257 TSEK (3,068) in 2020.

Note 9 Auditor's remuneration

	Group		Parent Company	
	2020	**2019**	**2020**	**2019**
Revisionsuppdrag (Mazars)	662	998	80	655
Summa	**662**	**998**	**80**	**655**

Audit assignments refer to the statutory audit and audit activities of various quality assurance services. Other services are those that are not part of audit assignments, auditing activities or tax advice.

Note 10 Employee and staff costs

	2020		2019	
Average number of employees	**Number of employees**	**Of which, men**	**Number of employees**	**Of which, men**
Parent Company	0	0	0	0
Sweden	31	20	25	15
United States	0	0	0	0
United Kingdom	0	0	0	0
Subsidiaries	**31**	**20**	**25**	**15**
Totalt Group	**31**	**20**	**25**	**15**

	Group		Parent Company	
Managment Group per balance sheet date	**Dec. 31, 20**	**Dec. 31, 19**	**Dec. 31, 20**	**Dec. 31, 19**
Directors	4	6	4	6
Of which women	0	1	0	1
Other staff including CEO and Management	8	5	8	5
Of which women	1	1	1	1

	Group		Parent Company	
	2020	**2019**	**2020**	**2019**
Salaries and Directors' fees				
Board of Directors, CEO, Management[1)]	12 917	7 050	2 609	710
Of which, bonus	7	435	0	0
Other employees	18 547	10 157	0	0
Of which, bonus	0	205	0	0
Total salaries and remuneration	**31 464**	**17 207**	**2 609**	**710**
Social costs	6 821	4 727	174	185
Pensions				
Board of Directors, CEO, Management[2)]	362	1 077	0	0
Other employees	1 334	750	0	0
Total pension	**1 696**	**1 827**	**0**	**0**
Total salaries, remuneration and pensions	**39 981**	**23 761**	**2 783**	**895**

Where remuneration to management group members is invoiced, payroll overhead is included in the amount of pay reported, why total remuneration reported in Note 10 exceeds personnel costs as reported in the profit. and loss statement. Such remuneration is reported as base salary. Agreements are based on generally accepted commercial terms

Remuneration to Directors, CEO and Managment Executives - 2020	Base salary/ Directors' Fees	Variable remuneration	Pension expenses	Other remuneration	Total
Chairman of the Board					
Mats Lindstrand	200	0	0	300	500
Directors					
Per Egon Johansson	100	0	0	0	100
Lars Björk	100	0	0	0	100
Göran Hägglund	100	0	0	240	340
Åke Hallman, resigned during 2020	135	0	0	0	135
Anna Frick, resigned during 2020	77	0	0	0	77
CEO					
George Thaw (August-December)	1 897	0	0	0	1 897
Martin Irding (January-July)	1 001	0	35	2	1 038
Other Management Executives (7)	9 300	7	327	10	9 644
Total	**12 910**	**7**	**362**	**552**	**13 831**

Remuneration to Directors, CEO and Managment Executives - 2019	Base salary/ Directors' Fees	Variable remuneration	Pension expenses	Other remuneration	Total
Chairman of the Board					
Mats Lindstrand	200	0	0	680	880
Directors					
Per Egon Johansson	100	0	0	0	100
Lars Björk	100	0	0	0	100
Göran Hägglund	100	0	0	240	340
Åke Hallman	110	0	0	0	110
Anna Frick	100	0	0	0	100
CEO					
Martin Irding	1 296	50	592	6	1 944
Other Managment Executives (6)	4 609	385	485	8	5 487
Total	**6 615**	**435**	**1 077**	**934**	**9 061**

[1] REMUNERATION TO BOARD OF DIRECTORS, CEO, MANAGEMENT1:
Directors' fees are reported at basic pay/directors' fee in the table; consulting fees invoiced by board members are reported as other remuneration. Mats Lindstrand and Göran Hägglund provided operational consulting services in addition to their work as board members; this was invoiced from own companies.
In addition to board fees, Lars Björk may be awarded up to 300 000 warrants without consideration. The warrants are earned over three years. . Each warrant carries the right to subscribe to a new share, by no later than 15 April 2026, at a price of 11.44 SEK.

