

Interim Report Q1, 2022

January – March 2022

Financial Summary

First Quarter 2022

- Reported net revenue amounted to 1.4 mSEK (2.0)
- Other revenue amounted to 0.3 mSEK (0.3)
- Earnings per share, before and after dilution, amounted to -0.3 SEK (-0.4)
- Cash-flow amounted to -6.5 mSEK (-18.5)
- Cash at the end of the period amounted to 6.6 mSEK (69.3)
- Comprehensive income amounted to -15.3 mSEK (-19.9)

CEO Statement

During the quarter, we have expanded our cooperation with the private healthcare provider, Capiro. In addition to the multi-year agreement with Capiro Elderly and Mobile Care, Capiro Orthopedics signed a 3-year agreement with us. The new agreement was signed after a successful pilot project, which really proves that FRISQ Care brings value that our customers are willing to pay for. I'm very proud of the results highlighted by Capiro Orthopedics that shows that the use of FRISQ Care helps Capiro to deliver needs-based care based on the information provided by the patient in FRISQ Care. Having the patient involved not only means that they can be co-producers in their care and share information and off-load the care personnel, it also means that the patients are well-informed throughout the care journey which in turn decreases the need to cancel surgeries last minute.

We have conducted a new issue of shares and adjusted our cost base to try to secure our financial position. The Board is currently reviewing several alternatives to further strengthen the financial situation.

George Thaw, CEO

Events

During the quarter

- After a 12-month pilot project, Capiro Orthopedics signed a three-year agreement with FRISQ. The purpose of the agreement is to introduce the digital process support FRISQ Care in all Capiro Orthopedics units in accordance with the with the offered licensing and implementation costs.
- The Extra General Meeting made an amendment of the Articles of Association, which gave the Board a mandate to sell the Company's operating subsidiaries and issue new shares.
- The Company has received a non-binding offer for the Company's operating subsidiaries FRISQ AB, FRISQ UK LTD and FRISQ USA Holding Inc (together the "Subsidiaries") for a total purchase price of approximately SEK 106 million.
- The Company has carried out a directed share issue of 18,150,000 shares at the issue price of one (1) SEK per share, whereof 11,000,000 was under registration at the end of the period.

After the period

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

Selected key indicators

	First Quarter		Full Year
	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
SEK Thousands			
Net revenue	1 443	1 950	4 891
Operating profit/loss	-15 209	-19 891	-80 417
Earnings per share, before and after dilution, SEK	-0.3	-0.4	-1.7
Development costs, capitalized	2 542	1 336	10 424
Cash flow	-6 513	-18 549	-74 739
Cash and cash equivalents	6 559	69 262	13 072
Equity per share, SEK	0.3	2	0.4
Equity/assets ratio (%)	51	87	53
Share price at quarter end, SEK	1.0	4.0	2.3
Number of employees at end of the period	23	25	25

Financial Calendar: | Q2 – August 12, 2022 | Q3 – November 10, 2022 | Q4 – February 16, 2023 | Financial reports: www.frisqholding.se

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Financial reporting – Consolidated

Consolidated revenue and earnings. Q1

Consolidated net revenue for the quarter amounted to 1.4 mSEK (2.0). The revenue reported for the quarter includes a higher ratio of recurring license-based revenues than did the same quarter last year. However, the ongoing pandemic has slowed down sales and roll-outs. **Other revenue** amounted to 0.3 mSEK (0.3) and relate primarily to private and EU-financed commercially based innovation projects.

Consolidated **operational costs before depreciation and write-down** are primarily driven by staff costs, development and operational expenditures, and amounted to -14.1 mSEK (-17.3), and is reported net including **capitalized work on own account** which amounted to 1.0 mSEK (0.8). The growth in expenditures, when excluding own work capitalized, is related to increased activities in product development and sales. Total **depreciation and write-down** of tangible and intangible asset amounted to 2.9 mSEK (4.9). **Operating losses** for the quarter amounted to -15.2 mSEK (-19.9). **Net financial costs** amounted to -0.1 mSEK (-0.0) and relate to interest costs for right-of-use assets. **Tax loss carry forward** amounted to mSEK 408,2 at the end of the reporting period. **Comprehensive income** amounted to -15.3 mSEK (-19.9). **Investments**, primarily development, amounted to 2.6 mSEK (1.3).

