Annual Report 2022

Qlife

Empowering better being

Digital health for a seamless patient experience across care journeys is one of the most significant healthcare trends in 2022. Personalised care will significantly enhance patient engagement, and the sector is focused on integrating healthcare data to improve access and quality of care.

Access to patient data is driving better health outcomes and efficient medical management, and Qlife is tapping into this growing market with the diagnostics self-testing platform Egoo Health.

Qlife has developed the highly versatile Egoo Health testing platform, integrating several technologies, which can potentially test for a broad range of biomarkers and viruses – protein-based and molecular. The technology is easy to use, holds a low cost, and is suitable for use in people's homes or at decentralised testing locations.

Today, the short-term focus for Qlife is to carry out a soft launch of a CRP (C-Reactive Protein) test as a wellness assessment without medical claims early 2023. This strategy allows Qlife to put the product on the market earlier, and it provides a good opportunity to validate the digital platform and evaluate the home use case and packaging of customer solutions and pricing models.

2022 has been a devastating year looking to the company's share value. We keep reminding ourselves that the share price does not reflect the operational results, plans or potential of our company. We need to stay focused on achieving the operational milestones ahead, while navigating in an increasingly difficult financing market. We are thankful for the support from our owners and keen to convince new shareholders of the value that lies within our company.

Qlife is born to challenge the status quo in healthcare. We work to shift the perspective and turn today's view on healthcare into tomorrow's focus on health empowerment. We are on a quest to empower people with more accessible ways to understand their health – so that they can move beyond reactive care towards proactive wellbeing. It's how we contribute to improving quality of life for every individual and for the greater society.

CONTENT

OPERATIONS

Early 2022, demand for Covid-19 testing was substantial, and Qlife sold its maximum capacity of Egoo Health devices and Sars-CoV-2 test capsules to customers in Europe. In March, testing requirements changed globally and particularly in Europe, and sales of Covid-19 tests quickly decreased. During March to December 2022 Qlife sold smaller volumes of devices and capsules.

Qlife signed an outsourcing agreement with Finnish group Scanfil to take over the continued production of the company's Egoo Health device. Scanfil is a world leader in manufacturing and a system supplier to the global electronics industry with a vast network of factories, including a factory in Åtvidaberg, Sweden, that will support Qlife.

Qlife presented an updated vision and new websites for corporate and IR communication as well as for the company's diagnostics self-testing platform Egoo Health. The objective is to emphasise the foundation of Qlife's purpose to help improve quality of life for every individual and for the future society by making Egoo Health available for home use.

PRODUCTS

Biomarkers

During 2022 it has become clear that the required update from IVD to IVDR requires more time and financing than expected, as the notified bodies in Europe have long waiting lists for file submissions and approvals.

The challenging and uncertain regulatory situation led us to investigate if another opportunity to validate the market and introduce the platform earlier is available. We have identified a path approved by the Danish Medicines Board, that allows us to introduce the product as a wellness product. It means we can not initially make any medical claims. It allows us to generate sales, validate the platform, carry through pilots in various commercial clinical segments, and test our pricing and sales models. We have initiated this early 2023 and are fully focused on manufacturing devices and CRP capsules for these activities.

As a result of the outcome of our rights issue in September 2022, we saw it necessary to focus our development to the CRP assay. The development of the PHE/Phenylalanine (PKU patients) assay is progressing at a slower pace and will be re-ignited when we have a financing path to complete the development and registration.

Qlife completed all milestones relating to the analytical verification protocols of a new two-in-one test for influenza and Sars-CoV-2. The completion of these milestones released the second milestone payment of 11.8 MSEK from the Foundation for Innovative New Diagnostics (FIND). In 2022, Qlife has received in total 24.4 MSEK from FIND. A delay in finalising the development of the assay and associated technical adjustment in the Egoo optics, means that the clinical trial could not be finalised before end of 2022, which in turn means that the third payment from FIND will be cancelled by FIND under the project terms. We are in close dialogue with FIND to clarify whether the last milestone of 0.9 MUSD can be paid out upon completion in 2023 instead. Until further funding is secured, Qlife has decided to put the project on hold.

Technical development

Qlife's scientific team completed the development of and filed a patent application for a blood-to-plasma filtration unit – Egoo Collect – for blood-based biomarker testing. The Egoo capsule already integrates all reagents, and with the new filtration unit, plasma can now be entered instead of adding whole blood into the capsule. The test is executed in the device accordingly. In short, the filtration unit is making the Egoo platform more versatile as it now can be used for testing plasma in addition to whole blood.

The Egoo Collect is somewhat unique and ground-breaking, as it has potential usage in other platforms and settings where small samples of plasma are required. We are looking into potential out-licensing of the innovation.

Freeze-drying of our chemistries is essential for being able to sell into the home-use environment. Stability tests of freeze-dried reagents for the CRP assay are confirming that the capsules with freeze-dried reagents are performing as expected. The design of the Egoo Health device has been upgraded in preparation for the CRP launch incorporating lessons learned from the +97,000 Sars-CoV-2 tests that have been performed on the Egoo platform. Improvements include a more robust gearbox, new main board design and redesign of the cloud/device interaction that enables the device to run tests without an active Wi-Fi connection.

Technology and Patent

The biomarker detection unit consists of an integrated optical microelectromechanical system that has a dual optical unit for simultaneously measuring fluorescence and absorbance. The optical unit is integrated on a micro heating and vortex mixing unit for heating and mixing the assay reagents during assay runs. This provides for a small and agile platform that can be operated by laymen, capable of detection of all kinds of biomarkers (DNA/RNA/Protein).

For Sars-CoV-2 and molecular assays in general, Qlife uses a Polymerase Chain Reaction (PCR) technology called Strand Invasion Based Amplification (SIBA). The tests have a sensitivity and specificity on par with standard laboratory (PCR) tests.

The Danish Patent Office granted Qlife ApS patent for its unique detection method and its biomarker detection unit. The patent is valid until 2039 and gives Qlife a strong intellectual property position. Since then, Qlife has submitted two international patent applications, which will provide a similar IP position in relevant jurisdictions abroad.

Organisation, management and board

When sales of Covid tests declined and the financing of the operations became more uncertain, Qlife reduced its operational costs through workforce reductions and restructuring, mainly in production and supply chain. The estimated effect of the changes are annual savings of 34 MSEK, with effect from Q1, 2023.

Further, followed by the R&D focus on CRP, we have consolidated and tightened the organisation and management further, to accommodate to the new circumstances. Qlife has 32 full-time employees as per year end, and the management team consists of four executives, covering Sales and Business Development, R&D, Regulatory and Finance.

At the Annual General Meeting May 2022, Mette Gross, John Moll, Thomas Warthoe, Mette-Marie Harild, Ulrik Harrysson and Mikael Persson were re-elected as board members. Mette Gross was re-elected as chairman of the board of directors.

FINANCIAL EVENTS

In 2022, Qlife changed its reporting standard to IFRS.

In August 2022, the board of directors resolved to carry out a rights issue of units, consisting of shares and warrants series TO2022. The rights issue was approved by the extraordinary general meeting on 27 September 2022. The Rights Issue was subscribed for to a total of approximately 70.0 percent. The company received total proceeds of approximately 53.1 MSEK before transaction costs.

Our commercial journey starts

2022 was a challenging year, in many ways. It started positive during January and February, when we still had quite substantial sales from our covid product. But as the covid pandemic slowly faded away, so did our sales from that application, and we put our efforts into transitioning the business away from covid, focusing on our original strategy.

During the second half of the year, the main part of our activities aimed at finalising the CRP product to be able to launch it to the market for home use. The value of Qlife lies in having a broad portfolio and we are now working on expanding it, primarily by validating the commercial potential for various indications.

Completion of the freeze-drying project and Egoo Collect – necessary for home use

One of the big projects during 2022 was the completion of freeze-drying of our reagents. The freeze-drying project was essential for making our test capsules available for home use. During the fourth quarter 2022, Qlife's scientific team together with a partner, finalised this prioritised project. Small, dried reagent beads instead of liquid reagents facilitate both transport and room-temperature storage of test capsules – making the Egoo platform more versatile, which is essential for the home-use environment.

Another significant achievement from Qlife's scientific team was the development of a new, small, and disposable filtration unit able to filtrate plasma from whole blood. The filtration unit, Egoo Collect, will be an integral feature of the Egoo platform, making it more versatile and ideal for decentralised settings.

Launch of Egoo Health and CRP test

During the beginning of 2023, we could proudly communicate that the Egoo CRP Capsule is the first product in Qlife's Egoo portfolio to be introduced to the home market. The CRP test has been soft launched as a test without medical claims and will be followed by submission of the file for CE mark, which allows for broader clinical applicability of the platform.

With the launch of our CRP capsule, Qlife will start delivering on our vision of bringing lifestyle biomarker testing with quantitative precise data to a wider health-conscious audience and for home use.

There is a growing demand and acceptance in the market for diagnostics self-testing. Now, health practitioners such as dieticians, nutritionists, physiotherapists, and dentists can purchase the platform and assist in monitoring and interpretation of relevant biomarkers. Also, consumers will now be able to monitor and use the data in the context they wish, to optimise their athletic performance or to make necessary changes in lifestyle.

The Egoo Health, both device and CRP capsules, are now available for all customers to order on the Egoo Health web shop. Based on our own information, this is the world's first self-test platform for immuno-diagnostics biomarkers.

Focusing our resources

Following the rights issue in September, we took further measures to bring down the burn rate, in line with our communication on September 30th, 2022. We focused our resources by putting projects on hold and did the tough work of letting go of several colleagues. As of 1 January 2023, Qlife had 35 full-time employees and the estimated effect of the changes from the first quarter 2023 are annual savings of 34 MSEK.

I have a good feeling of where we are now and where we are heading. I am convinced that we have done what was necessary to do to avoid an even more challenging situation. We have created a more focused company, a smoother

" I have a good feeling of where we are now and where we are heading."

and sharper organisation, and we are looking forward to executing many exciting activities in the nearest future. But we are missing one piece: a commercial organisation with the muscles to sell Egoo Health for home-use, and during 2023 we are therefore intensifying the work of identifying partners to market the products.

Financing

To live up to our main goal of reaching the home market in 2023, the Board has explored the financing opportunities during the first quarter of 2023, with the purpose of enabling the market launch of the CRP test. When we launch the CRP test we strive to strengthen the dialogue with our main target groups and customers. Considering their views is a very important part of creating an attractive and sustainable product offer. The proposed rights issue will primarily be used for an effective and high-quality dialogue with our target groups. We have a handful cases that we are validating to map out their potential, in other words to know more about the target groups' willingness to buy the product.

