

# Interim Report Q2, 2021

April – June 2021

## Financial Summary

### Second Quarter 2021

- Reported net revenue amounted to 0.8 mSEK (0.3)
- Other revenue amounted to 0.7 mSEK (0)
- Earnings per share amounted to -0.4 SEK (-0.8)
- Cash-flow amounted to -18.8 mSEK (-18.8)
- Cash at the end of the period amounted to 50.4 mSEK (53.2)
- Comprehensive income amounted to -21.4 mSEK (-26.2)

### January – June 2021

- Reported net revenue amounted to 2.7 mSEK (0.8)
- Other revenue amounted to 1.0 mSEK (0)
- Earnings per share amounted to -0.9 SEK (-1.6)
- Cash-flow amounted to -37.4 mSEK (26.4)
- Cash at the end of the period amounted to 50.4 mSEK (53.2)
- Comprehensive income amounted to -41.3 mSEK (-49.8)

## CEO Statement

FRISQ's Capital Markets Day in May was a great opportunity to present where we are and where we are moving to. We could then, and can now, report that higher recurring revenues have had a positive effect on cash flow, along with a cost control that has shifted funds from administration to development and commercialization. That shift also includes increasing sales staff and expanding footprints in the UK.

We were then also able to present our innovative work with the platform; how we encourage and motivate patients to follow their care plans, how the plans become dynamic with the help of increased interaction and how these aspects also have attracted interest from the pharmaceutical industry.

The newly announced five year agreement with Capio Elderly and Mobile Care is a breakthrough and a commercial confirmation, based on the encouraging feedback that we have received, of the value and utility of the FRISQ platform.

We are also in the final stages of completing a reorganization of the management team: With Ulrika Jones as new CFO, Ulrika Kruse as new CCO, Lovisa Sunnerholm as new CMO from the beginning of August and also a new chief product manager soon to be in place that will bridge our strong innovation and development team with our growing sales team. With this, we have a line-up that is perfectly equipped for capitalizing on a post-pandemic future where health care decision makers will again focus on the prospects of improving outcomes through digitalization.

George Thaw, CEO, FRISQ

## Events

### During the quarter

- Ulrika Jones nominated as CFO

- On 20 May, a Capital Markets Day was arranged to present Frisq's current state of affairs with extra focus on the innovative developments. Also presenting were Sir David Haslam, Fellow at the Royal College of Physicians (on the British / international need for patient-centered care plan solutions) and Thorleif Nilsen, Capio Elderly and Mobile Care (on the collaboration with FRISQ).

### After the period

- FRISQ has signed a commercial agreement with Capio Elderly and Mobile Care. The agreement runs for 5 years and the order value amounts to SEK 15 million. The agreement enters into force on 1 July 2021 and replaces the previous pilot agreement, after FRISQ Care has been evaluated in competition with other systems

## Selected Key Indicators

	Second Quarter		6 Months		Full Year
	2021 Apr-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Jan-Jun	2020 Jan-Dec
SEK Thousands					
Net revenue	773	260	2 723	827	1 367
Operating profit/loss	-21 421	-26 130	-41 312	-49 698	-208 060
Earnings per share, SEK	-0.4	-0.8	-0.9	-1.6	-7.3
Development costs, capitalized	3 200	1 628	4 536	6 204	8 587
Cash flow	-18 813	-18 764	-37 362	26 446	61 106
Cash and cash equivalents	50 449	53 151	50 449	53 151	87 811
Equity per share, SEK	1	6	1	6	3
Equity/assets ratio (%)	74	93	74	93	87
Share price at quarter end, SEK	3,8	9,6	3,8	9,6	3,8
Number of employees at the end of the period	27	37	27	37	29

Financial Calendar: | Q3 – October 28, 2021 | Q4 – January 27, 2022 | Financial reports: [www.frisqholding.se](http://www.frisqholding.se)

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# Financial reporting – Consolidated

## Consolidated revenue and earnings. Q2

**Consolidated net revenue** for the quarter amounted to 0.8 mSEK (0.0). 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 0.7 mSEK (0.0) and relate primarily to EU-financed commercially based innovation projects.

