Interim Report Q4

January - December 2023

Financial calendar

Interim report Q4 2024	February 8th, 2024

Shareholder information

Listing	Nasdaq First North Growth Market, Stockholm
Ticker share	Qlife
ISIN code	SE0013486552

Content

Looking ahead with new partners

Financial summary – fourth quarter 2023

- Revenue in the period amounted to kSEK 30 (1,097). Revenue includes sales of Egoo.Health devices and capsules for the device. Revenue in Q4 is solely from test orders of CRP capsules and Egoo systems.
- EBITDA for the period amounted to kSEK –9,466 (-16,843), and net loss kSEK –111,547 (-25,413).
- The total cash flow in the fourth quarter amounted to kSEK -6,095 (3,103).
- Earnings per share before/after dilution for the quarter amounted to SEK -0,019 (-1.17), calculated on weighted average number of shares in the period.

Financial summary – January-December 2023

- Revenue in the period amounted to kSEK 244 (17,993). Revenue includes sales of Egoo. Health devices and capsules for the device.
- EBITDA for the period amounted to kSEK -43,987 (-77,664), and net loss kSEK -159,956 (-93,141).
- The total cash flow from January to December amounted to kSEK -13,944 (-57,946).
- Earnings per share before/after dilution for 2023 amounted to SEK -0,46 (-5.46), calculated on weighted average number of shares in the period.

Significant financial events 2023

Auditors from BDO's wording:

The European Securities and Markets Authority (ESMA) has previously noted in a public report that it is sceptical when an entity states that it has determined that no impairment exists when its market capitalisation is lower than the carrying amount of its listed equity instruments.

The market capitalisation of an entity represents strong external evidence of the value that market participants place on an entity, and therefore its fair value. Consequently, an entity would need to be able to assert that its value in use exceeds its fair value to avoid recording an impairment. (see letter of ceo for company statement)

Significant events – fourth quarter of 2023

- **Qlife carries out a rights issue of units of approximately SEK 49.5 million**

  On December 12rd the board of directors of Qlife Holding AB ("Qlife" or the "Company") has, subject to approval by the extraordinary general meeting on 16 January 2024, resolved to carry out an issue of 215,187,249 units, consisting of shares and warrants series TO 4 and TO 5, with preferential rights for the Company's existing shareholders (the "Rights Issue"). Provided that the Rights Issue is fully subscribed, the Company will receive initial proceeds of approximately SEK 49.5 million before the deduction of issue costs. The Rights Issue is covered by guarantee commitments of SEK 30.1 million, corresponding to approximately 61 percent of the Rights Issue. In order to secure the Company's financing needs until the completion of the Rights Issue, the Company has secured a bridge financing amounting to SEK 5.0 million (2,5 mSEK in December and 2,5 mSEK after ekstraordinary meeting in 2024).

- **Qlife signs a collaboration agreement with major Chinese industry partner Hipro.**

  On September 14th Qlife signed a Letter of Intent (LOI) with chinese major industry player, Hipro Biotechnology, to introduce Egoo Health to the Chinese market. On December 4th Qlife finalized and signed a comprehensive collaboration agreement with Hipro Biotechnology.

  The collaboration consists four major parts:

  1. Regulatory Approvals: Hipro Biotechnology will navigate the regulatory landscape to secure vital approvals from the China Food and Drug Administration (NMPA) for Egoo Health which consist of the software, hardware and three test capsules. Hipro Biotechnology will cover all associated costs during the approval phase for Egoo Health.
  2. Commercialization in China: Following regulatory approvals, Hipro Biotechnology will lead the commercialization of Egoo Health in China, which includes marketing, sales, and distribution through Hipro's distribution network directly to Chinese hospitals, along with overseeing the associated financial responsibilities.
  3. Hipro Biotechnology, a leading point-of-care diagnostics company with an extensive distribution network to more than 14,000 Chinese hospitals, will be responsible for the marketing, sales, and distribution of Egoo Health to Chinese hospitals. Hipro Biotechnology will solely cover associated costs and Qlife will receive royalties for products sold. Hipro is forecasting into the millions of Egoo tests sold during first full year expected to be 2025.
  4. Hipro Biotechnology will initially focus on the production of EgooCapsules and EgooCollect blood-to-plasma units. The production of Egoo instrument will remain in Scandinavia until the relationship has fully matured.

Significant events after the end of fourth quarter of 2023

- **Qlife Holding announces the outcome of extraordinary general meeting January 16th 2024**

  The extraordinary general meeting resolved in accordance with the proposal from the board of directors to amend the provisions in the Articles of Association regarding the limits for the company's share capital. In addition, the extraordinary general meeting resolved to reduce the company's share capital by SEK 48,417,131.175, without redemption of shares, for allocation to non-restricted equity. The reduction of the share capital entails that the share's quota value changes from SEK 0.08 to SEK 0.005 per share.

  The extraordinary general meeting resolved in accordance with the proposal from the board of directors to approve the board of directors' resolution of 12 December 2023 on a rights issue of a maximum of 215,187,249 units. Those who are registered as shareholders in the company on the record date 8 February 2024 will receive one (1) unit right per existing share. Three (3) unit rights entitle to subscription of one (1) unit in the company at a subscription price of SEK 0.23 per unit, which corresponds to a subscription price of SEK 0.01 per share. Each unit consists of twenty-three (23) new shares, eight (8) warrants series TO 4 ("TO 4") and eight (8) warrants series TO 5 ("TO 5"). In total, the issue comprises a maximum of 4,949,306,727 shares, a maximum of 1,721,497,992 TO 4 and a maximum of 1,721,497,992 TO 5. One (1) TO 4 entitles the right to acquire one (1) new share in the company against cash consideration amounting to SEK 0.02 per share. One (1) TO 5 entitles the right to acquire one (1) new share in the company against cash consideration amounting to SEK 0.0225 per share. The TO 4 may be exercised during the period 7–21 June 2024. The TO 5 may be exercised during the period 21 November–5 December 2024

  Upon full subscription of all shares that are issued in the rights issue, the share capital will increase with a maximum of SEK 24,746,533.635 (based on the new quota value after resolution by the extraordinary general meeting). Upon full subscription of all warrants series TO 4 that are issued in the rights issue, the share capital will increase with a maximum of SEK 8,607,489.96 (based on the new quota of SEK 0.005 per share). Upon full subscription of all warrants series TO 5 that are issued in the rights issue, the share capital will increase with a maximum of SEK 8,607,489.96 (based on the new quota of SEK 0.005 per share). The subscription period in the Rights Issue runs from and including 12 February 2024 up to and including 26 February 2024.

  The extraordinary general meeting resolved in accordance with the proposal from the board of directors to amend the provisions in the Articles of Association regarding the limits for the company's share capital. In addition, the extraordinary general meeting resolved to increase the company's share capital by SEK 48,417,131.175 through a bonus issue, without issuing new shares, by transferring a corresponding amount from non-restricted equity.

	Oct-Dec		Jan-Dec		Jan-Dec
Group - Key figures - kSEK	**2023**	**2022**	**2023**	**2022**	**2021**
Revenue	30	1,097	244	17,993	39,613
Total Operating expenses	-9,496	-17,939	-44,231	-95,657	-74,666
EBITDA	-9,466	-16,843	-43,987	-77,664	-35,052
Total cash flow	-6,095	3,103	-14,643	-57,946	52,599
Cash reserve	1,661	14,547	1,661	14,547	73,461
Shareholders equity	-23,123	91,149	54,316	91,149	48,818
Number of employees	13	61	24	61	39

Focus on the collaboration with our Chinese partner

During the fourth quarter we signed a collaboration agreement with the Chinese company Hipro Biotechnology. The partnership is a direct result of our new Egoo Innovate-strategy, and during the latest months Qlife and Hipro have worked together to develop our relationship.

Qlife and Hipro fit well together

So far, it is very satisfying to see the good match in terms of both competences and technologies. Qlife brings an advanced micro lab for home use, the ability to innovate and qualified assay mechanical engineers. Hipro brings a highly professional production facility, a proven track record for getting IVD test regulatory approved as well as a big R&D team able to execute clinical studies, developing more biomarkers to the Egoo System faster.

During this initial period, Qlife has had two teams visiting Hipro in China. The collaboration between the technical teams, has progressed very well, I see a lot of respect and motivation from both sides. Together with Hipro we have set a joint plan and targets that we are following on a continuous basis, and we are working closely with weekly Teams meetings.

Hipro is now working swiftly to conclude how they will go to market with our products. They will start with our system that filters plasma from whole blood. In parallel, they are assessing which test capsules they want to implement first.

Hipro puts resources into the project

I am impressed by the high quality of Hipro's work. The people are competent and motivated, and the company are not afraid to put resources into the project. Already approximately 40 people from Hipro are involved in the activities in one or another way. I have a continuous contact with the Hipro-management and expect to meet them again already during a conference in February.

Right now, Hipro is also working in detail to secure that they understand everything in and around the Egoo System, and that everything is working the way they expect. Hipro aim to start the work with regulatory approvals during the first half of 2024, and we hope that we will have Egoo on the Chinese market during 2024.