Empowering a Better Being

All employees, including myself, are eager to take the first step towards the market with our first consumer product. Our most important goal has always been to make Egoo Health available for non-professionals and people in their home. We have started to build what Qlife always wanted to do, and I am really looking forward to start selling. We are now taking the first steps for general health empowerment to the people – Empowering a Better Being.

Helsingborg in March 2023

Thomas Warthoe, CEO

Thomas Warthoe, CEO.

Strategy

Qlife strives to revolutionise the market for clinical biomarker and virus tests. By enabling tests at home as a complement to tests in healthcare, access to important health information is facilitated, which can contribute to better treatment and potentially prevent diseases.

Macro health trends that are clearly visible in society, in the healthcare sector and among consumers:

- Decentralised health and disease surveillance
- Clinical grade and scientifically validated data methods
  are required
- Increasing aging population – longer life expectancy with chronic conditions
- Healthcare costs are increasing
- Increased personal interest in monitoring health

Egoo's features clearly meet the demand in society, in the healthcare sector. Benefits that offer a multitude of potential uses for the health practitioners, health-conscious consumers and in the futre, the chronically ill, include:

- portable size
- speedy results
- ease of use and
- low usage costs (single orders or subscription)

Qlife's vision and purpose

As of the fall of 2022, Qlife updated its vision and brand proposition. The objective is to emphasise the foundation of Qlife's purpose to help improve quality of life for every individual and for the future society by making Egoo Health available for home use.

Vision

Qlife is born to challenge the status quo in healthcare. We work to shift the perspective and turn today's view on healthcare into tomorrow's focus on health empowerment. We are on a quest to empower people with more accessible ways to understand their health – so that they can move beyond reactive care towards proactive wellbeing. It's how we contribute to improving quality of life for every individual and for the greater society.

Purpose

Empowering better being

We improve quality of life, by giving everyone the power to make informed health decisions, while never missing a beat in their everyday lives.

Strategy 2023 and beyond

During the past year, Qlife has transformed its operations and strategy to a post-covid reality. Qlife has restructured the organisation and cost base to manage constraints in financing and significantly prolonged regulatory approval processes.

Limited financing opportunities for product development and regulatory process in combination with uncertainty in approval times for IVDR, makes the continued path of pursuing CE mark prior to market launch unsustainable. It will simply take too long and cost too much.

Qlife has reviewed the strategy accordingly, identified new paths to market, and prioritised CRP over all other assays in development. The strategy revision emphasises Qlife's strong technology, with a platform ready to add a menu of multiple tests, and the ambition to make the products available to consumers. Qlife will pursue strategic partnerships with the strengths required to take the consumer market for self testing of blood-based biomarkers.

Go-to-market strategy

2023 -

- Launch of CRP test towards commercial health practitioners, clinics, and home use, to reach health-conscious consumers as well as the chronically ill
  - Launch the Egoo Health web shop
  - Sale of single orders or subscription
  - Validate use and functionality for regulatory file/CE-dossier

Next step

- Commercial partner strategy to accelerate launch
  - Collaboration with consumer health company to market and develop brand, supply chain, digital and retail sales

Markets: Denmark, Sweden, United Kingdom

The rationale for prioritising launch of CRP assay

The CRP test measures the concentration of C-reactive protein, which rises when the body has an inflammation. That can be seen as an indication of several diseases, which are not yet diagnosed, making it a versatile product for diagnostics self-testing. Many people suffer from undiagnosed immune deficiencies. Proper self-testing and monitoring can potentially speed up a lifestyle change, or diagnosis, which potentially can lead to the right treatment and better being.

With the launch, health practitioners such as dieticians, nutritionists, physiotherapists, and dentists can assist in monitoring and interpretation of relevant biomarkers by Egoo Health. Also, consumers can monitor and use the data in the context they wish, to optimise their athletic performance or to make necessary changes in lifestyle. With the launch, Qlife will be able to gather market intelligence, receive feedback and put together user cases for the CE-dossier.

Regulatory strategy

2023 -

Regulatory approval of CRP (and Phe-test for PKU patients) will be pursued for broader clinical applicability and medical claims. The IVDR regulations have put increased workload on the notified bodies in EU and prolonged approval times significantly. To best navigate this regulatory reality Qlife has revised the regulatory approach.

Qlife will pursue a professional use CE mark for CRP and subsequently finalise usability studies and CE mark protocols for CRP home use.

Until the CE mark is obtained, Qlife will continue to sell the CRP product as a wellness product without medical claims.

Product development strategy

2023 -

Continued development of product pipeline

- Phe test for PKU patients
- HBA1c test for pre-diabetes, Type 2 diabetes and Type 1 diabetes
- Vitamin D test
- Lipid-test to measure critical cholesterol

Currently, Qlife will focus R&D resources on the CRP while the development of the Phe assay is progressing at a slower pace.

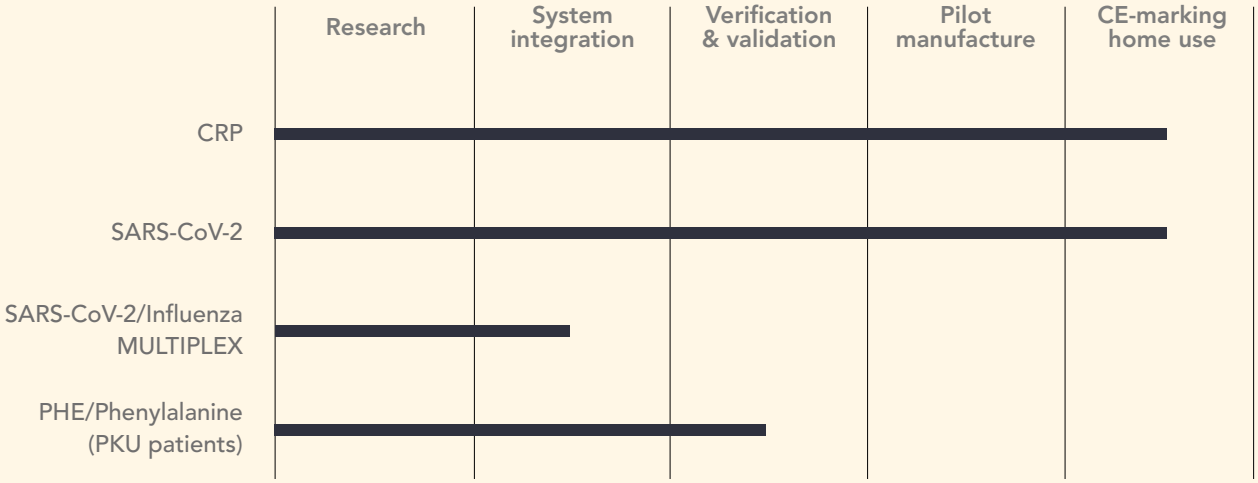
The development of the multiplex test, funded by FIND, has been put on hold due to technical delays. As the deadline for the development process cannot be met, funding is no longer available. Until further funding is secured, Qlife has decided to put the project on hold.

Production strategy

During 2022, Qlife signed an outsourcing production agreement with Finnish Scanfil for the manufacturing of the device. The target is a capacity of 1,000 units per month, which Qlife expects to reach gradually from 2023 and onwards.

Qlife has in-house production of CRP capsules and pilot production of PKU capsules required for clinical trials and regulatory process.

Product portfolio



Key achievements in 2022/2023

Technical development	Project	Benefits
	Freeze-drying the CRP reagents in the Egoo capsules	Transportation and storage at room temperature, which makes for ease of use
	Egoo Collect	A small, and disposable filtration unit able to filtrate plasma from whole blood, which makes for ease of use, more accurate and faster testing, and vital to development of new biomarkers
	Design upgrade	Improvements include a more robust gearbox, new main board design and redesign of the cloud/ device interaction that enables the device to run test without an active wifi connection
Production development		
	Outsourcing and production agreement with Scanfil	Capacity of 1,000 devices/month by 2023 by Scanfil
	Covid/Sars-CoV-2+Influenza A/B	Currently on hold
	PKU-test	At slower pace
	Identify and begin research for the next biomarker (after PKU and CRP)	Continuous development
Market development		
	Launch of CRP product as a wellness test without medical claims in February 2023	The world's first self-test platform for immuno-diagnostics biomarkers
Regulatory development		
	Launch of CRP product in February 2023	Preparation of technical file, and to validate the digital platform and evaluate the home use case and packaging of customer solutions and pricing models.

Usability a true differentiator

The human-centric design of Egoo Health and Egoo Collect is the key to success, says CFO Kasper Boel Rousøe.

The role as Chief Financial Officer has changed a lot for Kasper Boel Rousøe since he joined Qlife in March 2022. "When I signed up for Qlife, the company was struggling to deliver enough products during the pandemic," he says. After that, the demand has gone down significantly due to the evolution of the pandemic. "Now we are an R&D organisation again, and the main challenge is to bring the next product to market," he says.

That product is the company's CRP biomarker test, which measures the level of c-reactive protein in blood, a clear indicator of inflammation in a patient's body. Trends such as the increased burden of the healthcare system and the increased number of people needing medical assistance for longer periods in their lives work in favour of Qlife and its Egoo Health platform. "We are spot on with our CRP test," states Kasper.

"The number of people living with immunity deficiencies or diseases is larger than the number of people with cancer, for instance. If we collaborate with companies that have contact with all these people, it will help us immensely to reach out with our CRP test." That is why the company has started to target health professionals such as dietitians and dentists.

Being a first mover, developing a new market can be costly. "I personally think we need partners in manufacturing and assay development," Kasper says. "We need to broaden our portfolio of assays, reduce our costs and shorten the time to market for our products. We are constantly addressing these issues," he says.

The Egoo Health device is a technically advanced yet easy to use med-tech product, a rather unusual combination. "The product is shaped in a way so that people feel comfortable using it and using it intuitively in the right way. The human-centric design is one of the things that makes us a winner. We hear from the industry that usability is key, because it eliminates errors, so that you can achieve better results," says Kasper.

There are many opportunities with Egoo as the platform is extremely versatile. "We need to pick the right opportunities that deliver cash flow early. I believe we will start to see revenues in 2024 and that we will have a positive cash flow in 2025," Kasper says.