[2] PENSION OBLIGATIONS: The Company has no pension obligations to current or former directors, CEOs or other management team members.
SEVERANCE PAY AGREEMENTS: The Company and CEO have a mutual notice period of three months with no contractual provisions for severance pay.

Note 11 Depreciation/amortization and impairment of tangible and intangible assets

	Group		Parent Company	
	2020	**2019**	**2020**	**2019**
Capitalized development costs	-25 353	-20 333	0	0
Goodwill	-104 490	0	0	0
Inventory	-245	-605	0	0
Right-of-use assets	-3 272	-3 154	0	0
Total	**-133 360**	**-24 092**	**0**	**0**

Group's total depreciation and amortization of tangible and intangible assets amounted to MSEK 133.4 (24.1) for the full year, of which 104.5 (0) relates to impairment of goodwill.

Note 12 Tax

	Group		Parent Company	
	2020	**2019**	**2020**	**2019**
Deferred tax	-20 936	0	0	0
Reported tax expense	**-20 936**	**0**	**0**	**0**

	2020	**2019**	**2020**	**2019**
Reported profit/loss before taxes	-208 179	-73 763	-379 900	-4 454
Tax pursuant to Swedish tax rate 21,4% (21,4 %)	44 550	15 785	83 292	953
TAXEFFECT FROM:				
Non-deductible expenses	-2 237	-295	-81 327	-2
Deductible expenses allocated to equity	2 311	1 151	2 311	1 151
Change in deferred tax	-20 936	0	0	0
Increase in tax loss carry forward	-22 263	-16 609	-4 276	-2 102
Goodwill	-22 361	0	0	0
Other	0	-32	0	0
Reported tax	**-20 936**	**0**	**0**	**0**

Group	**2020-01-01**	**Redovisas i årets resultat**	**Dec. 31, 20**
Tax loss carry forward reported as assets	20 936	-20 936	0
Summa	**20 936**	**-20 936**	**0**

Group	**2019-01-01**	**Redovisas i årets resultat**	**Dec. 31, 19**
Tax loss carry forward reported as assets	20 936	0	20 936
Summa	**20 936**	**0**	**20 936**

Consolidated tax loss carryforwards (no longer reported as assets but available for tax purposes) amounted to 311 468 TSEK (204,645) per December 31, 2019.
Tax loss carryforwards for the parent company amounted to 42,793 TSEK (22,803) per December 31, 2020. The amounts as presented will carry forward indefinitely.

Note 13 Capitalized development costs

	Parent Company	
	Dec. 31, 20	**Dec. 31, 19**
Opening acquisition value	69 085	49 963
Capitalized costs for the year	8 587	19 315
Sales/disposals	0	-193
Closing accumulated acquisition value	**77 672**	**69 085**
Opening depreciation according to plan	-31 420	-11 203
Sales/disposals	0	116
Impairments for the year	0	-10 341
Depreciation/amortization for the year	-25 353	-9 992
Closing accumulated depreciation	**-56 773**	**-31 420**
Closing carrying amount	**20 899**	**37 665**

A total of 8,587 TSEK (19,315) in product development expenditures were brought forward for the development of FRISQ Care.
The Company tests for impairment prior to each reporting date to ensure that the balance sheet value of capitalized development costs is not overstated.

Note 14 Goodwill

	Parent Company	
	Dec. 31, 20	**Dec. 31, 19**
Opening acquisition value	104 490	104 490
Impairment	-104 490	0
Closing carrying value	**0**	**104 490**

The Board of Directors conducts an impairment test prior to each reporting date to ensure that the value of goodwill or other intangible assets are overstated. The impairment test is based on a cash flow forecast for calculation of value in use. The calculated value in use is then compared with the carrying amount. The assessment of future cash flow is based on assumptions about expected future economic conditions, future growth, operating margins and investment requirements. The calculated value is based on the Company's 2021 budget and financial forecasts through 2025. Cash flows beyond the five-year period are calculated using an estimated conservative long-term growth rate of 0 percent.

Until the end of the third quarter of 2020, the Company's goodwill amounted to TSEK 104,490. The shift in expected future cash flows, in combination with the upgrade of the company's product towards a more mitigated SaaS product, has led the Board to reassess the time horizon for earnings related to the original acquired goodwill – why the full amount of MSEK 104.5 is written down. Neither the write-down nor the reversal have an impact on cash flow.