Additionally, it is very satisfying to know that all the work that Hipro is doing to get regulatory approval also can be used for UKCA approval and CE-marking in Europe. It is much faster to do the tests in China than to do it ourselves, which means that we really can leverage the Chinese relationship in different ways.

Therefore, we have slightly changed our strategy regarding regulatory approvals in the UK & EU. We are now working on quickly obtaining data from China to use them in our regulatory work aiming for approvals in UK & Europe. This is a much more cost-efficient way of getting regulatory approvals and possibly means that we can move several more tests through the regulatory process.

UK and potential new partnerships

In UK, we have identified the possibility of self-declaring our Egoo Test Capsules, opening the possibility to sell approved (UKCA) test to hospital-at-home, pharmacies, and health practitioners. UK are still, and for at least 2024, following the IVDD as opposed to the IVDR in the EU. Hence we can self-declare in the UK during this year and have the Egoo System on the UK market, where the general demand is big for new solutions to improve health offerings and in particular biomarker tests.

We see a big potential in the UK market and a great interest in selling Egoo. We have initiated dialogue with multiple potential partners. We expect to launch the Egoo System with multiple tests in the second half of 2024, providing us the opportunity to setup the right and reliable partners. Thanks to the collaboration with Hipro and the access to their highly optimized reagents we now can move new biomarkers forward quickly and implement on Egoo.

Besides the intense collaboration work with Hipro, we are working on other new partnerships, and have some very promising contacts, but it is still early discussions.

Significant financial statement 2023

There have been extensive ongoing discussions with the auditors regarding the valuation of the company.

Their determination suggests that the valuation of the shares of subsidiaries held by the parent company should be adjusted to the stock market value of kSEK 12,911. Concurrently, the receivables from the subsidiary should be zeroed out, amounting to kSEK 116,325, resulting in equity nearing zero at kSEK 773. Additionally, for the group, this entails a negative impact as the value of capitalized development costs will also be written down to kSEK 12,911, representing a total write-down of kSEK 87,201.

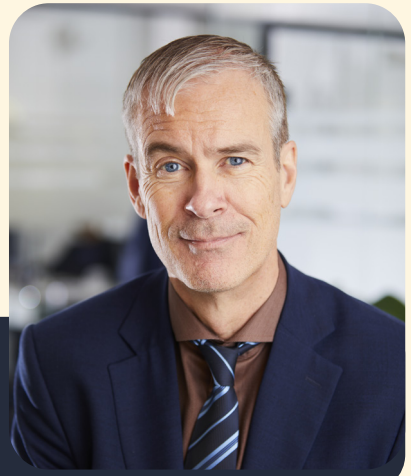
The management do not perceive the year-end value as indicative of the true value of the company. The management anticipate that the future value of the company will be significantly higher, particularly through our collaboration with Hipro, which has yet to be substantiated.

Purpose of the upcoming rights issue

After the third quarter, we announced a new rights issue with the target to finance the company until we see sales from China. The rights issue will initially give us financing for the first half of 2024. It then follows by a TO4 warrant in June with the purpose to finance the rest of 2024, followed by a TO5 warrant in November/December 2024 that will take us to the point where we start to see revenues from China and the UK.

Helsingborg, 8 February 2024

Thomas Warthoe, CEO



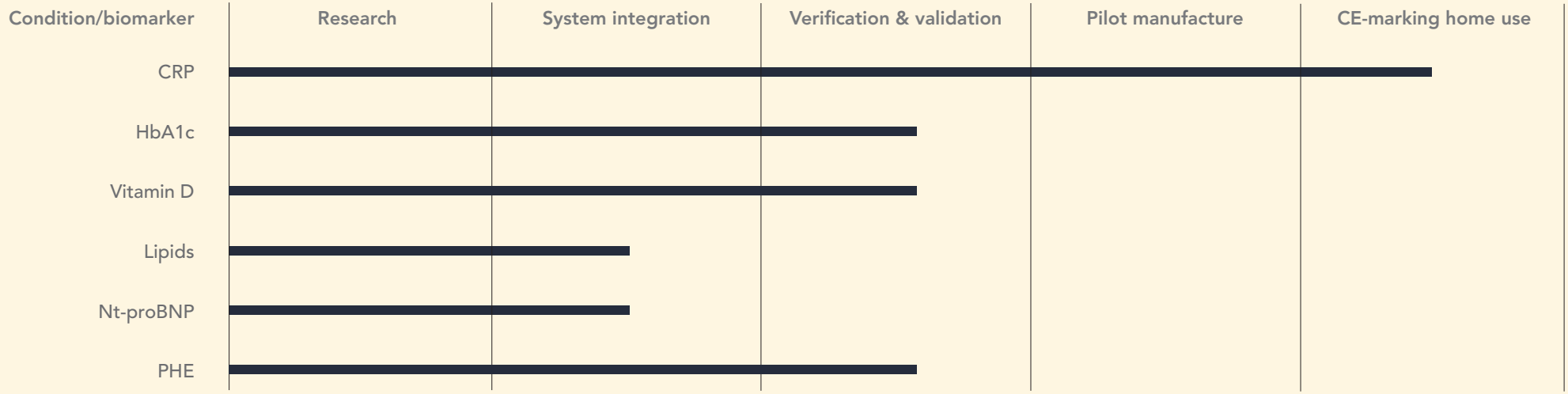
Thomas Warthoe

The Egoo system

The Egoo device is small, fist sized, and portable. The tests can be made from either blood, plasma or mouth swab depending on the specific test and takes 5-30 minutes for most tests. Results are qualitative on par with existing laboratory tests. The tests are run from either smartphone or laptop and the results shown instanteniously. It is optional to share data with a GP, hospital or other caregiver – in accordance with GDPR regulation.

The Egoo System is the first personalized diagnostics platform that enables self-testing at home for a wide range of clinical biomarkers. Currently one test has been CE-marked for professional use under IVDR and more are under way both for professional and home-use. Many protein-based biomarkers measured in saliva, plasma or blood can be configured to run on the Egoo System. Further, with the addition of an in-licensed DNA amplification technology the field of molecular virus and bacteria testing has been added to the overall business potential.

Product portfolio



CRP/C-Reactive Protein.
Due to the IVDR regulation our CE-mark must be updated from IVDD to IVDR. The new IVDR regulations have put increased workload on the notified bodies in EU and prolonged approval times. To best navigate this new regulatory reality Qlife has revised our regulatory approach. This means that we initially will target a professional use CE-mark and subsequently finalize CE-mark protocols for CRP home use and run the necessary usability studies allowing us to file our CE-dossier under the new IVDR to our Notified Body and hence achieve the first clinical-grade CE-mark for a CRP self-testing home-use capsule.

PHE. Our PHE assay for Phenylketonuria has always been a focus product for us. The product is quite far, which means that the chemistries are developed, tested and implemented on the platform. However, since the clinical trials are expected to be long and financially heavy we will not take the product further before we have found a partner who is willing to finance the final step towards a market clearence.

THE NEW BIOMARKERS:

HbA1c (Diabetes Type-2). Thanks to the collaboration with the Chinese company Hipro Biotechnology and the access to their highly optimized reagents we can move this biomarker forward quickly and implement on Egoo. We see big potential especially in the UK market where we can start to sell the product in the Health practitioners field. Diabetes is a big field, and we see a generally large interest in the UK and Ireland to access testing in decentralized location for diagnosis of type-2 diabetes (HbA1c).

Vitamin D. Thanks to the collaboration with Hipro Biotechnology and the access to their highly optimized reagents we can move this biomarker forward quickly and implement on Egoo. We see big potential especially in the UK market where we can start to sell the product in the Health practitioners field

Nt-Pro-BNP (Congestive Heart Failure). This is a biomarker that tests for heart problems (Congestive Heart Failure) which is in high demand, and it would be the first time that clinical-grade heart biomarker could be tested for in the homes. It is potentially a big market, and our Chinese partner Hipro Biotechnology is very interested to bring it into hospital at-home and pharmacies in China. Potentially also outside China especially in the USA, where Congestive Heart Failure is a big field. We also want to launch this product into the UK market as soon as possible.

Lipids (Cholesterols incl. HDL, LDL, Total Cholesterol and Triglycerides). Cholesterols are important to monitor on a regular basis. We see a big potential in the UK market where we can start to sell the product in the Health Practitioners field.