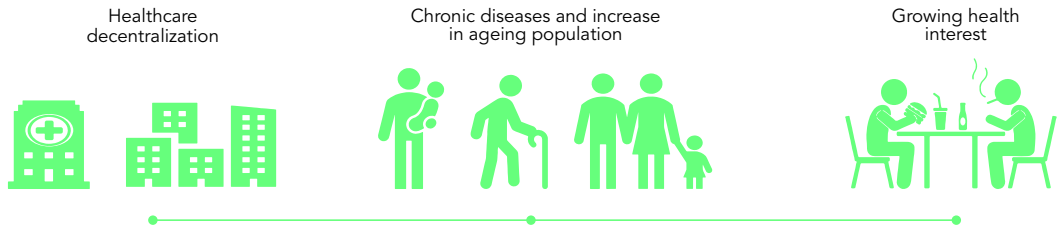
Kasper Boel Rousøe

Title:	CFO
Education:	M.Sc. in Economics at University of Copenhagen, MBA from IMD in Lausanne
Career:	CFO at IBM, Milestone Systems and Designit; CFO and Finance Director within Lenovo and Mono Solutions & Bauer Media Group; COO/CFO at Copenhagen Sensor Technology and Phase One Group
Family:	Wife and son
Hobbies:	Downhill skiing, cycling, playing the piano and the guitar
An unusual talent:	Quite famous for his sauce-making skills in his closest family

Kasper Boel Rousøe, Chief Financial Officer.

" The humancentric design is one of the things that makes us a winner."


Christopher Lee Dahm, Marketing Manager.
" We need to take more responsibility for our own health at an early stage in life."



Manage your own health

The timing is right for managing your own health with the help of new technology such as the Egoo Health platform.

Historically, the healthcare industry has been slow to react to optimise the cost of care and create personalised consumer-friendly services. However, the Covid-19 pandemic became a catalyst, which made healthcare providers focus on digital health solutions, patient data transparency and more customer-centric solutions. "It is a normal human reaction to want to get back to what you're familar with," says Christopher Lee Dahm, Marketing Manager. "But with this massive shift in attention to digitalising healthcare and the benefits it brought, it will be hard to go back to exclusively physical consultations again," he says.

The digital transformation of the healthcare sector has taken a big leap forward, pushed by the Covid-19 pandemic. But there are other equally important measures to take, according to Lee Dahm. There needs to be a movement from reactive to preventive care. "We need to take more responsibility for our own health at an early stage in life," he says.

One way to do that is to take advantage of new technology such as the Egoo Health platform. "We want the most out of our life, and testing makes it possible to become aware if something is outside of the ordinary. This way, we can take action if something is not as it should be. It's still important to consult a health practitioner who can give professional advice," Lee Dahm explains. "We are on a constant health journey where we want to make sure we have the best health throughout our life. Testing and tracking our blood biomarkers, together with a healthy lifestyle, can contribute to reassuring we have the best possible condition later in life and potentially prevent chronic conditions," he says.

Using new technology also means that you can provide health data that can enhance and reinforce the bridge between you and your healthcare professionals, providing them with a more personalised understanding of you to better help you on your health journey.

"This is very aligned with what we can do with Egoo Health and self-testing, where you take testing outside hospitals and clinics, and let patients generate their own health data. We are at a point now where we can be a benefit to the healthcare system and sharing health data could be an essential part of managing your own health," Lee Dahm explains.

The pandemic has made people more aware that a change in health behaviour can be a good thing. "A Deloitte report states that 75 percent of all consumers globally are willing to use their personal health data in partnership with care providers."

A challenge when marketing the Egoo Health device is that so far point-of-care technology has had a somewhat doubtful reputation. "With a product as professional as ours, we can exceed expectations, also from a biotechnology point of view. The chemistry used in our capsules is the same as central laboratories use," Lee Dahm says. "We will collaborate with key opinion leaders that have the same vision as us and can assist us in increasing the credibility of Egoo Health," he says.

The plan is to be represented at industry events and communicate in contextually relevant channels through online and traditional media. Another marketing challenge is that Egoo is a small and relatively unknown brand. "We need to build our brand recognition with our primary target groups, making sure they know our vision and why we exist. Doing that, we will also contribute to the transition to preventive healthcare," says Lee Dahm.

The healthcare revolution

In the near future, the patient will be the point-of-care. That means the treatment needs to follow the patient to where the patient is. This kind of self-monitoring and decentralisation of care are what the Egoo Health system is about.

There is no shortage of challenges for the healthcare sector. The number of older people is growing, more people suffer from chronic diseases and multi-illnesses, there is a lack of qualified health personnel and the cost level of care is rising. "Taking all this into consideration, it's clear we'll have to find new solutions for the healthcare system," says Mette-Marie Harild, with 30 years of experience as an executive in sales and marketing in many international healthcare companies. "The hospitals are crowded. A natural way of making changes is to move some of the activities from the hospital into the community. Here, we will see a trend where patients, their network and family will play a very central role in their own health and treatment. The patient will be the point-of-care, and in my point of view that means a revolution of the healthcare system," explains Mette-Marie, who is now a board professional and a member of Qlife's board since April 2021.

A lot of focus will be on preventive diagnostics in the patient's home. Only acute diseases and complicated treatments will be managed in the hospitals. We will also see a focus on equality in health. "On the fringes of our society, we have people that are not getting the treatment they should have and deserve," says Mette-Marie.

Technology will take over many tasks. Some will be automated, the use of robotics will increase and we will see many new digital solutions for making a diagnosis, carrying out treatments and care, monitoring and rehabilitation. "This will bring more time to facilitate care and collaborate with patients than we have had before," Mette-Marie says.

PreCare in region Sjælland in Eastern Denmark is a very good example of a project where digital devices are used by patients at home. The patients suffer from chronic obstructive pulmonary disease, and the aim is that they can be treated and stay at home as much as possible and not have to go to the hospital. In their home, they have a full battery of equipment, which they have been trained to use. If they have symptoms, they can be treated at home via a treatment centre. "They are remotely in contact with a specialist," explains Mette-Marie. "They can measure the lung function, temperature, pulse, weight, blood pressure and hemoglobulin themselves. All those data are sent via an app to the centre. Based on those data, the centre can decide if something needs to be initiated. Then the patient has the medication at home, so that they can get into treatment immediately."

Preliminary results from the project show for instance that the number of hospital visits is reduced to about one third, which saves time for the patient and minimises inconvenience. "It brings quality of life, the patient satisfaction level is very high," states Mette-Marie.

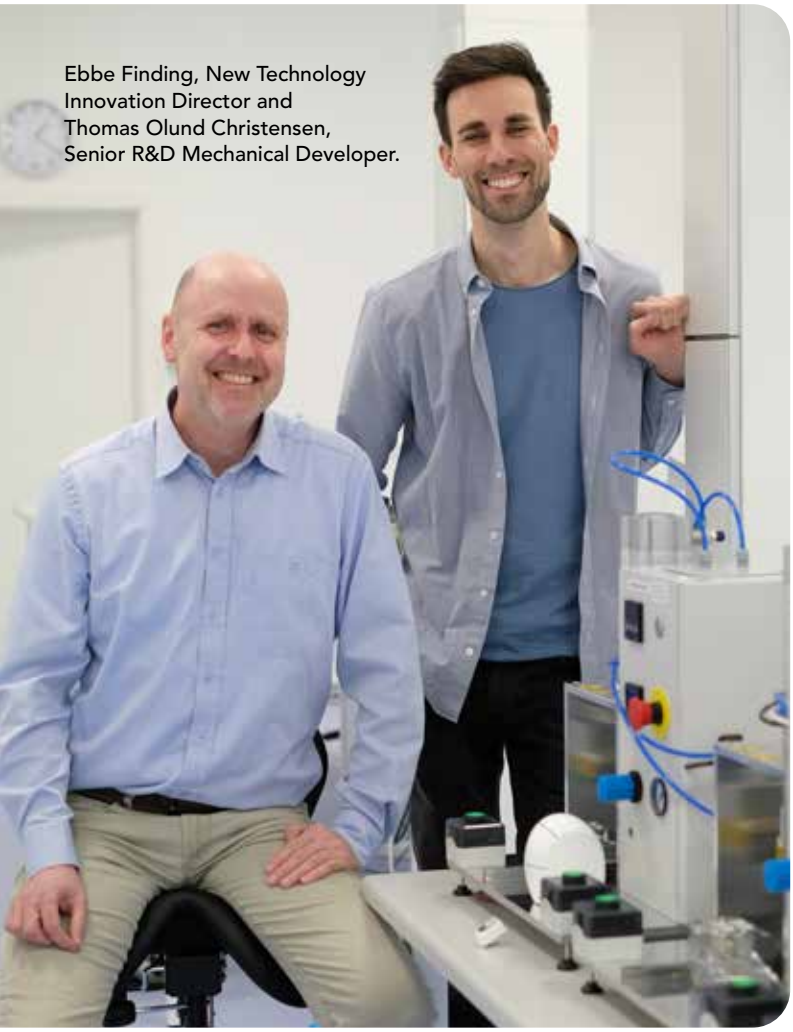
This kind of self-monitoring and decentralisation of care is what the Egoo Health system is all about. "There is a bright future for Egoo. It brings a lot of value, not only from a health perspective but also from a health-economic perspective," says Mette-Marie.

Mette-Marie Harild, with 30 years of experience as an executive in sales and marketing in many international healthcare companies.

" There is a bright future for Egoo. It brings a lot of value."

Design and usability in focus

Developing technically and medically advanced devices for professional healthcare staff is one thing, but making them easy to use by consumers is a challenge on a whole other level.



Ebbe Finding, New Technology Innovation Director and Thomas Olund Christensen, Senior R&D Mechanical Developer.

Both Egoo Health and Egoo Collect have certain obvious advantages compared to the competition. Egoo Health is extremely flexible as it can be used for testing of multiple biomarkers while Egoo Collect makes the important pre-analytical step easily available.

"Egoo Health is a complex product where we have combined many knowledge areas such as mechanics, electronics, software and chemistry to create it," says Ebbe Finding, New Technology Innovation Director. "At the same time, it delivers a precision comparable to big lab machines. The precision of the biomarkers' concentration is core in a medical context, indications or low-precision measurements are not medically relevant, only quality measurements with a high precision," he says.