Consolidated **operational costs before depreciation and write-down** are primarily driven by staff costs, development and operational expenditures, and amounted to 18.0 mSEK (19.8), and is reported net including **capitalized work on own account** which amounted to 0.8 mSEK (0.9). The lower costs are explained by, and correspond to, the rise in balanced development costs. Total **depreciation and write-down** of tangible and intangible asset amounted to 4.9 mSEK (6.6) **Operating losses** for the quarter amounted to -21.4 mSEK (-26.1). **Net financial costs** amounted to -0.0 mSEK (-0.0) and relate to interest costs for right-of-use assets. **Tax loss carry forward** amounted to mSEK 353.3 at the end of the reporting period. **Comprehensive income** for the quarter amounted to -21.4 mSEK (-26.2). **Investments**, primarily development, amounted to 3.2 mSEK (1.6).

Consolidated profit and loss SEK thousands	Second Quarter		6 Months		Full Year
	2021 Apr-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Jan-Jun	2020 Jan-Dec
Net revenue	773	260	2 723	827	1 367
Other operating income	695	5	1 020	5	442
Other external costs	-11 754	-9 830	-23 600	-21 435	-45 551
Staff costs	-7 079	-10 934	-13 343	-19 117	-35 022
Own work capitalized	813	919	1 626	2 742	4 064
<b>Operational costs</b>	<b>-18 020</b>	<b>-19 845</b>	<b>-35 317</b>	<b>-37 810</b>	<b>-76 509</b>
Depreciation/write-down	-4 869	-6 550	-9 738	-12 720	-133 360
<b>Total operating costs</b>	<b>-22 889</b>	<b>-26 395</b>	<b>-45 055</b>	<b>-50 530</b>	<b>-209 869</b>
<b>EBIT</b>	<b>-21 421</b>	<b>-26 130</b>	<b>-41 312</b>	<b>-49 698</b>	<b>-208 060</b>
Net financial income	5	-50	9	-126	-119
<b>EBT</b>	<b>-21 416</b>	<b>-26 180</b>	<b>-41 303</b>	<b>-49 824</b>	<b>-208 179</b>
Tax	0	0	0	0	-20 936
<b>NET PROFIT</b>	<b>-21 416</b>	<b>-26 180</b>	<b>-41 303</b>	<b>-49 824</b>	<b>-229 115</b>
<i>Comprehensive Income</i>					
Translation differences	0	0	0	0	0
<b>COMPREHENSIVE INCOME</b>	<b>-21 416</b>	<b>-26 180</b>	<b>-41 303</b>	<b>-49 824</b>	<b>-229 115</b>
Earnings per share (SEK)	-0.4	-0.8	-0.9	-1.6	-7.3

## Consolidated revenue and earnings, January – September 2021

**Consolidated net revenue** for the year to date amounted to 2.7 mSEK (0.8), while **other revenue** that relate primarily to EU-financed commercially based innovation projects amounted to 1.0 mSEK (0).

**Consolidated costs before depreciation and write-down** amounted to 35.3 mSEK (37.8) and is reported net including **capitalized work on own account** which amounted to 1.6 mSEK (2.7). Total **depreciation and write-down** of tangible and intangible assets amounted to 9.7 mSEK (12.7). It is the Company's assessment that the ongoing Covid-19 pandemic does not impact the valuation of assets on the financial statements.

**Operating losses** amounted to -41.3 mSEK (-49.7). **Net financial costs** amounted to -0.0 mSEK (-0.1) and relate primarily to interest costs on right-of-use assets. **Total comprehensive income** amounted to -41.3mSEK (-49.8). **Investments**, primarily development costs, amounted to 4.5 mSEK (6.2) during the year.