Taking the necessary steps towards our vision we introduce

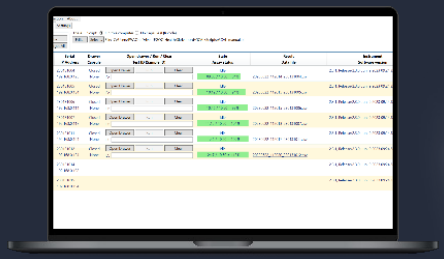
egoo innovate

Offering the life science community, a hardware system to implement biomarker testing for home settings

Egoo Open System

Egoo Open Instrument

Egoo Open Capsule



Egoo ILab

Egoo Collect (Optional)

Egoo Connect App

The Egoo Health system consist of multiple components, including a blood-to-plasma filtration device called the Egoo-Collect that is inserted into a capsule – the Egoo Capsule – and placed into the larger Egoo Device, which is controlled via a smartphone or laptop. The patented Egoo Collect device can convert wholeblood or capillary blood into plasma. The Egoo capsuel has three chambers for reagents and one reaction chamber that combines the reagents with a sample to a test. It can perform multiple types of testing, including molecular and immuno-assay testing. The device can purify, heat, and mix samples and reagents and relies on optics technology to provide analysis, including fluorescence measurement for DNA and RNA biomarkers, bioluminescence for high sensitivity applications, and enzymatic and immunoturbidimetric absorbance for protein biomarker quantification.

Multiple sample types can be used with the platform, including blood, nasopharyngeal, andoropharyngeal swabs.

The company also provides its ILab software that connects to the cloud and can control multiple Egoo Devices, customize a test's reaction time, temperature, measuring intervals, and mixing speed, and transfer test results into an electronic medical record or data analysis program. Reaction changes can be activated at different time points, allowing for the use tests that require an incubation period. All in all a highly flexible platform that almost any clinical biomarker can be implemented on.

Phase 1:

Implement your Biomarker for the Egoo Open System

Develop and implement the biomarker X reagents to the Egoo Open test capsule

Optimize the assay condition on the Egoo Instrument in collaboration with the the Egoo Innovate´s software team and the Ilab software

Protocol (AEP) specifically designed for your Biomarker X Egoo Capsule

Phase 2:

Optimerized design for Home-settings

In collaboration with the The Egoo Innovate´s software team:

Transform the biomarker algorithm, calibration parameters and AEP generated by the ILab into a QR-code enabling the Egoo Connect App to start analysis and return the result.

Small-scale production of sealed biomarker X Egoo test capsules.

Performance testing and small-scale assessment study of usability in home-settings - Regulatory and ethical approval has to obtained before the study.

Phase 3:

Validation – decentralized clinical studies

Scaled-up production of chosen biomarker Egoo test capsules to be used in the clinical research study

Large scale decentralized clinical research study

- regulatory and ethical approval has to be obtained before initiation of the clinical research study can be performed in home-settings.

Share and ownership

Qlife Holdings shares (QLIFE) are listed at Nasdaq First North Growth Market, Stockholm since March 2, 2020.

Share and sharecapital

As per December 31th 2023, the company's share capital is SEK 51,634,839.92, divided into 645,531,749 shares of the same class, with a par value of SEK 0.08.

Ownership and largest shareholders

The table below shows the ten largest shareholders in the company, as per December 31th 2023, according to the public nominee register of shareholders register from Euroclear.

Warrants series TO3

As per September 30th 2023 the exercise period for 622.351.940 warrants (TO 3) had been completed (11 – 29 September 2023).

126,250 warrants were utilized for subscription of 126,250 shares. The new shares will be registered with the Swedish Companies Registration Office during October and is therefore not included in the shares outstanding as per September 20th 2023

Once registered rhe total number of shares in Qlife increases by 126,250, from 645,435,499 to 645,561,749. The share capital in Qlife increases by SEK 10,100.00, from SEK 51,634,839.92 to SEK 51,644,939.92.

Shareholder	Shares	Percent
Tradgardshuset Nissarna AB	50 127 982	7,77%
Avanza Pension	42 592 060	6,60%
Monitor ERP Group AB	16 632 000	2,58%
Pontus Jonsson	15 716 124	2,43%
Jan Robert Pärsson	15 000 000	2,32%
Nordnet Pensionsforsakring AB	14 825 211	2,30%
Warthoe af 1964 ApS	14 693 914	2,28%
Gunther Wikberg Kapitalforvalt AB	10 000 000	1,55%
Jens-Martin Wurr	9 147 596	1,42%
Vio Ljusfabrik AB	8 800 000	1,36%
Total top 10	**197 534 887**	30,60%
Others	448 026 862	69,40%
Sum	**645 561 749**	**100,0%**

Incentive programmes

Warrants 2021/2024

In May 2021, Qlife issued 40,000 warrants to members of the Board, which entitle holders to subscribe to 1,02 shares per option. These warrants may be exercised during the period of 1–31 May 2024 at an exercise price of SEK 67.08 per share. In the event that all warrants in this program are exercised in the purchase of Qlife shares, the company will issue a total of 40,800 new shares. These warrants are subject to standard conversion terms in relation to new share issues and similar.

Staff warrants 2022/2025

In May 2022, Qlife issued 120,000 warrants to staff members, which entitle holders to subscribe to 1,02 shares per option. These warrants may be exercised during the period of 1–30 June 2025 at an exercise price of SEK 41.36 per share. In the event that all warrants in this program are exercised in the purchase of Qlife shares, the company will issue a total of 122,400 new shares. These warrants are subject to standard conversion terms in relation to new share issues and similar.

Staff warrants 2023/2026

In May 2023, Qlife issued 40,630,656 warrants to staff members, which entitle holders to subscribe to one share per option. These warrants may be exercised during the period of 1–30 June 2026 at an exercise price of SEK 0.13 per share. In the event that all warrants in this program are exercised in the purchase of Qlife shares, the company will issue a total of 40,630,656 new shares. These warrants are subject to standard conversion terms in relation to new share issues and similar.

Financial comments Group, Q4

October - December 2023

Financial result

Revenue in the period amounted to kSEK 30 (1,097). Revenue derives from sales of Egoo.Health devices and capsules for the device.

Capitalized development costs amounted to kSEK 4,149 (9,622) showing a decrease in the development activities in Q4 2023 as development work on the Egoo system for CRP testing has been completed and the number of R&D employees has been reduced.

Raw materials and consumables amounted to kSEK -2,441 (-1,681), which is costs for components and parts for devices and capsules used both for sales and development activities. Finished goods inventories changes in the period is kSEK 0,229 (-1,495).

Other external expenses amounted to kSEK -5,200 (-9,992). Quarter to quarter decrease in other external expenses is driven by reductions in the size of the organization and accruals for cost relating to the termination of the rent agreement for production facilities in Ballerup that was booked in Q2.

Personnel costs for the period amounted to kSEK -5,667 (-14,394).

As per December 31 2023 Qlife Aps had 13 (51) employees. This is a reduction of 38 employees compared to 31 Dec 2022 as cost saving activities executed in first half of the year is taking effect.

Depreciation of equipment and capitalized development costs amounted to kSEK -94,567 (-5,802). Depreciation of development costs is made over 5 years. The value of capitialized costs have been written down to kSEK 13.994.

Net financial income and expenses amounted to kSEK -3,777 (-2,844) is related to interests on loans from Danish Growth Fund, convertibles, interest on leasing contracts and exchange rate gains and losses.

Earnings before interest and tax (EBIT) for the period amounted to kSEK -104,033 (-22,645) and net loss kSEK -111,547 (-25,413).

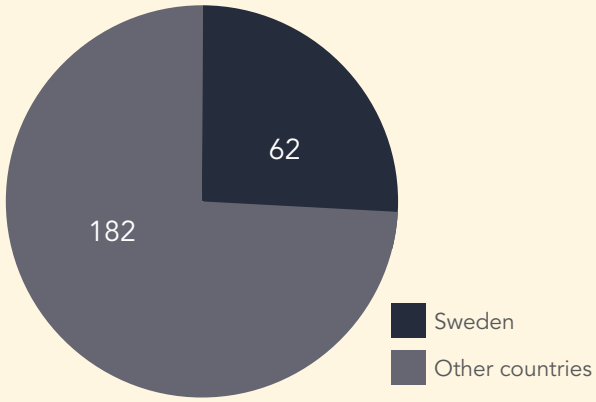
Cash flow

The total cash flow amounted to kSEK -6,096 (3,103) for the fourth quarter of 2023. Cash flow from operations and changes in working capital amounted to kSEK -4,971 (-8,152). Cash flow from investing activities amounted to kSEK 4,184 (-7,504) consisting of capitalized development net of depreciations.

Cash flow from financing activites is positive kSEK -5,310 (18,758).

Cash and cash equivalents are specified on page 17 – "Group – Consolidated Cash Flow statement".

Geographical distribution of Q1-Q4 revenue (kSEK)



Egoo sales revenue Q1-Q4 2023 (kSEK)	
Sweden	62
Other countries	182
Total Sales	**244**

Financial comments Group, Q1-Q4

January - December 2023

Financial result

Revenue in the period amounted to kSEK 244 (17,993). Revenue derives from sales of Egoo.Health devices and capsules for the device.

Capitalized development costs amounted to kSEK 20,946 (46,668) showing a decrease in the development activities in 2023 as development work on the Egoo system for CRP testing has been completed.

Raw materials and consumables amounted to kSEK -5,187 (-27,604), which is costs for components and parts for devices and capsules used both for sales and development activities. Finished goods inventories changes in the period is kSEK -1,140 (1,138). Representing products used for sales and R&D as well as expired products that has been written off.