Prior to the launch of the CRP biomarker in 2023, the device has been updated. "The biggest change is that we have improved the optics substantially, making the sensitivity much better," says Thomas Olund Christensen, Senior R&D Mechanical Developer. The electronic platform is also updated to improve robustness and to enable easier sourcing of components. To further improve the handling of the device, the interface has moved from being shown on a computer to a mobile application. "For the first version you had to have some training to use it. The interface is completely renewed, and all instructions are now on the phone," Thomas explains.

For the test to work well in the Egoo Health device, the blood sample needs to be processed first. In a normal blood sample, the percentage of blood cells is between 35 and 50 percent (the hemocrit value). If the blood sample is put directly into the Egoo Health system, the results will vary

" How do they apply the blood? How do we make sure they feel they have done it correctly? What steps should the user perceive?"

a lot. To increase quality and reliability of the test, the red blood cells are therefore filtered out from the blood plasma. "The pre-analytical step is where we take a big step forward with the plasma-filtration unit, the Egoo Collect," says Ebbe.

The matchbox-sized Collect filters out the red blood cells, keeping only the blood plasma. "The standard within all kinds of measurements in blood is to work with the plasma, the blood cells are just disturbing," explains Ebbe. Before the Collect was created, the blood sample had to be separated and done by a professional. But with Egoo Collect, anybody can perform the important pre-processing step.

A vital success factor of new technical inventions is design and ease of use. Both Egoo Health and Egoo Collect are characterised by excellent design and user-friendliness. "When you select the technical solution, you choose the one that can fulfil an easily understandable user experience," says Ebbe. "It's a kind of storytelling. First, you do this step, then you do this," he says. "By combining functions, you can reduce the number of user steps," continues Thomas. "It's better that the user only experiences three to four steps. You make it seem easy, although the user is actually doing complex things," he says.

The basics for the development of the Egoo Collect was to make it easy for a user to handle a complicated device such as a plasma-filtering unit. "From a technical point of view, you can find different proposals for a plasma-filtering unit, but in making an integrated solution that includes the user experience, so that a layman can use the plasma-filtering unit, is where we have made something unique," Ebbe says. "We have done a lot of testing internally and where we invited users, both to get the base functionality to work, but also thinking about how a person will interact with it," Thomas adds. "How do they apply the blood? How do we make sure they feel they have done it correctly? What steps should the user perceive?"

One of the key points is to visually show the user that he or she has done the right things and what to do next. For instance, an indicator window shifts from white to green, showing that the sample is ready. "We have been working a lot on these indicators, what size and colour they should have etc," explains Thomas. "Both to make them very visual, and to make sure they work every time. Those areas were critical because they are our interface towards the user," he says.

"You also have to balance the user steps, so that there are not too many difficult-to-handle steps," Ebbe says. "For instance, the first step is to prick yourself in the finger to get the essential drop of blood. For some users, this is a major step to overcome, despite that most people can do it with the recommended pricker and guidance. The point is that, if the following user steps have an equally high barrier to some users, they might find the overall user experience too complicated to perform. That's why we strive to make every user step as easy and intuitive as possible," he explains.

People have become more accustomed to take self-tests during the Covid-19 pandemic. "Almost everybody has done a self-test at home. Having that as a reference has been very helpful for us," Thomas says.

"Design is an important part of the storytelling. It's a device that looks easy to use. This is the first version of the Egoo Collect, and we will continue to improve it," says Ebbe.

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

Share and sharecapital

As per December 31st 2022, the company's share capital is SEK 1,845,802.88, divided into 23,072,536 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 31st 2022, according to the public nominee register of shareholders register from Euroclear.

Nomination Committee

In accordance with the decision at Qlife Holding's Annual General Meeting 2022, the company's Chairman of the Board has convened a Nomination Committee to prepare proposals for the Company's Annual General Meeting 2023.

The Nomination Committee consists of the following persons, who together represent approximately 24 percent of the company's shares and votes.

Anita Otterheim Hjalmarsson, appointed by
Thomas Warthoe, John Moll, appointed by Lars Bangsgaard,
Peter Warthoe, representing own shares, and
Mette Gross, Chairman of the Board.

The Nomination Committee's proposal will be presented in the notice convening the Annual General Meeting 2023 and on the company's website, www.qlifeholding.com.

Warrants series TO2

As per December 31st 2022 Qlife Holding AB has 7,587,609 warrants (TO 2) outstanding. One (1) warrant entitle to subscribe for one (1) new share at an exercise price corresponding to 70 percent of the volume-weighted average price of the Company's share during the period from and including 22 May 2023 up to and including 2 June 2023, however, not less than the share's quota value and not more than SEK 10 per share. Subscription of shares by exercise of warrants takes place during the period 7 – 21 June 2023.

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 2020/2023

In November 2020, Qlife issued 185,000 warrants to staff members, which entitle holders to subscribe to 1,02 shares per option. These warrants may be exercised during the period of 1–31 December 2023 at an exercise price of SEK 37.42 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 188,700 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.

Shareholder	Shares	Percent
BNY Mellon SA/NV, Belgium	2 603 877	11,3%
Formue Nord Markedsneutral A/S	1 399 507	6,1%
Försäkringsbolaget Avanza Pension	1 267 127	5,5%
Nordnet Pensionsförsäkring	970 628	4,2%
Warthoe af 1964 APS	905 958	3,9%
JP Morgan Chase Bank NA	727 493	3,2%
Leif Jonsson	400 000	1,7%
Capmate Aktiebolag	303 498	1,3%
Dragstedt, Teodor	240 413	1,0%
Nordica Life70000907	240 000	1,0%
Total 10	**9 058 501**	39,3%
Others	14 014 035	60,7%
Sum	**23 072 536**	**100,0%**

Thomas Warthoe CEO, CO-Founder and
Kasper Boel Rousøe, Chief Financial Officer.

Kristina Christensen, QA/RA.

No 3. Good Health and Well-being. Ensure healthy lives and promote well-being for all at all ages.

A sustainable company in every aspect

Developing a sustainable company, including a sustainable workplace and consequently sustainable products, is a complex web of culture, innovation, processes, people, and financing. Qlife is evolving its organisation and business, and remains on a roadmap to become a sustainable company in every aspect.

Qlife is developing innovative monitoring and diagnostic solutions, which can be used in decentralised settings, at affordable prices and with clinical-grade quality. The solution can contribute to Global Sustainable Development Goals of UN Agenda 2030 – specifically Goal 3 - Ensure healthy lives and promote well-being for all at all ages.

Currently, Qlife is pursuing the target by offering decentralised testing of CRP. We aim for contributing to improved quality of life particularly for chronic patients, by allowing them to individual choices of frequency and location of testing. Potentially we expect better care by additional learning of individuals disease and treatment patterns, allowing adjustments in lifestyle and treatment plans.

Offering decentralised CRP measurements in clinical retailers (for example pharmacies) will allow access to fast and accurate test results, and improved health insights, improved and fast diagnostics, and potentially free resources in the health care system.

Maintaining a healthy, safe, and equal work environment for all employees lays a solid foundation for long-term relations with employees and will help the company safekeep the accumulated knowledge and experience in the long term. This is sound from a financial perspective and sustainable in every perspective.

Keeping high ethical business standards is part of a socially sustainable company, when establishing long-term relations with partners and suppliers. In the business of complex product development, this is key as development cycles are often long and iterative.

Qlife in figures 2022

MANAGEMENT REPORT

The Board of Directors and the CEO present the following annual report and consolidated accounts for Qlife Holding AB, Id. No. 559224-8040 for the financial year 2022-01-01 – 2022-12-31.

The annual report has been prepared in thousands of Swedish kronor, kSEK.

Operations

The company has been listed on Nasdaq, First North Growth Market, Stockholm since March 2, 2020. Qlife Holding AB is a 100 percent owner of Qlife Aps, a Danish medical technology company that develops an innovative medical technology product with the long-term goal of giving people access to secure and validated biomarker data in the home. Qlife's technical platform, Egoo Health ("Egoo"), consists of a measuring instrument, Egoo, with associated capsules, where each capsule contains a test for a specific biomarker that can be measured with a blood sample. Egoo acts as a platform as it can potentially perform tests on various types of biomarkers based on a small amount of blood. To expand the platform to test for more biomarkers, new capsules need to be developed. Egoo has the capacity to perform analyses that correlate to over 99 percent with high-performance laboratory instruments. The company's registered office is in Helsingborg.

Commercialization, development and scale-up of manufacturing requires continued and significant financing for Qlife. The Rights issue in April 2023 including the issue and expected subscription of TO3 in September 2023 is expected to finance the operations at least twelve months forward. Should the subscription of TO3 not be successful, a new financing plan will be required. The Board and Management have continued focus to obtain short and long term financing.

Group – Annual Key figures

2020 – 2021 has been converted to IFRS

kSEK	2022	2021	2020	2019*
Revenue	17,993	39,613	20,750	-
Total Operating expenses	-95,657	-74,666	-39,113	-22,095
EBITDA	-77,664	-35,052	-18,336	-10,682
Total cash flow	-57,947	52,599	15,253	840
Cash reserve	14,547	73,461	20,822	4,044
Shareholders equity	91,149	132,496	48,818	62,478
Avg. number of employees	62	39	20	14

* Qlife Holding AB was formed on 31 October 2019
– figures are from the subsidiary Qlife ApS under Danish GAAP.

Parent - Annual Key figures

2020 - 2021 has been converted to RFR 2

kSEK	2022	2021	2020	2019*
Revenue	1,154	700	700	175
Total operating expense	-5,938	-7,145	-2,696	-993
Operating result	-4,785	-6,445	-1,996	-818
Total cash flow	-46,112	41,637	14,747	780
Cash reserve	11,052	57,164	15,527	780
Shareholders equity	184,224	146,171	73,938	67,233
Avg. number of employees	0	0	0	0

* Qlife Holding AB was formed on 31 October 2019

Ownership

BNY Mellon SA/NV, Belgien holds 11.3% i.e. over 10% of the shares in the company as of 31 December, 2022. Board and management hold 1.987.654 shares in the company partly included in the BNY Mellon SA/NV holdings.