## Financial position

The balance sheet reflects continued investments in the proprietary product that amounted to 17.4 mSEK (33.0) at the end of the period. The lower net amount is not a reflection on future earnings expectations, but rather a reflection of the fact that the Company is fairly young and has adopted a conservative policy with low capitalization and high depreciation rates.

Goodwill amounted to mSEK 0 (104.5). Cash balance at the end of the period was mSEK 50.4 mSEK (53.2).

Consolidated Balance Sheet SEK thousands	2021	2020	2020
	Jun. 30	Jun. 30	Dec. 31
Capitalized development	17 374	32 978	20 899
Goodwill	0	104 490	0
Tangible assets	527	754	640
Right-of-use assets	10 603	5 668	3 128
Financial assets	0	0	0
Deferred tax assets	0	20 936	0
<b>Total fixed assets</b>	<b>28 504</b>	<b>164 826</b>	<b>24 667</b>
Accounts receivable	284	503	1 994
Other receivables	2 575	2 453	1 779
Cash in bank	50 449	53 151	87 811
<b>Total current assets</b>	<b>53 308</b>	<b>56 107</b>	<b>91 584</b>
<b>TOTAL ASSETS</b>	<b>81 812</b>	<b>220 933</b>	<b>116 251</b>
Share Capital	2 398	1 610	1 610
Share Capital under registration	0	0	788
Other contributed capital	492 487	417 182	492 391
Translation reserve	5	5	5
Accumulated profit/loss	-434 458	-213 863	-393 155
<b>Total equity</b>	<b>60 432</b>	<b>204 934</b>	<b>101 639</b>
Leasing liability; long-term	7 623	2 339	0
Lease liability; short-term	3 077	3 449	3 281
Accounts payable	3 432	2 657	5 159
Other liabilities	7 248	7 554	6 172
<b>Total current liabilities</b>	<b>21 380</b>	<b>15 999</b>	<b>14 612</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>81 812</b>	<b>220 933</b>	<b>116 251</b>

Change in Equity SEK thousands	Second Quarter		6 Months		Full Year
	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
<b>Opening balance</b>	<b>81 764</b>	<b>230 956</b>	<b>101 639</b>	<b>187 847</b>	<b>187 847</b>
Net profit	-21 416	-26 180	-41 303	-49 824	-229 115
Warrant premium	84	112	215	112	379
New Issue <sup>1)</sup>	0	46	-119	66 799	142 528
<b>Closing Balance</b>	<b>60 432</b>	<b>204 934</b>	<b>60 432</b>	<b>204 934</b>	<b>101 639</b>

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

## Cash flow

**QUARTER:** Cash flow from **operating activities** amounted to -14.8 mSEK (-16.1) as a result of investments in product development in combination with, as yet limited revenues. Cash flow amounted to -18.8 mSEK (-18.8). **Investment** amounted to -3.2 mSEK (-1.1) related primarily to capitalized development. **Financing** amounted to -0.8 mSEK (-1.5).

**YEAR TO DATE:** Cash flow amounted to -37.4 mSEK (26.4) where financing activities generated 1.7 mSEK (65.1). FRISQ does not have any debt financing and funds its operations through equity. See information of risks on dependence of external financing.

Cash flow SEK thousands	Second Quarter		6 Months		Full Year
	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Earnings before taxes	-21 416	-26 180	-41 303	-49 824	-208 179
Depreciation/write-down	4 869	6 550	9 738	12 720	133 360
Other non-cash items	84	170	215	170	551
Change in working capital	1 665	3 315	263	3 950	4 312
<b>Cash flow from</b>					
Operating activities	<b>-14 798</b>	<b>-16 145</b>	<b>-31 087</b>	<b>-32 984</b>	<b>-69 956</b>
Investment activities	<b>-3 200</b>	<b>-1 128</b>	<b>-4 536</b>	<b>-5 704</b>	<b>-8 209</b>
Financing activities	<b>-815</b>	<b>-1 491</b>	<b>-1 739</b>	<b>65 134</b>	<b>139 271</b>
<b>Cash flow for the period</b>	<b>-18 813</b>	<b>-18 764</b>	<b>-37 362</b>	<b>26 446</b>	<b>61 106</b>
Cash at beginning of period	69 262	71 915	87 811	26 705	26 705
<b>Cash at close of period</b>	<b>50 449</b>	<b>53 151</b>	<b>50 449</b>	<b>53 151</b>	<b>87 811</b>