Future cash flows have been calculated with a discount factor of 16.8 percent (16.8 percent) before tax. The discount rate shall, inter alia, reflect market assessments of the time value of capital and company-specific risks. The determination of the discount rate uses a weighted average cost of capital that takes assumptions about risk-free interest rates, market risk premiums, capital structure, borrowing rate and current tax rate, into account .

Note 15 Tangible fixed costs

	Parent Company	
	Dec. 31, 20	**Dec. 31, 19**
Opening acquisition value	1 798	1 140
Purchases	601	799
Sales/disposals	-654	-141
Closing accumulated acqusition value	**1 745**	**1 798**
Opening depriciation	-913	-378
Sales/disposals	53	70
Impairments	0	-413
Depreciations	-245	-192
Closing accumulated depreciation	**-1 105**	**-913**
Closing net acqusition value	**640**	**885**

Note 16 Right-of-use assets

	Parent Company	
	Dec. 31, 20	**Dec. 31, 19**
Opening acquisition value	9 868	9 382
Purchases	653	486
Sales/disposals	-1 139	0
Closing accumulated acquisition value	**9 382**	**9 868**
Opening depreciation	-3 154	0
Sales/disposals	172	0
Impairments	-3 272	-3 154
Depreciations	**-6 254**	**-3 154**
Closing accumulated depriciation	**3 128**	**6 714**

Note 17 Participations in Group Companies

	Parent Company	
	Dec. 31, 20	**Dec. 31, 19**
Opening acquisition value	267 063	197 053
Establishment of company	0	10
Shareholder contributions	142 000	70 000
Impairment	-380 000	0
Closing carrying value	**29 063**	**267 063**

Företag	**Share of capital**	**Share of votes**	**Number of shares**	**Org. Nr /EIN**	**Domicile**	**Book value**
Frisq AB	100%	100%	1 839	556783-5664	Stockholm	29 053
Frisq USA Holding Inc	100%	100%		30-1211598	Delaware, US	10
- Frisq LLC	100%	100%		38-8132515	Delaware, US	-
Frisq PLC	100%	100%		12745808	London, UK	-
						29 063

Note 18 Other long-term receivables

	Group		Parent Company	
	Dec. 31, 20	**Dec. 31, 19**	**Dec. 31, 20**	**Dec. 31, 19**
Opening acquisition value	500	200	0	0
Additional recievables	0	300	0	0
Reduced recievagles	-500	0	0	0
Closing carrying value	**0**	**500**	**0**	**0**

Note 19 Accounts receivable and contractual assets

	Group		Parent Company	
	Dec. 31, 20	**Dec. 31, 19**	**Dec. 31, 20**	**Dec. 31, 19**
Contract assets	0	372	0	0
Accounts recievable	1 994	717	0	0
Doubtful accounts	0	0	0	0
Summa	**1 994**	**1 089**	**0**	**0**

	Group		Parent Company	
Maturity analysis of unimpaired accounts receivable and contract assets	**Dec. 31, 20**	**Dec. 31, 19**	**Dec. 31, 20**	**Dec. 31, 19**
Not yet due	1 994	886	0	0
1-30 days	0	0	0	0
31-90 days	0	203	0	0
91-180 days	0	0	0	0
More than 180 days	0	0	0	0
Total	**1 994**	**886**	**0**	**0**

The Group has not posted any losses from bad debt during the year. As of December 31, 2020, trade receivables of SEK 0 thousand, none deemed to require impairment. The maximum exposure to credit risks at the balance sheet date is the fair value of trade receivables and contractual assets, which is consistent with the carrying amount. There are no pledges for reported receivables. Intra-group receivables are settled every month, why there is no risk of intergroup losses .