Other external expenses amounted to kSEK -26,252 (-50,864). Consisting of fees for external consultants, admin cost and cost relating to the termination of the rent agreement for production facilities in Ballerup.

Personnel costs for the period amounted to kSEK -32,370 (-62,720).

As per December 31 2023 Qlife Aps had 13 (51) employees. This is a reduction of 38 employees compared to 31 Dec 2022 as cost saving activities executed in H1 is taking effect.

Depreciation of equipment and capitalized development costs amounted to kSEK -112,654 (-18,071). Depreciation of development costs is made over 5 years. The value of capitialized costs have been written down to kSEK 13.994.

Net financial income and expenses amounted to kSEK -8,751 (-5,265) is related to interests on loans from Danish Growth Fund, bridge financing, interest on leasing contracts and exchange rate gains and losses.

Earnings before interest and tax (EBIT) for the period amounted to kSEK -156,641 (-95,735) and net loss kSEK -159,956 (-93,141).

Fixed assets

Capitalized development costs relate to accumulated internal and external product development costs including costs for patent preparation and application. At the end of the fourth quarter 2023 the capitalized development costs amounted to kSEK 101,112 (97,744) relating to continued development of the device and test capsules for CRP, PKU and Influenza/SARS tests. At the beginning of the year capitalized development cost was kSEK 97,744.

The total value for the capitalized development cost have been written down the market value of the subsidiary in parent company – the value are now kSEK 13,994 (incl. patents preparation and application kSEK 1,083).

Qlife has in 2022 entered into a 10 year leasing agreement relating to new production and office facilities on Industriparken in Ballerup. In order to adjust to Qlife's new partner focused operating model with a leaner organization this lease agreement has been terminated in Q2 2023 with a final exit date of October 31 2023. The reduced length of the leasing contract is the driver behind the reduction in the value leased premises down to kSEK 6,505 (48,983).

Current assets

Inventory amounted to kSEK 7,292 (8,070), consisting of finished goods and parts and components for instruments, capsules and reagents. Account receivables of kSEK 658 (1,056) is related to the sales in 2022 and 2023. Cash and cash equivalents amounted to kSEK 1,661 (14,547) at the end of December 2023.

Equity

Equity amounted to kSEK -23,123 (91,149) at the end of December 2023. Shareholder's equity is specified on page 17 – "Group – changes in equity".

Debts

Long term liabilities - kSEK 8,289 (48,293) - consists of a development loan from the Danish Growth Fund and leasing debt.

Short term liabilities consist of development funding for the FIND project, prepayments from customers for future deliveries of Egoo system, bridge loan, trade payables and accruals. Prepayment from customers of kSEK 24,567 is prepayment of development cost from FIND.

Cash flow

The total cash flow amounted to kSEK -13,944 (-57,946) for 2023. Cash flow from operations and changes in working capital amounted to kSEK -51,519 (-47,733). Cash flow from investing activities amounted to kSEK -3,452 (-42,940) consisting of capitalized development.

Cash flow from financing activites is positive kSEK 41,026 (32,727) and includes kSEK 61,1 cash from the rights issue off set by issuance cost of -16,172 and a bridge loans and convertible loans of 15.775 and interest and repayment of the bridge loan of -12,126 (-28,030).

Cash and cash equivalents are specified on page 17 – "Group – Consolidated Cash Flow statement".

Financial comments Parent company, Q4

October - December, Q4 2023

Financial result

Revenue amounted to kSEK 350 (288) in the period and consists of management fee from subsidiary.

Other external cost consists of various administrative cost.

Personnel costs consist of board fees.

Depreciation of investment in subsidiary kSEK -171,438 (0) is a write-down of the subsidiary Qlife ApS to market value of kSEK -55,113 and the receivable on the subsidiary kSEK -116,325.

Other Net financial income and expenses kSEK -1,655 (-418) is related to interest on loan to Qlife Aps and interest on bridge loans.

Net loss for the period amounted to kSEK -173,543 (-2,937).

Cash flow

The total cash flow amounted to kSEK -585 (1,912) for the fourth quarter of 2023 driven by net proceeds of kSEK 2,500 from convertible loan in December 2023 offset by an increase in the loan to Qlife ApS (kSEK -3.969).

Cash and cash equivalents are specified on page 20 – "Parent company – Cash Flow statement".

January - December 2023

Financial result

Revenue amounted to kSEK 1,400 (1,154) in the period and consists of management fee from subsidiary.

Other external cost consists of various administrative cost.

Personnel costs consist of board fees.

Depreciation of investment in subsidiary kSEK -224,619 (0) is an intercompany loan to the subsidiary Qlife ApS that has been converted to equityk SEK 53,180, and write-down of the subsidiary Qlife ApS to market value kSEK 55,113 and the receivable on the subsidiary kSEK -116,325.

Other Net financial income and expenses kSEK 1,655 (-376) is related to interest on loan to Qlife Aps and interest on bridge loans.

Net loss for the period amounted to kSEK -228,003 (-5,159).

Fixed assets

Fixed assets are shares in subsidiary Qlife ApS kSEK 12,911. This is now changed to market value with a write-down of kSEK -55,113, before it was based on the valuation of the shares at the time of the in-kind share issue in 2019 kSEK 68,024.

Current assets

Receivables from subsidiary kSEK 116,320 (106,667) is the outstanding loan to Qlife ApS.

Other receivables mainly consist of VAT reimbursement.

Cash and cash equivalents amounted to kSEK 509 (11,052) at the end of December 2023.

Equity

Total equity amounted to kSEK 773 (184,224) end of December 2023.

As a result of the write down the receivables from the subsidiary kSEK 116,325 and the shares of subsidiaries kSEK 55,113, the balance sheet for the parent company as of 31 December 2023 shows that the equity of the company is less than half of the registered share capital. In view of this, the board intends to prepare a special balance sheet for liquidation purposes in accordance with the provisions in Chap. 25 in the Swedish Companies Act and convene a general meeting at which the balance sheet is presented.

Shareholder's equity is specified on page 20 – "Parent company – changes in equity".

Cash flow

The total cash flow amounted to kSEK -10,543 (-46,112) for 2023 is driven by operational loss from conversion of part of loan to the subsidiary kSEK -53,180 partly offset by net proceeds from the rights issue in April 2023 kSEK 45,155.

Cash and cash equivalents are specified on page 20 – "Parent company – Cash Flow statement".

Additional information

Accounting principles

Qlife holding is following the IFRS reporting standard for its interim financial reports. This Q1 interim financial report is the fifth interim report that has been prepared under the IFRS standard.

The Group's interim report is prepared in accordance with IAS 34 interim reporting and the Swedish Accounting Act. The parent company's interim report Is prepared in accordance with the Swedish Accounting Act and The Swedish Financial Reporting Board's recommendation RFR 2 Reporting for Legal Entities.

Risks and uncertainties

Qlifes business is influenced by several factors which cannot be controlled by the Company at all or in part, and with possible effects on the Company's earnings and financial position. In the

assessment of the Company's future development, it is important, alongside the possibilities for growth in earnings, to also consider these risks.

Risk factors include, among others, uncertainties with regards to validations and regulatory approvals, collaboration and partnerships, intellectual property issues, market and competition,

manufacturing, purchasing and pricing, dependence on key persons and financial risks.

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Authorised Public Accountant

Statement by the Board of Directors

The Board of directors and the CEO hereby affirm that the consolidated statement for the period January-December 2023 gives a true and fair representation of result, operations and financial position in Qlife Holding AB and the subsidiary Qlife ApS.

Helsingborg February 8th 2024

Lars Bangsgaard Chairman	Lars Staal Wegner Board member
Mikael Persson Board member	Thomas Warthoe Board member, CEO

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

Group - Consolidated Income Statement

kSEK	Oct-Dec, Q4 2023	Oct-Dec, Q4 2022	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021
Revenue	30	1,097	244	17,993	39,613
Total operating income	**30**	**1,097**	**244**	**17,993**	**39,613**
Operating expenses					
Changes in inventories of finished goods	-336	-1,495	-1,369	-1,138	1,161
Capitalized development costs	4,149	9,622	20,946	46,668	25,581
Raw materials and consumables	-2,441	-1,681	-5,187	-27,604	-21,814
Other external expenses	-5,200	-9,992	-26,252	-50,864	-39,725
Personnel costs	-5,667	-14,394	-32,370	-62,720	-39,869
Total operating expenses	**-9,496**	**-17,939**	**-44,231**	**-95,657**	**-74,666**
EBITDA	**-9,466**	**-16,843**	**-43,987**	**-77,664**	**-35,052**
Amortization and depreciation	-94,567	-5,802	-112,654	-18,071	-8,813
EBIT	**-104,033**	**-22,645**	**-156,641**	**-95,735**	**-43,865**
Net financial income and expenses	-3,777	-2,844	-8,053	-5,265	-2,414
Result before tax	**-107,811**	**-25,490**	**-164,694**	**-101,000**	**-46,279**
Tax	-3,736	77	4,738	7,860	7,483
Net result for the period	**-111,547**	**-25,413**	**-159,956**	**-93,141**	**-38,797**
Other comprehensive income					
Items that may be reclassified to result for the period Foreign currency exchange gains and losses	-2,266	6,100	1,132	8,581	1,083
Total comprehensive profit/loss for the period attributable to owner of Parent Company	**-113,813**	**-19,313**	**-158,824**	**-84,560**	**-37,714**
Net result per share before and after dilution - SEK	-0,17	-1,17	-0,42	-5,46	-3,04
Weighted average number of shares in the period before dilution	645,438,499	21,807,935	379,010,167	17,065,679	12,766,840
Weighted average number of shares in the period after dilution	784,327,689	28,482,842	777,628,028	18,998,331	13,477,948
Total number af shares end of period	645,531,749	23,072,536	645,438,499	23,072,536	15,484,927