## Financial reporting – Parent Company

Parent Company Profit and Loss SEK thousand	2021	2020
	Jan-Jun	Jan-Jun
Net revenue	2 927	900
Other operating income	2	9
Other external costs	-5 614	-5 031
Staff costs	-917	-672
<b>Total operating expenses</b>	<b>-6 531</b>	<b>-5 703</b>
<b>EBIT</b>	<b>-3 602</b>	<b>-4 794</b>
Net financial income	-17 938	8
<b>EBT</b>	<b>-21 540</b>	<b>-4 786</b>
Tax	0	0
<b>NET PROFIT</b>	<b>-21 540</b>	<b>-4 786</b>

FRISQ Holding AB's primary focus is Group administration. **Net revenue** amounted to 2.9 mSEK (0.9) year to date and reflect invoicing to subsidiaries for administrative services. **Operating losses** amounted to -3.6 MSEK (-4.8) year to date. Costs in the Parent Company are primarily driven by the company's listing on Nasdaq First North. **Net financial income** amounted to MSEK -17.9 mSEK (0) and relates to impairment of shares in the subsidiary FRISQ AB.

Parent Company Balance Sheet SEK thousand	2021	2020
	Jun. 30	Dec. 31
Financial assets	29 063	29 063
<b>Total fixed assets</b>	<b>47 063</b>	<b>29 063</b>
Other receivables	852	774
Cash in bank	47 648	68 924
<b>Total current assets</b>	<b>48 500</b>	<b>69 698</b>
<b>TOTAL ASSETS</b>	<b>77 563</b>	<b>98 761</b>
Share capital	2 398	1 610
Share capital under registration	0	788
Share premium reserve	491 641	491 761
Accumulated profit/loss	-418 059	-396 735
<b>Total equity</b>	<b>75 980</b>	<b>97 424</b>
Accounts payable	908	1 112
Other liabilities	675	225
<b>Total current liabilities</b>	<b>1 583</b>	<b>1 337</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>77 563</b>	<b>98 761</b>

## Number of Shares

Number of Shares	Second Quarter		6 Months		Full Year
	2021	2020	2021	2020	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Opening	47 954 773	32 204 773	32 204 773	23 918 202	23 918 202
Closing	47 954 773	32 204 773	47 954 773	32 204 773	32 204 773
Average	47 954 773	32 204 773	47 084 607	30 611 202	31 412 341

The new issue conducted in November 2020, was registered in January 2021, at which time the number of shares increased by 15,750,000 to 47,954,773.

## Employees

The average number of employees during the quarter was 26 (37). At the close of the quarter FRISQ had 27 (37) employees. There have been no material transactions with **related parties** other than one Board Members who have invoiced a total of TSEK 60.

## Warrant programs

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

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

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

**Program 2020/2024**, with a maximum of 2,000,000 warrants (maximum of approximately 4% of total shares), aimed at key employees and individuals in the Group. The subscription period is 1 January - 31 March 2024. Each warrant entitles the holder to subscribe to one share at a price corresponding to 200 % of the average volume weighted price 1-12 March 2021; but no lower than 9 SEK/share. If fully subscribed, the Company's share capital will increase by SEK 100 000.

Full subscription of the above programs would increase the total number of shares by 7.1%.

## Accounting principles and other information

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

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

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

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

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

**Statement of assurance** This report has been adopted by the Board of FRISQ Holding AB on 15 July 2021. The Board and the Managing Director, certify that this interim report provides a fair assessment of the Parent Company, Group's activities, financial position, profits and describes material risks and uncertainties.