Consolidated profit and loss in summary	First Quarter		Full Year
	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
SEK thousands			
Net revenue	1 443	1 950	4 891
Other operating income	341	325	1 596
Other external costs	-8 243	-11 846	-43 474
Staff costs	-6 909	-6 264	-27 006
Own work capitalized	1 032	813	3 538
Operational costs	-14 120	-17 297	-66 942
Depreciation/write-down	-2 873	-4 869	-19 962
Total operating costs	-16 993	-22 166	-86 904
EBIT	-15 209	-19 891	-80 417
Net financial income	-100	4	31
EBT	-15 309	-19 887	-80 386
Tax	0	0	0
NET PROFIT	-15 309	-19 887	-80 386
<i>Comprehensive income</i>			
Translation differences	0	0	0
COMPREHENSIVE INCOME	-15 309	-19 887	-80 386
Earnings per share, before and after dilution (SEK)	-0.3	-0.4	-1.7

Financial position

The balance sheet reflects continued investments in the proprietary product that amounted to 15.2 mSEK (14.7) at the end of the period. The amount is not a reflection on future earnings expectations, but rather a reflection of the fact that the Company is fairly young and has adopted a conservative policy with low capitalization and high depreciation rates.

Cash balance at the end of the period was MSEK 6.6 mSEK (13.1). The new capital from the rights issue and the direct issue will finance the company until the end of June 2022. The company continue it's work to secure long-term financing.

Consolidated Balance Sheet in summary	2022	2021	2021
	Mar. 31	Mar. 31	Dec. 31
SEK thousands			
Capitalized development	15 221	18 205	14 729
Tangible assets	529	584	578
Right-of-use assets	8 286	2 345	9 039
Total fixed assets	24 036	21 134	24 346
Accounts receivable	509	910	1 259
Other receivables	2 581	2 483	2 146
Cash in bank	6 559	69 262	13 072
Total current assets	9 649	72 655	16 477
TOTAL ASSETS	33 685	93 789	40 823
Share Capital	2 398	2 398	2 398
Share Capital under registration	550	0	0
Other contributed capital	492 637	492 403	492 637
Other contributed capital under registration	10 450	0	0
Translation reserve	5	5	5
Accumulated profit/loss	-488 777	-413 042	-473 541
Total equity	17 263	81 764	21 499
Leasing liability; long-term	5 433	0	6 172
Lease liability; short-term	2 903	2 476	2 867
Accounts payable	2 585	4 781	4 236
Other liabilities	5 501	4 768	6 049
Total current liabilities	16 422	12 025	19 324
TOTAL EQUITY AND LIABILITIES	33 685	93 789	40 823

Change in Equity in summary	First Quarter		Full Year
	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
SEK thousands			
Opening balance	21 499	101 639	101 639
Net Profit	-15 309	-19 887	-80 386
Warrant premium	73	131	365
New Issue ¹⁾	11 000	-119	-119
Closing Balance	17 263	81 764	21 499

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

Cash flow

QUARTER: Cash flow from **operating activities** amounted to -14.2 mSEK (-16.3) as a result of investments in product development in combination with limited revenues. Cash flow amounted to -6.5 mSEK (-18.5). **Investment** amounted to -2.6 mSEK (-1.3) related primarily to capitalized development. **Financing** amounted to 10.3 mSEK (-0.9), included the rights issue.

Cash flow in summary	First Quarter		Full Year
	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
SEK thousands			
Earnings before taxes	-15 309	-19 887	-80 386
Depreciation/write-down	2 873	4 869	19 962
Other non-cash items	73	131	365
Change in working capital	-1 884	-1 402	-678
Cash flow from			
Operating activities	-14 247	-16 289	-60 737
Investment activities	-2 563	-1 336	-10 602
Financing activities	10 297	-924	-3 400
Cash flow for the period	-6 513	-18 549	-74 739
Cash at beginning of period	13 072	87 811	87 811
Cash at close of period	6 559	69 262	13 072

Financial reporting – Parent Company

Parent Company Profit and Loss in summary SEK thousand	2022	2021
	Jan-Mar	Jan-Mar
Net revenue	1 463	1 463
Other operating income	0	0
Other external costs	-1 549	-3 073
Staff costs	-455	-333
Total operating expenses	-2 004	-3 406
EBIT	-541	-1 943
Net financial income	1	34
EBT	-540	-1 909
Tax	0	0
NET PROFIT	-540	-1 909

FRISQ Holding AB's primary focus is Group administration. **Net revenue** amounted to 1.5 mSEK (1.5 year to date and reflect invoicing to subsidiaries for administrative services. **Operating losses** amounted to -0.5 MSEK (-1.9) year to date. Costs in the Parent Company are primarily driven by the company's listing on Nasdaq First North. **Net financial income** amounted to MSEK 0 mSEK (0).