Significant events during the year

- During the fourth quarter Qlife raised SEK 53.1 milllion before transaction cost through a rights issue of units consisting of shares and warrants TO 2. Through the Rights Issue, the number of shares in the Company increased by 7,587,609 shares, from 15,484,927 shares to 23,072,536 shares and the share capital increase by SEK 607,008.72, from SEK 1,238,794.16 to SEK 1,845,802.88.
- On November 18th, Qlife announced that a delay in finalizing the development of the two-in-one test for influenza and SARS-CoV-2 virus assay, and associated technical adjustment in the Egoo optics, means that this project has been put on hold. The implications of the development delay are that the clinical trial cannot be finalized before end of 2022, which in turn means that the 3rd payment will be cancelled by FIND under the project terms.
- Qlife has completed all milestones relating to the analytical verification protocols of a new two-in-one test for Influenza and SARS-CoV-2. The completion of these milestones earlier in the yearhas released the second milestone payment of 11.8 M SEK from the Foundation for Innovative New Diagnostics (FIND). As of year end 2022, Qlife has received in total 24.4 M SEK from FIND.
- On September 30th Qlife announced reductions in operational costs through workforce reductions and restructuring. The estimated effect of the changes are annual savings of 34 MSEK, with anticipated effect from Q1, 2023.
- Qlife has signed an outsourcing agreement with Finnish group Scanfil to take over the continued production of the company's Egoo device. Scanfil is a world leader in manufacturing and a system supplier to the global electronics industry with a vast network of factories, including a factory in Åtvidaberg, Sweden, that will support Qlife.
- Qlife's scientific team has completed the development of and filed a patent application for a blood-to-plasma filtration unit for blood-based biomarker testing. The Egoo capsule already integrates all reagents and with the new filtration unit instead of adding whole blood into the capsule now plasma can be entered, and the test is executed in the device accordingly. In short, the filtration unit is making the Egoo platform more versatile as it now can be used for testing plasma in addition to whole blood.
- In a Danish clinical evaluation of rapid tests for covid-19, conducted at Hvidovre Hospital and published on the hospital's website in February, the results for the Egoo SARS-CoV-2 test differed from another scientific study performed. The company therefore contacted Hvidovre Hospital and the Danish Medicines Agency to verify the methodology in the evaluation. Deviations in the test execution from intended use and instructions account for incorrect results. Consequently, the Egoo.Health test results will be excluded from the study.
- Kasper Boel Rousøe has taken on the role as Chief Financial Officer (CFO) for Qlife Holding AB and subsidiary Qlife Aps on March 1st. Replacing CFO in Qlife Aps Lars Bangsgaard who has decided to retire from his position, and part-time CFO in Qlife Holding AB Henrik Ljung.
- Qlife has changed reporting standard for interim financial reports to IFRS starting Q1 2022.

Significant events after the year end

- Qlife completes freeze-drying project necessary for home-use.
  Qlife has been able to develop a small, freeze-dried bead that consist of the CRP reagents used in the Egoo CRP Capsule. Instantly frozen reagents which then are freeze-dried into spherical beads are used instead of liquid reagents. This makes the product stable and user friendly and enables us to transport and store our test capsules without need for cooling.
- Qlife Holding AB has resolved to carry out an issue of 576,813,400 units, consisting of shares and warrants of series TO 3, with preferential rights for the Company's existing shareholders (the "Rights Issue"). Provided that the Rights Issue is fully subscribed, the Company will receive proceeds of approximately SEK 57.7 million before the deduction of transaction costs. The Rights Issue is secured through subscription undertakings from members of the Company management and board of directors, of approximately SEK 0.8 million, and guarantee commitments of approximately SEK 40.4 million, entailing

that the Rights Issue is secured to approximately 71.3 percent. In addition, the board of directors may carry out an over-allotment issue of SEK 5 million if the Rights Issue is oversubscribed (the "Over-allotment Issue"). In order to secure the financing needs until the Rights Issue is completed, the Company has secured bridge financing amounting to a total of SEK 7.25 million, which is to be settled after the settlement of the Rights Issue.

- An extraordinary general meeting on the 24th March, 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 and the number of shares. The limits that are ultimately registered at the Swedish Companies Registration Office depend on the number of shares subscribed and paid for in the Rights Issue. The extraordinary general meeting resolved in accordance with the proposal from the board of directors to approve the board of directors' resolution on the rights issue. Resolution on authorization for the board of directors to resolve on issues. The total number of shares and warrants that may be issued pursuant to the authorization shall not exceed 50,000,000 shares and 50,000,000 warrants.
- In March Aidian initiated arbitration proceedings against Qlife. Qlife Holding interim report for Q4 2022 included aged accounts payable owed to the Finish company Adidan Oy of approximately EUR 0.8 million under short term liabilities and mention of a counter claim against a distributor (Aidian) under contingent assets. Aidian Oy has initiated arbitral proceedings towards Qlife Holding AB's wholly owned subsidiary Qlife ApS in which Aidian claims payment of unpaid invoices of approximately EUR 0.8 million from Qlife. Qlife intends to dispute the claim since Qlife has counterclaims exceeding Aidian's claim.

Proposal for appropriation of loss

Profit/loss at the disposal of the annual general meeting	Amounts in SEK
Share premium reserve	279,355,618
Loss brought forward	-91,817,149
Loss for the year	-5,160,359
Total	**182,378,109**

The board of directors proposes that non-restricted equity be carried forward	
Total	**182,378,109**

With regards to the earnings and position in general, reference is made to the subsequent income statement and balance sheet with accompanying notes

GROUP

CONSOLIDATED INCOME STATEMENT
GROUP

kSEK	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Revenue	15	17,993	39,613
Total operating income		**17,993**	**39,613**
Operating expenses			
Changes in inventories of finished goods		-1,138	1,161
Capitalized development costs	7	46,668	25,581
Raw materials and consumables		-27,604	-21,814
Other external expenses	16	-50,864	-39,725
Personnel costs	5	-62,720	-39,869
Total Operating expenses		**-95,657**	**-74,666**
EBITDA		**-77,664**	**-35,052**
Amortization and depreciation		-18,071	-8,813
EBIT		**-95,736**	**-43,865**
Net financial income and expenses	6	-5,265	-2,414
Result before tax		**-101,000**	**-46,279**
Tax	18	7,860	7,483
Net result for the period		**-93,141**	**-38,797**
Other comprehensive income			
Items that may be reclassified to result for the period			
Foreign currency exchange gains and losses		8,581	1,083
Total comprehensive profit/loss for the period attributable to owner of Parent Company		**-84,560**	**-37,714**
Net result per share before and after dilution - SEK	11	*-5.46*	*-3.04*
Weighted average number of shares in the period before dilution		*17,065,679*	*12,766,840*
Weighted average number of shares in the period after dilution		*18,998,331*	*13,477,948*
Total number af shares end of period		*23,072,536*	*15,484,927*

CONSOLIDATED BALANCE SHEET
GROUP

kSEK	Note	2022-12-31	2021-12-31	2021-01-01
ASSETS				
Intangible fixed assets				
Capitalized development costs	7	97,744	55,193	35,254
Total Intangible fixed assets		**97,744**	**55,193**	**35,254**
Tangible fixed assets				
Manufacturing equipment and fixtures	8, 9	5,929	4,301	5,167
Leased premises	10	48,983	1,113	1,302
Deferred tax asset			210	273
Total Tangible fixed assets		**54,913**	**5,624**	**6,742**
Total fixed assets		**152,656**	**60,817**	**41,996**
Current assets				
Inventory	19	8,070	8,309	5,377
Receivables	17			
Accounts receivables		1,056	2,755	9,329
Other receivables		2,768	3,885	359
Current Tax receivables		8,231	7,564	7,421
Prepaid expenses and accrued income		5,321	7,211	1,848
Total receivables		**17,375**	**21,415**	**18,956**
Cash and cash equivalents	26	**14,547**	**73,461**	**20,822**
Total currents assets		**39,992**	**103,185**	**45,156**
TOTAL ASSETS		**192,650**	**164,001**	**87,152**

kSEK	Note	2022-12-31	2021-12-31	2021-01-01
EQUITY AND LIABILITIES				
Equity				
Share Capital	24	1,846	1,239	894
Other paid in capital		225,162	182,730	61,887
Retained earnings		-145,523	-52,556	-13,963
Reserves		9,664	1,083	
Total equity		**91,149**	**132,496**	**48,818**
Long term liabilities	17, 21			
Loan from credit institution	27	3,012	2,763	3,348
Lease liabilities		45,281	747	1,154
Deferred tax			229	279
Total long term liabilities		**48,293**	**3,739**	**4,781**
Short term liabilities	17, 21			
Prepayments from customers		24,716	11,951	600
Lease liabilities		4,148	273	120
Short term loans		-	939	11,607
Accounts payables		20,086	10,027	11,607
Other liabilities		382	1,091	17,363
Accrued expenses and deferred income		3,875	3,485	3,163
Total short term liabilities		**53,206**	**27,766**	**33,553**
Total liabilities		**101,499**	**31,505**	**38,334**
TOTAL EQUITY AND LIABILITIES		**192,650**	**164,001**	**87,152**

CONSOLIDATED CASH FLOW STATEMENT
GROUP

kSEK	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Cash flow from operating activities			
Net loss before tax for the period		-101,000	-46,279
Depreciations		18,071	8,813
Other non-cash adjustments	14	174	631
Repaid tax		7,919	7,503
Cash flow from operations before changes in working capital		**-74,836**	**-29,333**
Cash flow from changes in working capital			
Change in inventory		239	-2,805
Change in receivables		4,039	-2,025
Change in current payables		22,824	7,507
Cash flow from operating activities		**-47,733**	**-26,656**
Cash flow from investing activities			
Investments in intangible assets		-42,551	-25,062
Investments in tangible assets		-389	-1,706
Cash flow from investing activities		**-42,940**	**-26,768**
Cash flow from financing activities			
Share issue / warrant program		53,113	127,574
Issuance costs		-10,074	-6,731
Loans received		21,000	
Leasing		-3,282	
Down payments and interest		-28,030	-14,820
Cash flow from financing activities		**32,726**	**106,023**
Total Cash flow in period		**-57,947**	**52,599**
Cash and cash equivalents at the period start		73,461	20,822
Foreign exchange difference		-966	39
Cash and cash equivalents at the period end	26	**14,547**	**73,461**

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY GROUP

kSEK	Share capital	Other paid in capital	Retained earnings	Reserves	Total shareholders equity
Equity on January 1, 2021	**894**	**61,887**	**-13,963**		**48,818**
Profit / Loss per December 31, 2021			-38,797		**-38,797**
Other comprehensive income				1,083	**1,083**
Total comprehensive income for the period	**894**	**61,887**	**-52,760**	**1,083**	**11,104**
Transactions with owners					
Share Issue	345	127,330			**127,675**
Issuance costs		-6,731			**-6,731**
Warrant programmes		244	204		**448**
Total Transactions with owners	**345**	**120,843**	**204**		121,392
Equity on December 31, 2021	**1,239**	**182,730**	**-52,556**	**1,083**	**132,496**

kSEK	Share capital	Other paid in capital	Retained earnings	Reserves	Total shareholders equity
Equity at January 1, 2022	**1,239**	**182,730**	**-52,556**	**1,083**	**132,496**
Profit / Loss per Dec 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 Dec 31, 2022	**1,846**	**225,162**	**-145,523**	**9,664**	**91,149**

PARENT

INCOME STATEMENT
PARENT

kSEK	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Revenue		1,154	700
Other external costs		-4,818	-6,179
Personnel costs		-1,120	-966
Operating result		**-4,785**	**-6,445**
Write-down of investment in subsidiary		0	-41,259
Net financial income and expenses		-376	-1,455
Loss before tax		**-5,160**	**-49,159**
Tax		0	0
Net loss for the period		**-5,160**	**-49,159**

Net profit for the year corresponds to total comprehensive income for the year.