Group - Consolidated Balance sheet

kSEK	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
ASSETS			
Intangible fixed assets			
Capitalized development costs	13,994	97,744	55,193
Goodwill	-	-	-
Total Intangible fixed assets	**13,994**	**97,744**	**55,193**
Tangible fixed assets			
Manufacturing equipment and fixtures	2,184	5,929	4,301
Leased premises	6,505	48,983	1,323
Total Tangible fixed assets	**8,689**	**54,912**	**5,624**
Total fixed assets	**22,683**	**152,656**	**60,817**
Current assets			
Inventory	7,292	8,070	8,309
Receivables			
Accounts receivables	658	1,056	2,755
Other receivables	580	2,768	3,885
Current Tax receivables	4,454	8,231	7,564
Prepaid expenses and accrued income	1,717	5,321	7,211
Total receivables	**7,410**	**17,376**	**21,415**
Cash and cash equivalents	**1,661**	**14,547**	**73,461**
Total currents assets	**16,362**	**39,993**	**103,185**
TOTAL ASSETS	**39,046**	**192,650**	**164,001**

kSEK	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity			
Share Capital	51,634	1,846	1,239
Additional paid in capital	219,477	225,162	182,730
Retained earnings	-305,030	-145,523	-52,556
Reserves	10,796	9,664	1,083
Total equity	**-23,123**	**91,149**	**132,496**
Long term liabilities			
Loan from credit institution	3,004	3,012	2,763
Lease liabilities	5,284	45,281	976
Total long term liabilities	**8,289**	**48,293**	**3,739**
Short term liabilities			
Prepayments from customers	24,567	24,716	11,951
Short term lease liabilities	1,396	4,148	273
short term loans	11,047	-	939
Accounts payables	11,360	20,086	10,027
Other liabilities	818	382	1,091
Accrued expenses and deferred income	4,692	3,875	3,485
Total short term liabilities	**53,881**	**53,206**	**27,766**
Total liabilities	**62,169**	**101,500**	**31,505**
TOTAL EQUITY AND LIABILITIES	**39,046**	**192,650**	**164,001**

Group - Consolidated Cash Flow statement

kSEK	Oct-Dec, Q4 2023	Oct-Dec, Q4 2022	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021
Cash flow from operating activities					
Net loss before tax for the period	-107,811	-25,490	-164,694	-101,000	-46,279
Depreciations	94,567	5,802	112,654	18,071	8,813
Other non-cash adjustments	-2,266	50	1,132	174	631
Repaid tax	5,500	7,919	5,500	7,919	7,503
Cash flow from operations before changes in working capital	**-10,010**	**-11,718**	**-45,408**	**-74,836**	**-29,333**
Cash flow from changes in working capital					
Change in inventory	580	1,047	778	239	-2,805
Change in receivables	12,780	1,514	6,232	4,039	-2,025
Change in current payables	-8,321	1,007	-13,122	22,824	7,507
Cash flow from operating activities	**-4,971**	**-8,152**	**-51,519**	**-47,733**	**-26,656**
Cash flow from investing activities					
Investments in intangible assets	4,184	-7,936	-3,452	-42,551	-25,062
Investments in tangible assets	-	433	-	-389	-1,706
Cash flow from investing activities	**4,184**	**-7,504**	**-3,452**	**-42,940**	**-26,768**
Cash flow from financing activities					
Share issue / warrant program	238	53,113	61,777	53,113	127,574
Issuance costs	-1,053	-10,074	-17,225	-10,074	-6,731
Loans received	2,500	-	15,462	21,000	-
Leasing	-994	-237	-5,292	-3,282	-
Down payments and interest	-6,000	-24,044	-13,695	-28,030	-14,820
Cash flow from financing activities	**-5,310**	**18,758**	**41,026**	**32,727**	**106,023**
Total Cash flow in period	**-6,096**	**3,103**	**-13,944**	**-57,946**	**52,599**
Cash and cash equivalents at the period start	5,632	11,269	14,547	73,461	20,822
Foreign exchange difference	2,125	175	1,058	-966	39
Cash and cash equivalents at the period end	**1,661**	**14,547**	**1,661**	**14,547**	**73,461**

Group - Statement of changes in shareholders equity

kSEK	Share capital	Other paid in capital	Retained earnings	Reserves	Total shareholders equity
Equity on January 1, 2022	**1,239**	**182,730**	**-52,556**	**1,083**	**132,496**
Profit / Loss per December 31, 2022			-93,141		**-93,141**
Other comprehensive income				8,581	**8,581**
Total comprehensive income for the period	**1,239**	**182,730**	**-145,697**	**9,664**	**47,936**
Transactions with owners					
Share Issue	607	52,506			**53,113**
Issuance costs		-10,074			**-10,074**
Warrant programmes			174		**174**
Total Transactions with owners	607	42,432	174		**43,213**
Equity on December 31, 2022	**1,846**	**225,162**	**-145,523**	**9,664**	**91,149**
Equity at January 1, 2023	1,846	225,162	-145,523	9,664	**91,149**
Profit / Loss per Dec 31, 2023			-159,956		**-159,956**
Other comprehensive income				1,132	**1,132**
Total comprehensive income for the period	**1,846**	**225,162**	**-305,479**	**10,796**	**-67,675**
Transactions with owners					
Share Issue	49,788	11,539			**61,327**
Issuance costs		-17,225			**-17,225**
Warrant programmes			449		**449**
Total Transactions with owners	**49,788**	**-5,685**	**449**		**44,552**
Equity on Dec 31, 2023	**51,634**	**219,477**	**-305,030**	**10,796**	**-23,123**

Parent company - Income Statement

kSEK	Qct-Dec, Q4 2023	Qct-Dec, Q4 2022	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021
Revenue	350	288	1,400	1,154	700
Other external costs	-443	-2,469	-5,221	-4,818	-6,179
Personnel costs	-357	-339	-1,195	-1,120	-966
Operating result	**-450**	**-2,519**	**-5,015**	**-4,783**	**-6,445**
Depreciation of investment in subsidiary	-171,438	-	-224,619	-	-41,259
Net financial income and expenses	-1,655	-418	1,631	-376	-1,455
Loss before tax	**-173,543**	**-2,937**	**-228,003**	**-5,159**	**-49,158**
Tax	-	-	-	-	-
Net loss for the period	**-173,543**	**-2,937**	**-228,003**	**-5,159**	**-49,158**
Other comprehensive income	-	-	-	-	-
Total comprehensive profit/loss for the period attributable to owner of Parent Company	**-173,543**	**-2,937**	**-228,003**	**-5,159**	**-49,158**

Parent company - Balance sheet

kSEK	Dec 31, 2023	Dec. 31, 2022	Dec. 31, 2021
ASSETS			
Financial fixed assets			
Shares in subsidiary	12,911	68,024	68,024
Total financial fixed assets	**12,911**	**68,024**	**68,024**
Total fixed assets	**12,911**	**68,024**	**68,024**
Current assets			
Recievables			
Receivables from subsidiary	-5	106,667	21,386
Other receivables	110	336	109
Prepaid expenses and accured income	11	93	8
Total recievables	**116**	**107,095**	**21,502**
Cash and cash equivalents	**509**	**11,052**	**57,164**
Total current assets	**625**	**118,147**	**78,666**
TOTAL ASSETS	**13,536**	**186,170**	**146,690**

kSEK	Dec 31, 2023	Dec. 31, 2022	Dec. 31, 2021
EQUITY and LIABILITIES			
Equity			
Restricted Equity			
Share Capital	51,634	1,846	1,239
Total Restricted Equity	**51,634**	**1,846**	**1,239**
Unrestricted Equity			
Share premium	273,342	279,027	237,009
Other paid in capital	328	328	0
Retained earnings	-96,528	-91,817	-42,918
Profit / Loss	-228,003	-5,160	-49,159
Total unrestricted Equity	**-50,861**	**182,378**	**144,932**
Total equity	**773**	**184,224**	**146,171**
Short term liabilities			
Accounts payables	49	812	128
Short term loan	11,047		
Other short term debt		225	0
Accrued expenses and deferred income	1,667	909	390
Total short term liabilities	**12,763**	**1,946**	**518**
Total liabilities	**12,763**	**1,946**	**518**
TOTAL EQUITY AND LIABILITIES	**13,536**	**186,170**	**146,690**