Parent Company Balance Sheet in summary SEK thousand	2022	2021
	Mar. 31	Dec. 31
Financial assets	32 563	29 063
Total fixed assets	32 563	29 063
Other receivables	12 967	625
Cash in bank	5 304	10 397
Total current assets	18 271	11 022
TOTAL ASSETS	50 834	40 085
Share capital	2 398	2 398
Share capital under registration	550	0
Share premium reserve	491 641	491 641
Share premium reserve under registration	10 450	0
Accumulated profit/loss	-455 402	-454 934
Total equity	49 637	39 105
Accounts payable	295	455
Other liabilities	902	525
Total current liabilities	1 197	980
TOTAL EQUITY AND LIABILITIES	50 834	40 085

Number of Shares

Number of Shares	First Quarter		Full Year
	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Opening	47 954 773	32 204 773	32 204 773
Closing	58 954 773	47 954 773	47 954 773
Of which BTA:s under registration	11 000 000	0	
Average	47 954 773	45 285 281	47 523 266

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

The new issue conducted in March 2022, was registered in April 2022 when the number of shares will increase by 11,000,000 from 47,954,773 to 58,954,773.

Employees

The average number of employees during the quarter was 24 (27). At the close of the quarter FRISQ had 23 (25) employees. There have been no material transactions with related parties other than one Board Members who invoiced a total of TSEK 60 for consulting services.

Warrant programs FRISQ Holding AB

The warrant programs issued in FRISQ Holding AB aim to align shareholders and employee incentives. The warrants have been transferred at market price based on independent valuations and are subject to customary recalculations in connection with share issues, etc. For additional information see AGM announcements from relevant years.

Program 2017, a direct issue where warrants were issued to secure FRISQ's commitment, given fulfillment of certain conditions, to pay an additional consideration for the acquisition of new care path concepts, and associated prototype code. It allows a maximum 1,100,000 warrants each entitling to the subscription of one share, by no later than 31 May 2022, at a price of 0.05 SEK corresponding to the share's quota value.

Program 2020/2026, for the Director Lars Björk for his involvement in the establishment of FRISQ in the US. The program includes 320,000 warrants, of which 300,000 warrants are awarded to Lars Björk without consideration, and 20,000 are allocated to cover related. The warrants are earned over three years. Each warrant carries the right to subscribe to one new share, by 15 April 2026, at a price of 11.44 SEK. If fully subscribed, the Company's share capital will increase by SEK 16 000.

Program 2021/2024, with a maximum of 2,000,000 warrants (maximum of approximately 4% of total shares), aimed at key employees and individuals in the Group. The subscription period is 1 January - 31 March 2024. Each warrant entitles the holder to subscribe to one share at a price corresponding to 200 % of the average volume weighted price 1-12 March 2021; but no lower than 9 SEK/share. If fully subscribed, the Company's share capital will increase by SEK 100 000.

Full subscription of the above programs would increase the total number of shares by 5.8%.

Accounting principles and other information

Shares FRISQ Holding AB's shares are traded on Nasdaq First North under the stock symbol FRISQ since October 12, 2016. The number of shares as per end of the period were 47 954 773.

The Group Structure encompasses the parent company FRISQ Holding AB, org. no. 556959-2867 and the wholly owned subsidiaries FRISQ AB, org. no. 556783-5664; FRISQ USA Holding Inc., with its own wholly owned US based subsidiary FRISQ LLC; and FRISQ UK Ltd. The US and UK subsidiaries are in the process of being established. The Group's operating activities are conducted in FRISQ AB.

The accounting principles governing this report adhere to the Swedish Annual Accounts Act, and IFRS as adopted by the EU and RFR 1. The Parent Company applies the Annual Accounting Act and RFR 2. This report has been prepared in accordance with IAS 34. The accounting policies applied herein are consistent with the latest published Annual Report. New and amended standards adopted from the current year are not deemed to have any material impact on the Group's financial position.

The Company has only one type of revenue, software licensing and implementation services for the software.

This report has not been reviewed by the company's auditor.

Risks and uncertainties exist given that FRISQ is a relatively young company with limited revenue generation. It is therefore not yet possible to make sales or profit predictions until a stable earning level is achieved. As long as product development continues, the company is in need of additional external capital injections. FRISQ is dependent upon being able to enter into licensing and partnership agreements and upon several permits, remuneration systems and associated laws, regulations, decisions by government authorities and praxes (which can change). FRISQ is also dependent on intellectual property rights which are difficult to protect via registration. In addition, FRISQ is dependent on the access to care staff – which is difficult to predict under the current pandemic. The Board's view of risks and uncertainties has not changed. For further information, see Risks and Uncertainties in the last published Annual Report.

Statement of assurance This report has been adopted by the Board of FRISQ Holding AB on 12 May 2022. The Board and the Managing Director, certify that this interim report provides a fair assessment of the Parent Company, Group's activities, financial position, profits and describes material risks and uncertainties.