BALANCE SHEET
PARENT

kSEK	Note	2022-12-31	2021-12-31	2020-12-31
ASSETS				
Financial fixed assets				
Shares in subsidiary	28	68,024	68,024	68,024
Total financial fixed assets		**68,024**	**68,024**	**68,024**
Total fixed assets		**68,024**	**68,024**	**68,024**
Current assets				
Recievables				
Recievables from subsidiary		106,667	21,386	5,168
Other recievables		336	109	171
Prepaid expenses and accured income		93	8	8
Total recievables		**107,095**	**21,502**	**5,347**
Cash and bank balances		11,052	57,164	15,527
Total current assets		**118,147**	**78,666**	**20,874**
TOTAL ASSETS		**186,170**	**146,690**	**88,898**

kSEK	Note	2022-12-31	2021-12-31	2020-12-31
EQUITY AND LIABILITIES				
Equity				
Restricted Equity				
Share Capital	24	1,846	1,239	894
Total Restricted Equity		**1,846**	**1,239**	**894**
Unrestricted Equity				
Share premium		279,027	237,009	48,592
Other paid in capital		328		182
Retained earnings		-91,817	-42,918	66,601
Profit / Loss		-5,160	-49,159	-42,331
Total unrestricted Equity		**182,378**	**144,932**	**73,044**
Total equity		**184,224**	**146,171**	**73,938**
Short term liabilities				
Accounts payables		812	128	198
Short term loan				14,145
Other short term debt		225		
Accrued expenses and deferred income		909	390	617
Total short term liabilities		**1,946**	**518**	**14,960**
Total liabilities		**1,946**	**518**	**14,960**
TOTAL EQUITY AND LIABILITIES		**186,170**	**146,690**	**88,898**

STATEMENT OF CASH FLOW
PARENT

kSEK	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Cash flow from operating activities			
Profit/loss before tax		-5,160	-49,159
Other items			41,462
Cash flow from operations before change in working capital		**-5,160**	**-7,697**
Cash flow from working activities			
Change in receivables		-138	63
Change in current payables		1,428	-297
Cash flow from working activities		**-3,870**	**-7,931**
Cash flow from financing activities			
Share issues		53,113	127,919
Issuance cost		-10,074	-6,730
Loans to subsidiary		-85,281	-57,476
Loans received		21,000	
Loans repaid		-21,000	-14,145
Cash flow from financing activities		**-42,242**	**49,568**
Total cash flow in period		**-46,112**	**41,637**
Cash and cash equivalents at period start		57,164	15,527
Cash cash equivalents at period end		**11,052**	**57,164**

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY PARENT

kSEK	Share capital	Share premium	Other paid in capital	Retained earnings	Total shareholders equity
Equity at January 1, 2021	**894**	**115,996**	**84**	**-43,895**	**73,079**
Profit / Loss until December 31, 2021				-48,300	**-48,300**
Other comprehensive income					
Total comprehensive income for the period	**894**	**115,996**	**84**	**-92,195**	**24,779**
Transactions with owners					
Share issue	345	127,330			**127,675**
Issuance cost		-6,731			**-6,731**
Warrant programmes			244	204	**448**
Total Transactions with owners	**345**	**120,599**	**244**	**204**	**121,392**
Equity on December 31, 2021	**1,239**	**236,595**	**328**	**-91,991**	**146,171**

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 per Dec 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 at Dec 31, 2022	**1,846**	**279,027**	**328**	**-96,977**	**184,224**

NOTES

NOTE 1 General information

GENERAL INFORMATION

This annual 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 Redaregatan 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 annual report and consolidated financial statements were approved for publication by the board of directors on April 5th 2023. The groups statement of comprehensive income and statement of financial position, and the parent company's income steatement and balance sheet will be subject to approval by the AGM on May 4th 2023.

NOTE 2 Accounting principles

This Annual report for the group has been prepared in accordance with International Financial Reporting Standards. The Group reporting of Qlife is based on International Financial Reporting Standards (IFRS) as adopted by the EU. The Group's annual report is prepared in accordance with IFRS and the Swedish Accounting Act. The parent company's annual 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 is 2022. Transition to IFRS has been made from 1 January 2021, resulting in the Qlife Group has prepared restated consolidated accounts as from 1 January 2021. Information according to IFRS is given in notes as well as in other places in the annual 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 (Note 5).

New standards, interpretations, and amendments not yet effective

There are several 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 can 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 Financial statements and notes are presented in Swedish Kronor (SEK) rounded to the nearest thousand unless stated otherwise. 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 recognised in the operating profit/loss. Foreign exchange gains and losses applicable to liabilities and cash are recognised 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 recognised 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. Currently, one segment has been identified in the group; Sars-CoV-2. Segment information is provided only for the group.

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 is recognised 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.

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 capitalised 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 recognised 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 recognised 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 recognised 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 recognised, 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 recognised 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 recognised 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 utilised.

Intangible assets

Separate acquisitions
Separately acquired intangible assets are recognised at cost less accumulated amortisation and impairment. The assets are amortised 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 recognised as expenses in the income statement as they are incurred. All expenditures are capitalised 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

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

Reassessment of useful life
Estimated useful lives and amortisation 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 recognised forward-looking. Amortisation 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 recognised as other operating income or other operating expenses.

Tangible assets

Tangible assets are recognised 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 recognised 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 recognised as Other operating income or Other operating expenses.

Impairment of intangible and tangible assets

At each balance sheet date, the group analyses 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 amortised 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 recognised in the income statement.

The group as a lessee

The group has lease agreements for premises and production equipment. The group recognises 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 recognised at amortised cost using the effective interest rate method which distributes lease payments between repayment of the lease liability and interest expense. Lease liabilities are recognised 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 recognised 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 utilise) 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.

Financial instruments

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 amortised 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 recognised at fair value plus costs of transaction directly attributable to the acquisition, and are carried at amortised 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 amortised 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 recognised 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.

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.

Parent company accounting principles

The parent company reports in accordance with the Swedish Annual Accounts Act (1955:1554) and Swedish Financial Reporting Board recommendation RFR2 – reporting for Legal Entities. The Swedish Financial Reporting Board's pronouncements regarding listed companies are also applied. Application of RFR 2 entails that the Parent Company, in the annual report for the legal entity, applies all EU-endorsed IFRS and pronouncements as far as possible within the framework of the Swedish Annual Accounts Act and taking into acount the connection between reporting and taxation. The recommendation indicates which exceptions from and amendments to IFRS are to be made. The differences between the parent company's and the groups accounting policies are described below

Classification & presentation

The Parent Company's income statement and balance sheet are presented in accordance with the format prescribed in the Swedish Annual Accounts Act. The differences in the parent company's income statement and balance sheet compared with the group's financial statements consist mainly of the recognition of equity.

Subsidiaries

Participation in subsidiaries and associated companies are recognized in the parent company in accordance with the cost method.

Shareholders contribution

Shareholder contributions are recognized directly in equity for the receiving party and are capitalized in shares and participations for the rendering party. The value of shares in subsidiaries are impairment tested based on discounted cash flow for the subsidiary.

NOTE 3 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 capitalised 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.

The following exchange rates has been used in conversion of balance sheet and income statements for the group.

	Average rate		Ultimo rate	
	2022	2021	2022	2021
DKK	1,4290	1,3641	1,4965	1,3753
EUR	10,6317	10,1449	11,1283	10,2269

The groups exposure on financial assets and liabilities i DKK, EUR & SEK on the closing day is outlined in the table below

2022	Accounts receivables	Cash	Accounts payables	Total	+/- 10%
DKK	628	3,441	-9,945	-5,876	-588
EUR	428	-	-9,013	-8,585	-858
SEK	-	11,106	-1,129	9,978	-
Total	1,056	14,547	-20,086	-4,483	-1,446

2021	Accounts receivables	Cash	Accounts payables	Total	+/- 10%
DKK	1,676	16,297	-5,686	12,287	1,229
EUR	1,079	-	-4,213	-3,134	-313
SEK	-	57,164	-128	57,036	-
Total	2,755	73,461	-10,027	66,189	915

Other risks include credit risk see note 17 and liquidity risk see note 21.