Parent company - Statement of Cash Flow

kSEK	Oct-Dec, Q4 2023	Oct-Dec, Q4 2022	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2021
Cash flow from operating activities					
Profit/loss before tax	-173,542	-2,937	-228,003	-5,160	-49,159
Depreciation of investment in subsidiary	171,438	-	171,438	-	
Other items	3,539	-	4,123	-	41,462
Cash flow from operations before change in working capital	**1,435**	**-2,937**	**-52,442**	**-5,160**	**-7,697**
Cash flow from working activities					
Change in receivables	47	2,163	308	-138	63
Change in current payables	455	851	-5	1,428	-297
Cash flow from working activities	**1,937**	**77**	**-52,140**	**-3,870**	**-7,931**
Cash flow from financing activities					
Share issues	-	53,113	61,327	53,113	127,919
Issuance cost	-1,053	-10,074	-17,225	-10,074	-6,730
Loans to subsidiary	-3,969	-20,204	-9,653	-85,281	-57,476
Loans received	2,500		14,864	21,000	-
Loans repaid	-	-21,000	-7,717	-21,000	-14,145
Cash flow from financing activities	**-2,522**	**1,835**	**41,597**	**-42,242**	**49,568**
Total cash flow in period	**-585**	**1,912**	**-10,543**	**-46,112**	**41,637**
Cash and cash equivalents at period start	1,094	9,140	11,052	57,164	15,527
Cash cash equivalents at period end	**509**	**11,052**	**509**	**11,052**	**57,164**

Parent company - Statement of changes in shareholders equity

kSEK	Share capital	Share premium	Other paid in capital	Retained earnings	Total shareholders equity
Equity at January 1, 2022	**1,239**	**236,595**	**328**	**-91,991**	**146,171**
Profit / Loss until December 31, 2022				-5,160	**-5,160**
Other comprehensive income					
Total comprehensive income for the period	**1,239**	**236,595**	**328**	**-97,151**	**141,011**
Transactions with owners					
Share issue	607	52,506			**53,113**
Issuance cost		-10,074			**-10,074**
Warrant programmes				174	**174**
Total Transactions with owners	**607**	**42,432**	**0**	**174**	**43,213**
Equity on December 31, 2022	**1,846**	**279,027**	**328**	**-96,977**	**184,224**
Equity at January 1, 2023	**1,846**	**279,027**	**328**	**-96,977**	**184,224**
Profit / Loss per Dec 31, 2023				-228,003	**-228,003**
Other comprehensive income					**0**
Total comprehensive income for the period	**1,846**	**279,027**	**328**	**-324,980**	**-43,779**
Transactions with owners					
Share issue	49,788	11,539			**61,327**
Issuance cost		-17,225			**-17,225**
Warrant programmes				449	**449**
Total Transactions with owners	**49,788**	**-5,685**	**0**	**449**	**44,552**
Equity at Dec 31, 2023	**51,634**	**273,342**	**328**	**-324,531**	**773**

Note 1 General information

GENERAL INFORMATION

This interim report covers the Swedish parent company Qlife Holding AB (publ), corporate registration number 559224-8040, and its subsidiaries. The parent company is a limited liability company with its registered office in Helsingborg, Sweden. The address of the main office is Redaregaten 48, 252 36 Helsingborg, Sweden. The main operation of the group is development and sales of the Egoo system and test capsules for the system. The report for January to December 2023 was approved for publication on February 8th, 2024, in accordance with a board decision on February 8, 2024.

Note 2 Accouting principles

This interim report for the group has been prepared in accordance with IAS 34 Interim Financial Reporting. The Group reporting of Qlife is based on International Financial Reporting Standards (IFRS) as adopted by the EU. The Group's interim report is prepared in accordance with IAS 34 Interim Reporting and the Swedish Accounting Act. The parent company's interim report is prepared in accordance with the Swedish Accounting Act and The Swedish Financial Reporting Board's recommendation RFR 2 Reporting for Legal Entities. The first report under these standards was Q1 2022. Information according to IAS 34 Interim Reporting is given in notes as well as in other places in the interim report.

Basis of preparation

Group

The Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU Commission and interpretations of these (IFRIC). The Group also applies the Swedish Annual Accounts Act and the recommendation from the Swedish Financial Reporting Board, RFR 1, Supplementary accounting rules for groups.

The consolidated financial reports are prepared in accordance with IFRS 1, First time adoption of International Financial Reporting Standards. This means that the Group has applied the same accounting principles, the principles that apply at the end of the period, in the report on the period's opening financial position and during all periods reported in this report. The consolidated financial statements have been prepared in accordance with the acquisition value method.

Parent Company

The parent company financial statements are prepared in accordance with Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 means that the report for the legal entity must apply all IFRSs and statements approved by the EU as far as possible within the framework of the Annual Accounts Act and regarding the connection between accounting and taxation. The recommendation states which exceptions and additions are to be made from IFRS. Previously, the Parent Company applied the Swedish Accounting Standards Board's general advice 2012: 1 Annual Report and Consolidated Accounts (K3) and the Swedish Annual Accounts Act. The transition date to RFR 2 has been set to 1 January 2021, which means that the comparative figures for the financial year 2021 have been recalculated in accordance with RFR 2.

New standards, interpretations, and amendments not yet effective

There is a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early. None of these are expected to have a significant impact of the financial reports of the group.

Consolidation

Subsidiaries are all entities over which the group has control. Control exists when Qlife Holding AB is exposed to variability in returns from its investments in another entity and has the ability to affect those returns through its power over the other entity. Intragroup transactions and balances between the consolidated group undertakings are eliminated. The group undertakings are included in the consolidated accounts as from the date on which control is transferred to Qlife Holding AB and are no longer consolidated as from the date on which control ceases.

Receivables and liabilities in foreign currencies

The functional currency of the parent company and the reporting currency of the group is Swedish Kronor (SEK). Items in the financial reports of the different entities in the group are measured in the currency of the financial environment where each entity operates (functional currency). Transactions in foreign currencies are translated to the functional currency at the average rate for the period. Currency exchange gains and losses which arise on payment of those transactions and in translation of monetary assets and liabilities in foreign currency at closing rate, are recognized in the operating profit/loss. Foreign exchange gains and losses applicable to liabilities and cash are recognized as financial income or financial expense in the income statement. In the consolidation, assets and liabilities of foreign subsidiaries are translated at the closing rate. Revenue and expenses are translated at the average exchange rate for the reporting period. Foreign exchange rate differences are recognized as other comprehensive income, as part of the translation reserve.

Segment information

An operating segment is a part of a group that conducts operations from which it can generate revenue and incur costs and for which independent financial information is available. The group's division into operating segments is in line with the internal reports that the group's highest executive decision-makers use to monitor operations and allocate resources between operating segments. The CEO is the group's highest executive decision-maker. In Qlife, it is therefore the reports that

the CEO receives on the results in different parts of the group that form the basis for the segment information. Previously all revenue has been in one segment (SARS-CoV-2). Qlife's product offering for SARS-CoV-2 has been discontinued. Starting Q2 2023 a new segment has been introduced (CRP). For Q2 all revenue is in the CRP segment. Segment information is provided only for the group (see note 5).

Revenue

The group reports revenues from sales of goods. Revenue recognition is performed in accordance with the five-step model specified in IFRS 15.

Revenue from sales of goods are recognized as revenue when control of the goods is transferred, which occurs when the goods are delivered to the customer.

The revenue recognition of service takes place when the service has been delivered and in accordance with the current price list including any discounts specifically for the customer. Services that the group provides are recognized as revenue as the work is performed and reported in the period in which the work is performed.

Grants that have been received before the conditions for the grant have been fulfilled are reported as liabilities.

Grants are reported in accordance with IAS20 as a reduction of the capitalized expenses for development, in the same time period as the development work is carried out, and when the work is approved in accordance with the grant conditions.

Financial items

Interest income and interest expense are recognized in profit or loss by using the effective interest rate method. Financial expense is comprised of interest and other financing expenses.

Employee benefits

Employee benefits such as salaries and social expenses, paid vacation and paid sick leave are recognized as expenses in the period when the employees have performed services to Qlife. Post-employment benefits are funded with defined contribution plans. Plans where Qlife's obligation is limited to the agreed fee are defined as defined contribution plans. For those plans, the size of the employee benefit depends on the fees paid by Qlife to the plan and the return on that capital, thus the employee takes the actuarial risk and the investment risk. Qlife's obligation for fees to defined contribution plans are recognized as expenses in the period when the employees have performed services to Qlife.

Income taxes

The item "Income tax expense" in the income statement comprises current and deferred income tax. The current tax expense is the expected tax expense on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are recognized, using the balance sheet method, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for temporary differences arising on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized only to the extent that there is a high probability that future taxable profits will be available against which the temporary differences, tax losses carry forward and unused tax credits can be utilized.

Intangible assets

Separate acquisitions
Separately acquired intangible assets are recognized at cost less accumulated amortization and impairment. The assets are amortized on a straight-line basis over the estimated useful life of the asset. Current estimated useful life for patents is 5 years.