Note 20 Prepaid expenses and accrued income

	Group		Parent Company	
	Dec. 31, 20	**Dec. 31, 19**	**Dec. 31, 20**	**Dec. 31, 19**
Accrued income (contractual assets)	0	372	0	0
Prepaid rents	989	949	0	0
Prepaid insurance	278	240	17	16
Other items	50	247	45	81
Total	**1 317**	**1 808**	**62**	**97**

Note 21 Cash and cash equivalent

	Group		Parent Company	
	Dec. 31, 20	Dec. 31, 19	Dec. 31, 20	Dec. 31, 19
Cash in bank	87 811	26 705	68 924	20 541
Total	**87 811**	**26 705**	**68 924**	**20 541**

Note 22 Share capital

Registered	Change, number of shares	Increasin share capital, SEK	Total number of shares	Total share capital, SEK	Quota value, SEK
Formation 2014	1 000 000	50 000	1 000 000	50 000	0,05
New issue 2015	500 000	25 000	1 500 000	75 000	0,05
New issue 2015	1 000 000	50 000	2 500 000	125 000	0,05
New issue 2015	2 205 128	110 256	4 705 128	235 256	0,05
Non-cash issue 2015	7 794 872	389 744	12 500 000	625 000	0,05
New issue 2016	1 922 500	96 125	14 422 500	721 125	0,05
New issue 2017	2 403 846	120 192	16 826 346	841 317	0,05
New issue 2017	100 000	5 000	16 926 346	846 317	0,05
New issue 2018	2 795 941	139 797	19 722 287	986 114	0,05
New issue 2018	495 915	24 796	20 218 202	1 010 910	0,05
New issue 2019	3 700 000	185 000	23 918 202	1 195 910	0,05
New rights issue 2020	8 286 571	414 329	32 204 773	1 610 239	0,05

Each share in the Company entitles the holder to one vote at the general meeting of shareholders. Each shareholder is entitled to vote for all shares held by the shareholder in the Company, with no restrictions to voting rights. All shares in the Company confer equal rights to dividend and to the Company's assets and any surplus in the event of liquidation

In February 2020, a fully guaranteed rights issue was carried out as authorized by the Extraordinary General Meeting held on January 30, 2020. The issue contributed approximately SEK 74.6 million to FRISQ before related costs. The issue had a dilutive effect of 25.73 percent as the number of shares increased by 8,286,571 to 32,204,773. The share capital increased by SEK 414,328.55 from SEK 1,195,910.10 to SEK 1,610,238.65.

The rights issue, which took place in November, was registered in January 2021, with the number of shares increasing by 15,750,000 to 47,954,773.

Note 23 Other contributed capital

Other contributed capital is comprised of the issues conducted in 2015, 2016, 2017, 2018, 2019 and 2020. The issue conducted in 2020 increased other contributed capital by 141,326 TSEK (61,034) after emission expenses of 10,916 TSEK (5,381) were deducted.

Note 24 Proposed appropriation of profits (SEK)

	2020-12-31
Undistributed profits at the disposal of the AGM	
Accumulated profit/loss	-7 520 453
Share premium reserve	491 760 098
Årets resultat	-389 213 119
	95 026 526
The Board of Directors proposes carrying forward	95 026 526
	95 026 526

Note 25 Earnings per share

	Group	
	Dec. 31, 20	**Dec. 31, 19**
Earnings per share before/after dilution (SEK)	-7.3	-3.2
Profit/loss for the year attributable to parent company shareholders	-229 115	-73 763
Weighted average number of outstanding shares before dilution	31 412 341	23 066 695

Warrant programs

The options programs at FRISQ Holding aim to ensure consistent incentives for shareholders and employees. The options have been transferred at market prices at an independently determined valuation and are subject to customary conversion conditions in connection with issues. For further information see communiqués from previous annual general meetings.

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 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, to the benefit of key employees in the Group. The subscription period is June 2021. Each warrant entitles the holder to subscribe one share at a price of 44 SEK per share. If fully subscribed the company's share capital will increase by SEK 29 994.

Program 2020/2026, implemented for the Director Lars Björk and aims to offer ownership in the Company for his significant 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 costs related to the program. The warrants are earned over three years. Each warrant carries the right to subscribe to a new share, by no later than 15 April 2026, at a price of 11.44 SEK.

Full subscription of the above warrants would, based on the total number of outstanding shares, increase the total number of shares by 6,3%.

Other than the above-mentioned warrant programs, as of the balance sheet date there were no other outstanding warrants, convertibles or similar financial instruments that may entitle the holder to subscribe to new shares or otherwise affect the Company's share capital. Warrants have a dilutive effect, as they lead to the issue of ordinary shares at a below-average share price. With a conversion of potential ordinary shares for the current financial year, earnings per share will reduce this loss and, accordingly, there will be no dilution.