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 Employees and personnel expenses

Employees and personnel costs	Group		Parent	
	2022	2021	2022	2021
Average number of employees				
The average number of employees is based on the what the company paid in attendance hours related to normal working hours				
Average number of employees	61.8	39.4	0.0	0.0
of which in Denmark	61.8	39.4	0.0	0.0
of which in Sweden	0.0	0.0	0.0	0.0
of which women	30.3	20.3	0.0	0.0
of which men	31.5	19.1	0.0	0.0
Salaries remunerations tc.				
Salaries, remunerations, social security and pension cost have been paidn in the following amounts				
Board of Directors, CEO and senior management				
Salaries and remunerations	12,594	10,895	635	575
Social cost	290	183	157	181
Pensionskostnader	390	240	-	-
Other employees				
Salaries and remunerations	44,852	24,696	-	-
Social cost	507	403	-	-
Pensionskostnader	3,133	1,193	-	-
Total Board of Directors, CEO and other	61,766	37,610	792	756

NOTE 5 Employees and personnel expenses

Employees and personnel costs	Group		Parent	
	2022	2021	2022	2021
Gender distribution of the board and management				
Board of Directors	6	6	6	6
of which women	2	2	2	2
of which men	4	4	4	4
Management incl. CEO	6	6	1	1
of which women	2	2	0	0
of which men	4	4	1	1

Remunerations in 2022	Board fees	Fixed salaries	Variable pay	Pensions	Share based remuneration	Total
Board of Directors						
Mette Gross, chair person	167	-	-	-	-	167
John Moll, board member	83	-	-	-	-	83
Mette-Marie Harild, board member	83	-	-	-	-	83
Ulrik Harrysson, board member	83	-	-	-	-	83
Mikael Persson, board member	83	-	-	-	-	83
CEO & senior management						
Thomas Warthoe, CEO and board member		1,650				1,650
Other members of senior management (6 individuals)		10,187	257	390	204	11,038
Total	**500**	**11,837**	**257**	**390**	**204**	**13,188**

Remunerations in 2021	Board fees	Fixed salaries	Variable pay	Pensions	Share based remuneration	Total
Board of Directors						
Mette Gross, chair person	215	-	-	-	-	215
John Moll, board member	94	-	-	-	-	94
Mette-Marie Harild, board member	67	-	-	-	-	67
Ulrik Harrysson, board member	67	-	-	-	-	67
Mikael Persson, board member	67	-	-	-	-	67
Niklas Marschall, f.d. board member 2)	65	-	-	-	-	65
CEO & senior management						
Thomas Warthoe, CEO and board member		1,555				1,555
Other members of senior management (6 individuals)		8,322	443	240	174	9,179
Total	**575**	**9,877**	**443**	**240**	**174**	**11,309**

1) Variable pay is tied to sales performance and R&D milestones
2) Niklas Marschall left the board in September 2021
3) Total 6 individuals in the financial year 2021

The company has no allocated or accrued amounts for pensions or similar benefits following the resignation of a board member or senior executive from office. In the event of termination by the company, a notice period of no more than six months applies.

NOTE 6 Interest expenses and similar financial losses

Interest expenses and similar financial losses	Group		Parent	
	2022	2021	2022	2021
Exchange rate effect on assets and liabilities	-384	-74	-	-
Interest on loans	-3,290	-2,263	-1,005	-1,756
Interest on leasing	-1,591	-77		
Total interest expense and similar financial losses	**-5,265**	**-2,414**	**-1,005**	**-1,756**

NOTE 7 Capitalized development cost

Reported value refersto the developed platform Egoo.health in its entirety, comprehensive development of hardware, software and biochemistry. Amortization began in 2021 when the platform was launched in the market and first sales began.

Capitalized development cost	Group	
	2022	2021
Acquisition values		
Opening balance	61,202	35,254
Exchange rate effect	7,584	886
Activated R&D during the year	46,668	25,062
Closing balance	**115,503**	**61,202**
Accumulated amortization		
Opening Balance	-5,960	
Depreciation during the year	-10,715	-5,960
Exchange rate effect	-1,035	-49
Closing balance amortization	-17,710	-6,009
Reported value at the end of the year	**97,744**	**55,193**

Capitalized development cost includes work covered by pre-payment of 24,692 kSEK from the FIND project.

Impairment test of capitalized research and development costs

Impairment test of the group's activated research and development costs takes place exclusively on the basis of value in use. The value in use is based on the after-tax cash flows expected to be generated during the exclusivity life of the asset. The future cash flows used in calculating the value in use of the asset are based on forecasted growth in sales, future operating margins, the probability of an approval and launch year. The forecasted cash flows have been present value calculated over 10 years with a perpetual growth rate after these ten years, and with a discount rate of 34.1 percent (11.3 percent). The discount rate corresponds to Qlife's assessed average cost of capital, i.e. the weighted sum of required return on equity capital and the cost of externally borrowed capital. With a discount factor of 34.1 percent (11.3 percent), the values in use exceed the reported value of the asset. Thus, there is no write-down requirement as of 12/31/2022.

Important assumptions, i.e. assumptions that, in the event of changes, have a large effect on the cash flows, are the discount period and market risk. Group management assesses that reasonably possible changes in the assumptions considered would not have such large effects that they would individually reduce the recovery value to a value that is lower than the reported value.

NOTE 8 Machinery and manufacturing equipment

Machinery and manufacturing equipment	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Opening balance acquisition value	4,421	3,136	-	-
Disposures			-	-
Acquisitions	1,963	1,285	-	-
Closing balance	**6,384**	**4,421**	**-**	**-**
Opening balance depreciations	**-1,982**	**-674**	**-**	**-**
Depreciations during the year	-1,748	-1,308	-	-
Closing balance accumulated depreciations	**-3,730**	**-1,982**	**-**	**-**
Exchange rate gain/loss	131	-86	-	-
Closing balance reported value	**2,785**	**2,353**	**-**	**-**

NOTE 9 Furnitures and fixtures

Furnitures and fixtures	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Opening balance acquisition value	3,674	3,253	-	-
Acquisitions	2,986	421	-	-
Closing balance	**6,660**	**3,674**	**-**	**-**
Opening balance depreciations	**-1,790**	**-434**	**-**	**-**
Depreciations during the year	-2,008	-1,356	-	-
Closing balance accumulated depreciations	**-3,798**	**-1,790**	**-**	**-**
Exchange rate gain/loss	281	64	-	-
Closing balance reported value	**3,144**	**1,948**	**-**	**-**

NOTE 10 Leasing, IFRS 16 Leasing

Reported in the income statement	Group	
	2022	2021
Depreciation of right of use assets	3,306	188
Interest on leasing	1,591	77
Total	**4,897**	**265**
Total cash flow from leasing contracts amounted to kSEK -2.782 (-331)		
Short term leasing*	3,658	5,651
* Rent on short term leases		
Right of use production equipment		
Opening balance	1,113	1,302
Acquisitions	1,247	
Depreciations	-280	-188
Exchange rate differences	171	-1
Closing balance	**2,251**	**1,113**
Right of use leased buildings		
Opening balance	**0**	**0**
Acquisitions	47,652	
Depreciations	-3,026	0
Exchange rate differences	2,106	0
Closing balance	**46,732**	**0**

NOTE 11 Earnings per share

Earnings per share	Group	
	2022	2021
Earnings per share before dilution, SEK	-5.46	-3.04
Earnings per share after dilution, SEK	-5.46	-3.04
Total number af shares end of period	23,072,536	15,484,927
Weighted average number of shares in the period before dilution	17,065,679	12,766,840
Weighted average number of shares in the period after dilution	18,998,331	13,477,948

NOTE 12 Share based incentive programs

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 programme 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 2020/2023
In November 2020, Qlife issued 185,000 warrants to staff members, which entitle holders to subscribe to 1,02 shares per option. These warrants may be exercised during the period of 1–31 December 2023 at an exercise price of SEK 37.42 per share. In the event that all warrants in this programme are exercised in the purchase of Qlife shares, the company will issue a total of 188,700 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 programme 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.

Valuation of warrant programs for staff and Board of Directors	2020-11	2021-05	2022-05
Risk free interest	0.01%	-0.26%	0.01%
Share values	19.01	44.13	21.41
Exercise price	37.42	66.06	41.36
Value per option	1.5	6.11	1.75
Volatility	40%	40%	40%
Number of warrants	185,000	40,000	120,000

Warrant programs staff and board of directors	2022	2021
Warrants outstanding January 1st	711,108	671,108
warrants issued during the year	120,000	40,000
warrants matured out of the money during the year	-486,108	
Warrant to employees no longer with the company	-145,000	
Warrants outstanding December 31st	200,000	711,108
Cost accrued during the year	174	204
Total accrued cost	478	304
Liability social cost	149	95

NOTE 13 Cash flow from financing

The following table presents a reconciliation of cash-flow-affecting and non-cash-flow-affecting changes in lease liabilities and other liabilities belonging to financing activities:

Cash flow from financing	2021-12-31	Cash flow	non cash flow Exchange rate adj.	non cash flow New leasing agreement	2022-12-31
Leasings liabilities	1,020	-2,782	2,292	48,899	49,429
Other liabilities	3,702	-970	280	-	3,012
Closing balance	4,722	-3,752	2,572	48,899	52,441

Cash flow from financing	2020-12-31	Cash flow	non cash flow Exchange rate adj.	non cash flow New leasing agreement	2021-12-31
Leasings liabilities	1,274	-331	76	-	1,020
Other liabilities	18,352	-14,489	-161	-	3,702
Closing balance	19,626	-14,820	-85	-	4,722

NOTE 14 Items not affecting cash flow

Items not affecting cash flow	Group		Parent	
	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec
Depreciations and amortization	18,071	8,813	-	-
Write-down of investment in subsidiary			-	41,259
Tax credit	7,919	7,503	-	-
Other non cash flow affecting items	174	631	-	204
Total	**26,164**	**16,947**	**0**	**41,463**

NOTE 15 Revenues

	2022	2021	2020
Revenues from goods and services			
Goods	17,993	19,893	1,224
Services	0	19,720	19,526
Total	**17,993**	**39,613**	**20,750**
Revenue per country			
Denmark	0	21,108	20,557
Sweden	13,471	13,642	1
Finland	3,726	3,982	0
Others	796	881	192
Total	**17,993**	**39,613**	**20,750**
Customers with more than 10% of annual revenue			
Customer A		19,720	19,526
Customer B	13,640	13,218	-
Customer C	3,759	3,899	-
Others	594	2,776	1,224
Total	**17,993**	**39,613**	**20,750**

Sales to customer A is test services, while all other customers have purchased egoo devices and test capsules.

NOTE 16 Fees to auditors

Audit refers to the review of the annual report, bookkeeping, the management of the board and the managing director, as well as other tasks that the company's auditor is responsible for performing, as well as advice or other assistance that is prompted by observations during such review or the implementation of such other tasks.