Internally generated intangible assets
Product development is divided into a research phase and a development phase. All expenses during the research phase are recognized as expenses in the income statement as they are incurred. All expenditures are capitalized if the following conditions are fulfilled:

It is technically feasible to complete the intangible asset so that it will be available for use or sale

- The group has the intention of completing the asset
- The group has the ability to use or sell the asset
- It is probable that the asset will generate future economic benefits
- The group has the adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The expenditure attributable to the asset can be reliably measured

Capitalized directly attributable expenses include employee expenses, expenses for services and direct material. At each balance sheet date internally generated intangible assets are recognized at cost less accumulated amortization and impairment. Amortization begins when the asset can be taken into use. Capitalized expenses are amortized on a straight-line basis over an estimated useful life of five years.

Reassessment of useful life
Estimated useful lives and amortization methods are reassessed when there is an indication of a change since the estimate on the prior balance sheet date. The effect of changes in estimates are recognized forward-looking. Amortization begins when the asset can be taken into use.

Removal from the balance sheet
An intangible asset is removed from the balance sheet when the asset is scrapped or sold or when no future economic advantages are expected from the use of the asset. Any profit or loss that arises upon removal of the asset from the balance sheet is the difference between consideration received, after deduction of direct selling expenses, and the carrying amount of the asset. This profit or loss is recognized as other operating income or other operating expenses.

Tangible assets

Tangible assets are recognized at cost less accumulated depreciation and impairment. Cost includes all expenditure directly attributable to bringing the asset to the location and condition necessary for its intended use. The cost also includes the estimated cost of its dismantlement, removal or restoration. Additional expenses that qualify for asset recognition are added to the carrying amount of the asset. Expenses for repairs are recognized as expenses as they are incurred. Tangible assets are depreciated on a straight-line basis over the estimated useful life of the asset. Depreciation begins when the asset can be taken into use. Tangible assets of the group consist of equipment and have an estimated useful life of 5-10 years.

Any profit or loss from sales of a tangible asset is recognized as Other operating income or Other operating expenses.

Impairment of intangible and tangible assets

At each balance sheet date, the group analyzes the carrying amounts of tangible and intangible assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is calculated in order to determine the amount of an impairment. If the recoverable amount for an individual asset cannot be determined, the recoverable amount is calculated for the cash-generating unit to which the asset belongs. Development not yet taken into use are not amortized but tested for impairment annually irrespective of any indications of impairment.

The recoverable amount is the highest of fair value less costs of disposal and the value in use of the asset. Fair value less costs of disposal is the price expected to be received in a transaction less costs directly attributable to the transaction. When determining value in use future cash flows are discounted to present value using a discount rate before tax reflecting current market conditions of the time value of money and the risks associated with the asset.

At each balance sheet date, the group estimates whether a previous impairment is no longer motivated. If this is the case, the impairment is reversed. A reversal of an impairment is recognized in the income statement.

The group as a lessee

The group has lease agreements for premises and production equipment. The group recognizes all lease agreements in the balance sheet as a lease liability for the obligation to pay future fixed lease payments, and a right-of-use asset reflecting the right to use an underlying asset. The lease liability is recognized at amortized cost using the effective interest rate method which distributes lease payments between repayment of the lease liability and interest expense. Lease liabilities are recognized as the present value of all remaining lease payments in the balance sheet and includes the following lease payments:

- Fixed payments
- Variable payments that depend on an index or a rate
- The exercise price of a purchase option if the group is reasonably certain to exercise that option

The lease liability is measured as the lease payments discounted with the incremental borrowing rate of the lessee. To calculate the lease liability, the lease payments are discounted with the implicit interest in the lease agreement. If this interest rate cannot be easily determined, the lessee's marginal borrowing rate is used.

The right-of-use asset is measured at cost and recognized at the amount of the lease liability with adjustment for initial expenses and expenses for restoring the lease asset according to the lease agreement. Right-of-use assets are depreciated on a straight-line basis over the shortest of the useful life of the asset or the lease term. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset.

The group has chosen not to report in the statement of financial position leasing agreements for which the underlying asset is of low value or with a leasing period (including an extension period that the group is reasonably sure is expected to utilize) of less than 12 months. The group reports leasing fees that are covered by the exemption rules as a leasing cost on a straight-line basis over the leasing period. The group has chosen to apply the practical solution that gives a lessee the opportunity to choose not to separate leasing components from non-leasing components for premises leases and instead report each leasing component and non-leasing component as a single leasing component.

Inventories

Inventories have been valued according to the lowest value principle, i.e. at the lower of acquisition value and net sales value. The acquisition value consists of direct cost of goods, direct salary, and attributable indirect manufacturing costs (based on normal manufacturing capacity). The acquisition value for individual items in the inventory is distributed based on weighted average costs calculated according to the manufacturing price calculation. In determining the acquisition value, the first-in first-out principle has been applied. The net sales value consists of estimated sales value less estimated sales cost.

The Groups financial instruments are composed of:

- Accounts receivables
- Cash and cash equivalents
- Bank loans and other loans
- Other long term liabilities
- Accounts payables

Financial assets

Financial assets at amortized cost

Assets in this category primarily arise from the sales of goods and services to customers but also include other types of financial assets where the objective is to hold the assets to collect the contractual cash flows and these cash flows are exclusively payments of principal and interest. These assets are initially recognized at fair value plus costs of transaction directly attributable to the acquisition, and are carried at amortized cost in subsequent periods, using the effective interest rate method.

Impairment

Impairment requirements for account receivables are reported based on the simplified approach using the expected credit losses for the entire remaining life of the contract. To calculate

the credit loss reserve on accounts receivable, the group uses a matrix. The historical loss rates are adjusted to reflect current and forward-looking information that affects customers' ability to pay the claim. For account receivables, which are reported net, provisions are reported in a separate reserve for feared customer losses, and the cost is reported as a sales cost in the income statement. Upon confirmation that the accounts receivable will not be payable by the customer, the gross value of the asset is depreciated against the associated reserve. The group has historically reported low customer losses, customer loans are relatively short-term, and the company has relatively few unpaid outstanding overdue accounts receivable. The credit risk is assessed as low.

Cash and cash equivalents
Cash and cash equivalents include cash, bank deposits, other short-term high-liquidity investments with original maturities of three months or less. Cash and cash equivalents in the cash flow analysis also include, for example, overdrafts on bank accounts and overdraft facilities. However, these are reported as current liabilities in the consolidated balance sheet.

Financial liabilities

The financial liabilities are classified and valued as liabilities valued at accrued acquisition value. Financial liabilities include the following items:

- Bank loans and other loans are initially reported at fair value less transaction costs directly attributable to the instrument's issue. These interest-bearing liabilities are then measured at amortized cost using the effective interest method, which ensures that the interest expense is calculated based on a fixed interest rate on the reported amount of the liability in the balance sheet. The reported effective interest rate includes initial transaction costs and any premiums to be paid upon redemption as well as interest or coupons that are paid while the debt is outstanding.
- Accounts payable are obligations to pay for goods or services that have been acquired in the current accounts. Accounts payable are classified as current liabilities if they fall due within a year or earlier (or during the normal business cycle if this is longer).

Provisions

Provisions are recognized when the group has a present obligation as a result of a past event and it is likely that payments will be required to settle the obligation. One condition is that it is possible to make a reliable estimate of the amount to be paid. The provisions are calculated as the present value of the amounts expected to be paid to settle the obligation. In the calculation, a discount rate before tax is used, reflecting a current valuation of the time value of money and of the risks associated with the provision. Any increase in the provision caused by the passage of time is accounted for as a financial expense.

Contingent liabilities

The group provides information on contingent liabilities if there is a possible commitment that is confirmed only by several uncertain future events and it is not probable that an outflow of resources is required or that the size of the commitment cannot be determined with sufficient certainty.

Contingent assets

The group provides information on contingent assets as a result of events that have occurred, the occurrence of which will only be confirmed by the occurrence or absence of one or more uncertain future events, which are not entirely within the company's control (see note 5).

Statement of cash flows

The group prepares its statement of cash flows using the indirect method, whereby adjustments have been made for transactions not generating any payments during the reported period. Adjustments have also been made for cash flows of revenue and expenses belonging to investment or financing activities.

Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period. For the periods reported there were no potential ordinary shares requiring an adjustment for dilution.

Note 3 Important sources of uncertainty in estimates

Important sources of uncertainty in estimates

The group's financial reports are prepared in accordance with IFRS. This means that the preparation of financial statements and the application of accounting principles are often based on estimates and assumptions that are considered reasonable and well balanced at the time the assessment is made. However, with other judgments, assumptions and estimates, the result may be different, and events may occur that may require a material adjustment to the carrying amount of the relevant asset or liability. Below are the most important areas where estimates and judgments have been made and which are deemed to have the greatest impact on the financial reports.