Note 26 Lease liability

	Group	
	Dec. 31, 20	Dec. 31, 19
Matures within 1 year	3 281	3 418
Matures in 2-5 years	0	3 382
Total	**3 281**	**6 800**

Note 27 Accrued expenses and deferred income

	Group		Parent Company	
	Dec. 31, 20	Dec. 31, 19	Dec. 31, 20	Dec. 31, 19
Personnel-related items	2 655	1 605	43	0
Accrued development expenditures	408	443	0	0
Accrued consultants' fees	206	273	0	74
Deferred income (contract customer)	1 701	232	0	0
Other items	210	529	90	0
Total	**5 180**	**3 082**	**133**	**74**

Note 28 Cash flow attributable to lease liability

	Group	
	2020	2019
Lease liability		
Opening value, non-cash-flow item	6 800	9 382
Additional lease liability, non-cash-flow item	653	486
Retired lease liability, non-cash-flow item	-915	0
Amortization, cash-flow item	-3 257	-3 068
Total	**3 281**	**6 800**

Note 29 Pledged assets and contingent liabilities

	Group		Parent Company	
	Dec. 31, 20	Dec. 31, 19	Dec. 31, 20	Dec. 31, 19
Pledged assets				
Pledged bank balances	None	500	None	None
Right-of-use assets, cars	None	459	None	None
Contingent liabilities	None	None	None	None

Note 30 Related-party transactions

Purchases and sales between the parent company and subsidiary have been eliminated in the Group; information on these transactions is presented in Note 6. The parent company has current receivables from subsidiaries amounting to 712 TSEK (56,741) and liabilities of 0 TSEK (0). Subsidiary FRISQ AB received an unconditional shareholders' contribution of 142,000 TSEK (70,000) from the Parent Company. Other than consulting services provided by management team members, there were no purchases or sales between the Group and related parties. Additional details, and information on remuneration to management team members and other related parties, is presented in Note 10.

Note 31 Subsequent events

The rights issue, which took place in November, was registered in January 2021, with the number of shares increasing by 15,750,000 to 47,954,773

Note 32 Definition of key indicators

EQUITY/ASSETS RATIO :	Equity as a percentage of total assets.
EARNINGS PER SHARE :	Profit/loss attributable to parent company shareholders divided by the weighted average number of outstanding shares during the period..
OPERATING PROFIT/LOSS :	Profit/loss before net financial income/expense

Signatures

Stockholm, 28 Januari, 2021

Mats Lindstrand
Chairman of the Board

Per Egon Johansson
Director

Lars Björk
Director

Göran Hägglund
Director

George Thaw
CEO

Our audit report was submitted on 29 January, 2020 Mazars SET Revisionsbyrå AB

Samuel Bjälkemo
Authorized Public Accountant

Auditor's Report

To the General Meeting of Shareholders for Frisq Holding AB (publ) Org. nr 556959-2867

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Frisq Holding AB (publ) for the year 2019. The company's annual accounts and consolidated accounts are included on pages 15-43 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The administration report is consistent with the other parts of the annual accounts and consolidated accounts.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

INFORMATIONOTHER THAN THE ANNUAL ACCOUNTS AND CONSOIDATED ACCOUNTS

This document also contains information other than the annual accounts and consolidated accounts. This information is found on pages 1–14. The Board of Directors and the CEO are responsible for this other information. Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CEO

The Board of Directors and CEO are responsible for preparing the annual accounts and consolidated accounts and ensuring that they give a fair presentation in accordance with the Annual Accounts Act and, with respect to the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and CEO are also responsible for such internal control they deem necessary to enable preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and CEO are responsible for assessing the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is not applied, however, if the Board of Directors and CEO intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is greater than detecting one made in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and CEO.
- conclude on the appropriateness of the Board of Directors' and CEO's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts

- draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and CEO of Frisq Holding AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner

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AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect::

- has undertaken any action or been guilty of any omission which may give rise to liability for the company, or
- has in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