Intangible assets

The group conducts development activities. An intangible asset that arises through development, so-called capitalized development cost for own account, must only be taken up as an asset in the balance sheet if all conditions in IAS 38 are met. The principle is described in more detail in note 2. For each development project, the group's management team continuously assesses whether there are conditions for selling the finished product and whether there is technical competence and financial resources to complete the asset so that it will be available for use or sale and thereby generate probable future financial benefits. There are no indications of a need for impairment as of 31 December 2021.

Valuation of inventory

Inventories are valued at the lower of acquisition value and net sales value according to the principle described in note 2.

Note 4 Financial risk management

Financial risk

The group is exposed to financial risks in the entire operation. The board has overall responsibility for managing financial risks and internal controls related to financial transactions. Financial risks and transactions are managed centrally by the parent company through the group's CFO and CEO, according to policies determined by the board. The financial risks are managed, assessed and reported regularly to the board. The purpose of managing the financial risks is to minimise the risks of negative impact on the group's results. The most important market and financial risks are described below.

Currency risk

Currency risk refers to the risk that fair value or future cash flows fluctuate as a result of changing exchange rates. The exposure to currency risk mainly stems from payment flows in foreign currency, so-called transaction exposure, and from the translation of balance sheet items in foreign currency to the group's presentation currency, which is Swedish kronor, so-called balance sheet exposure. The group's outflow mainly consists of DKK and EUR, while the group's inflow mainly consists of EUR and SEK. The group is thus affected by changes in these exchange rates.

Funding risk

Qlife has historically generated negative results and the company's cash flows from operating activities have not been sufficient to meet the company's capital requirements. The generated cash flow is estimated to remain negative until Qlife enters into significant agreements for the sale of existing and new products that the company can market. Management and board follow the development of the financial situations closely in order to be able to recognize and take measures against future financial and cash liquidity risk. Future financing needs depend on whether the group succeeds in entering into new partner and business agreements and the market's reception of current and future potential products. It should be noted in particular that medical device development is a resource-intensive and time-consuming activity that requires extensive work in the form of research and development, including lengthy and costly clinical studies and procedures to obtain regulatory approvals before a final product can be marketed towards the clinical market. It may therefore take a long time before the company's products can be sold commercially to the clinical market and generate ongoing cash flow. A continued lack of positive and steady operating income streams may mean that Qlife will be forced to raise additional capital in the future. Access to additional financing is affected by a number of factors such as market conditions, the general availability of credit and Qlife's creditworthiness and credit capacity. Disruptions and uncertainty in the capital and credit markets can also limit access to the capital required to run the business. If in the future Qlife fails to acquire the necessary capital on terms reasonable to the company, Qlife's development, manufacturing and sales activities as well as cash flow/liquidity may be adversely affected. To the extent that Qlife obtains additional financing by issuing shares or share-related instruments, the company's shareholders will be affected by dilution to the extent that such new issues occur with a deviation from the shareholders' preferential rights. The group strives to minimize potential adverse effects of the unpredictability of the financial markets in which the group operates. In addition to what is explained below, there are currently no significant financial risks.

Liquidity risk/Financing risk

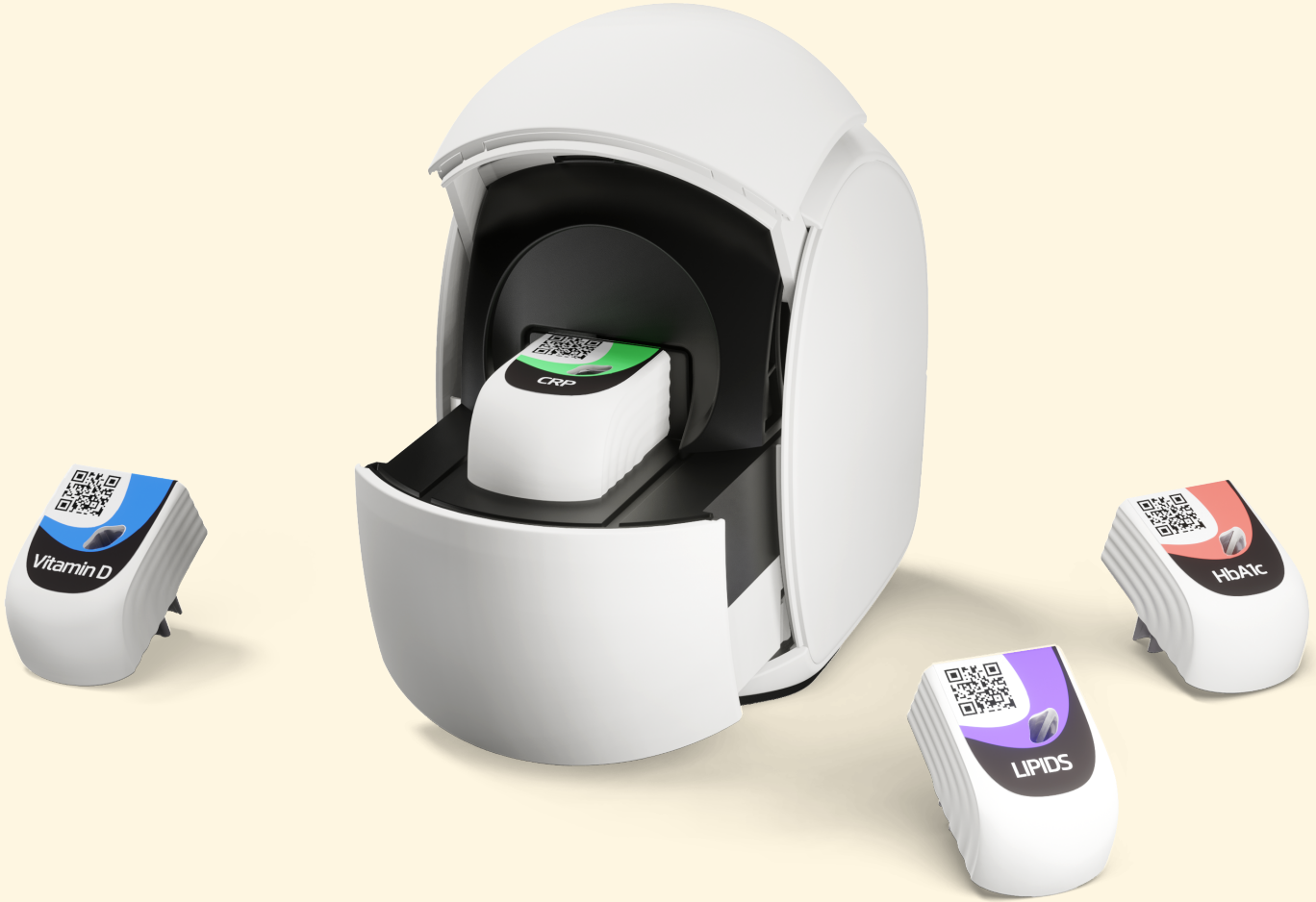
Liquidity risk refers to the risk that the group will have problems fulfilling its commitments regarding its financial liabilities. Financing risk refers to the risk that the group cannot raise sufficient financing at a reasonable cost. The group finances its operations to a significant extent with new issues. The group manages capital based on financing needs for efficient continued development of products and their commercialization. Liquidity risk management is based on maintaining sufficient liquid funds. The liquidity risk is managed through ongoing liquidity planning. This follow-up is reported to the board, where the outcome and forecast are compared with the budget that is drawn up and approved by the board every year. The Group's objective regarding the capital structure is to ensure financing of the company's development and business plan so that it can generate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure that minimizes capital costs. The company's current operations are to a great extent in a risky and capital-intensive period, and an effective risk assessment combines the group's business opportunities and results with the shareholders' and other stakeholders' demands for sustainable profitability, stable long-term value development and control. The group's profitability depends on the quality and value of generated development results. The value and quality of the R&D activities are continuously evaluated by company management and the board.

Note 5 Composition of income

	2021				2022				2023			
Sales revenue (kSEK)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sweden	-	1,597	3,231	8,814	7,875	3,460	1,508	1,508	62	-	-	-
Finland	-	379	482	3,120	2,679	552	377	337	-	-	-	-
Denmark	11,173	8,358	1,428	150	-	-	-	-	-	-	-	30
Other countries	3	148	730	-	351	13	82	82	61	46	45	-
Total Sales	**11,176**	**10,482**	**5, 871**	**12,084**	**10,905**	**4,025**	**1,967**	**1,927**	**123**	**46**	**45**	**30**

Note 6 Contingent assets

In 2020, Qlife entered into a cooperation with the Finnish company Aidian Oy. Several agreements between the parties were concluded in 2020 and 2021, according to which Qlife undertook to purchase products and services from Aidian and Aidian undertook to purchase products – including the Egoo. Health device and Sars-CoV2-capsule – from Qlife. Aidian has not met the minimum purchase volume agreed in this agreement. Qlife has presented Aidian with claim of approximately EUR 2.2 million based on Aidian's failure to meet the minimum volume. Aidian has disputed the claim and Qlife has taken the claim to arbitration in Helsinki. The claim is recorded as a contingent asset and has not been recorded on the balance sheet.



Qlife

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