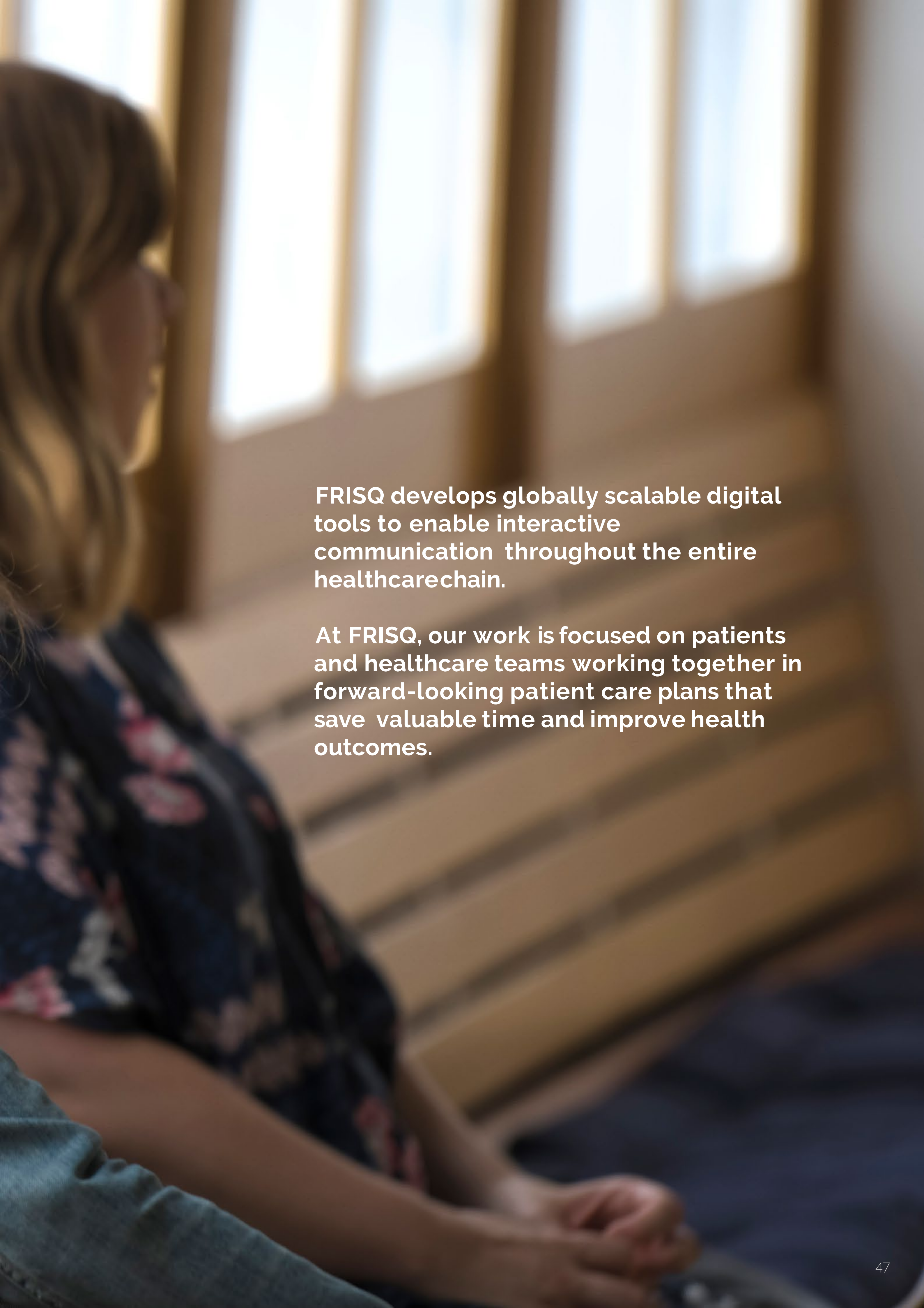
Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability for the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships
that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm den 29 January 2021

Mazars AB

Samuel Bjälkemo
Certified Accountant



FRISQ develops globally scalable digital tools to enable interactive communication throughout the entire healthcarechain.

At FRISQ, our work is focused on patients and healthcare teams working together in forward-looking patient care plans that save valuable time and improve health outcomes.

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