Fees to auditors	Group		Parent	
	2022	2021	2022	2021
BDO				
Audit fees	502	393	301	255
Other services from auditor	295	79	254	32
Total	**797**	**472**	**555**	**287**

NOTE 17 Financial assest and liabilities

Financial assest and liabilities	Financial assets / liabilities valued at fair value	Financial assets / liabilities valued accrued acquisition value	Reported value
Financial assets 31-12-2022			
Accounts receivables		1,056	1,056
Other assets		2,768	2,768
Cash and cash equivalents		14,547	14,547
Total financial assets		**18,371**	**18,371**
Long term liabilities 31-12-2022			
Leasing		45,281	45,281
Loans from credit institutions		3,012	3,012
Total long term liabilities		**48,293**	**48,293**
Short term liabilities 31-12-2022			
Leasing		4,148	4,148
Loans from credit institutions		-	-
Accounts payables		20,086	20,086
Other liabilities		382	382
Total short term liabilities		**24,616**	**24,616**
Financial assets 31-12-2021			
Accounts receivables		2,755	2,755
Other assets		3,885	3,885
Cash and cash equivalents		73,461	73,461
Total financial assets		**80,101**	**80,101**
Long term liabilities 31-12-2021			
Leasing		747	747
Loans from credit institutions		2,763	2,763
Total long term liabilities		**3,510**	**3,510**
Short term liabilities 31-12-2021			
Leasing		273	273
Loans from credit institutions		939	939
Accounts payables		10,027	10,027
Other liabilities		1,091	1,091
Total short term liabilities		**12,330**	**12,330**

		2022-12-31	2021-12-31
Accounts receivables Dec 31st			
Accounts receivables, not due		168	2,458
Accounts receivables, due 0-180 days		868	298
Accounts receivables, due >180 days		20	0
Total accounts receivables (gross)		**1,056**	**2,755**
Write offs		0	0
Total accounts receivables (net)		**1,056**	**2,755**

NOTE 18 Tax for the year

Income tax	Group		Parent	
	2022	2021	2022	2021
Tax for the year	7,860	7,503	-	-
Deferred tax related to temporary differences		-19	-	-
Total reported tax for the year	**7,860**	**7,484**	**0**	**0**

Reconciliation of tax expense	Group		Parent	
	2022	2021	2022	2021
Result before tax	-101,000	-45,420	-5,160	-49,159
Tax for the year				
Tax calculated according to national tax rates in each country	-20,424	-18,740	-1,063	-10,127
Tax effect of adjustetments in taxable income	-2,518	9,265	-2,073	7,291
Tax claim DK (tax credit scheme)	7,860	7,503		
Tax effect of loss for which no deferred tax asset is reported	22,942	9,456	3,136	2,836
Total	**7,860**	**7 484**	**0**	**0**
Reported tax for the year	**7,860**	**7,484**	**0**	**0**

NOTE 19 Inventory

Inventory	2022	2021
Raw materials and consumables	6,701	7,148
Finished goods	1,369	1,161
Total	**8,070**	**8,309**

Inventories recognized as an expense during the year amounted to k SEK 28,739 (20,653) of which write-downs amounted to k SEK 9,043 (0)

NOTE 20 Transactions with related parties

Transactions between parent companies and subsidiaries refer to service and management fees. Salaries and remuneration to the board and senior executives are reported in note 5.

Related party transactions have been made on market terms. During 2021 and 2022, the following transactions with related parties have been made:

Since March 2021, Qlife has been renting office space from Lennart Holm Development AB, which is 50 percent owned by the company's board chairman Mette Gross. The total amount for the office rent in 2022 amounted to SEK 34,800 (29,000).

In June 2022 Qlife entered into loan agreements for 20,000 kSEK in bridge financing. The loans were entered into at market terms of 1.5% monthly interest and 5% set-up fee. The loans were paid back in November 2022.

NOTE 21 Maturity of financial liabilities

Maturity of financial liabilities	<1 year	1-3 year	3-5 year	>5 year	Total
Liabilities 31-12-2022					
Leasing	6,468	12,885	12,292	28,620	60,265
Loans from credit institution		3,012			3,012
Accounts payables	20,086				20,086
Other liabilities	382				382
Total	**26,936**	**15,897**	**12,292**	**28,620**	**83,745**
Liabilities 31-12-2021					
Leasing	273	604	167		1,043
Loans from credit institution	939	2,152	610		3,702
Accounts payables	10,027				10,027
Other liabilities	1,091				1,091
Total	**12,330**	**2,756**	**777**	**0**	**15,863**

NOTE 22 Alternative key performance indicators

Alternative key performance indicators	2022	2021
Equity	91,149	132,496
Total assets	192,650	164,001
Solidity (shareholder equity ratio)	**47.3%**	**80.8%**
Changes in inventories of finished goods	-1,138	1,161
+ capatalized R&D	46,668	25,581
- raw materials and consumables	-27,604	-21,814
- other external expenses	-50,864	-39,725
Personnel costs	-62,720	-39,869
Total operating expenses	**-95,657**	**-74,666**
Revenues	17,993	39,613
- Total operating cost	-95,657	-74,666
EBITDA	**-77,664**	**-35,053**

NOTE 23 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 intends to take the claim to arbitration in Helsinki. The claim is recorded as a contingent asset and has not been recorded on the balance sheet.

NOTE 24 Development of the share capital in Qlife holding AB

Year	Action	Change in share capital (SEK)	Accumulated share capital (SEK)	Change number of shares	Accumulated number of shares	Par value (SEK)
2019	Incorporation	536,147.04	536,147.04	6,701,838	6,701,838	0.08
2020	New share issue	325,280.00	861,427.04	4,066,000	10,767,838	0.08
2020	New share issue	32,528.00	893,955.04	406,600	11,174,438	0.08
2021	New share issue	170,581.68	1,064,536.72	2,132,271	13,306,709	0.08
2021	New share issue	174,257.44	1,238,794.16	2,178,218	15,488,927	0.08
2022	New share issue	607,008.72	1,845,802.88	7,587,609	23,072,536	0.08

NOTE 25 Capital Management

The group has used equity raised through rights emissions to invest in R&D activities with the aim developing the Egoo. health system and bringing it to market. Debt is being used as bridge financing towards rights issues when needed.

The group is surveying the capital market for other sources of capital to be considered when relevant.

NOTE 26 Cash and cash equivalents

The full amount relates to bank balances available on request

NOTE 27 Pledges and collateral

As security for loan from Vækstfonden of kSEK 3,012, the company has provided colatteral of nominally kSEK 4,489. The collateral includes the following assets. The accounting value of these on the balance sheet date amounts to:

Completed R&D projects	88,343
R&D projects under development	13,027
Fixtures, machinery and equipment	3,354
Inventories	8,071

NOTE 28 Specification of participation in group companies

Parent		2022		2021	
		shares/voting rights	Carrying amount	shares/voting rights	Carrying amount
Company name	Qlife Aps				
CVR number	39982277	85.927 / 100%	68.024	85.927 / 100%	68.024
Registred office	Denmark				

Information about profit & loss	Equity	Profit/Loss	Equity	Profit/Loss
Qlife Aps	-24,871	-80,144	54,273	-30,446

Information about acquisition value Qlife ApS	2022	2021
Cost opening balance	149,759	108,500
Share holders contribution		41,259
Accumulated cost, closing balance	149,759	149,759

Information about write downs Qlife ApS	2022	2021
Opening balance	-81,735	-40,476
Write-downs during the year		-41,259
Closing balance	-81,735	-81,735
Carrying amount	**68,024**	**68,024**

NOTE 29

Conversion to IFRS
Qlife Holding AB has previously applied the Annual Accounts Act and BFNAR 2012: 1 Annual Report and Consolidated Accounts ("K3"). As of Q1 2022, Qlife Holding AB prepares its interim financial statement and consolidated financial statements in accordance with EU approved International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRIC). The transition date to IFRS has been set for 1 January 2022. The transition to IFRS is reported in accordance with IFRS 1 The first time International Financial Reporting Standards are applied. The main rule in IFRS 1 is that a company applies all advice retroactively when determining the opening balance. However, there are some mandatory and voluntary exceptions to the retroactive application.

Restatements to group financial statements
In the following tables, the effects assessed by the company management on the Group's income statement & balance sheet at the transition to IFRS for the group are presented and quantified for the financial year 2021. The following adjustments have been made in the transition to IFRS for the Group reflecting the elimination of goodwill, activation of leasing contracts and bridge loan facilitation fee.

Group - Consolidated Income Statement	Jan-Dec	IFRS conversion			Jan-Dec
	2021	Goodwill	Leasing	Bridge loan	2021
Revenue	39,613				39,613
Total operating income	**39,613**				**39,613**
Operating expenses					
Changes in inventories of finished good	1,161				1,161
Capitalized development costs	25,581				25,581
Raw materials and consumables	-21,814				-21,814
Other external expenses	-40,056		331		-39,725
Personnel costs	-39,869				-39,869
Total Operating expenses	**-74,997**				**-74,666**
EBITDA	**-35,383**				**-35,052**
Amortization and depreciation	-19,479	10 855	-189		-8,813
EBIT	**-54,862**				**-43,865**
Net financial income and expenses	-1,478		-77	-859	-2,414
Loss before tax	**-56,340**				**-46,279**
Tax	7,503		-20		7,483
Net loss for the period	**-48,838**				**-38,797**
Other comprehensive income					
Items included in the total profit loss					
Exchange rate effect from conversion of foreing subsidiaries	1,076		7		1,083
Total comprehensice profit/loss for the period	**-47,762**				**-37,714**
Total profit/loss for the period attributable to owner of Parent Company	**-48,838**				**-38,797**
Total comprehensive profit/loss for the period attributable to owner of Parent Company	-47,762				-37,714
Earnings per share before and after dilution - SEK	*-3.83*				*-3.04*
Weighted average number of shares in the period before dilution	*12,766,840*				*12,766,840*
Weighted average number of shares in the period after dilution	*13,477,948*				*13,477,948*
Total number af shares end of period	*15,484,927*				*15,484,927*

Group - Consolidated Income Statement	Jan-Dec	IFRS conversion			Jan-Dec
	2020	Goodwill	Leasing	Bridge loan	2020
Revenue	20,750				20,750
Total operating income	**20,750**				**20,750**
Operating expenses					
Changes in inventories of finished good	0				0
Capitalized development costs	21,886				21,886
Raw materials and consumables	-6,953				-6,953
Other external expenses	-30,826		159	900	-29,767
Personnel costs	-24,279				-24,279
Total Operating expenses	**-40,172**				**-39,113**
EBITDA	**-19,422**				**-18,363**
Amortization and depreciation	-11,902	10 855	-92		-1,139
EBIT	**-31,324**				**-19,502**
Net financial income and expenses	-615		-39	-41	-695
Loss before tax	**-31,939**				**-20,197**
Tax	11,739		-6		11,733
Net loss for the period	**-20,200**				**-8,464**
Other comprehensive income					
Items included in the total profit loss					
Exchange rate effect from conversion of foreing subsidiaries	-1,765				-1,765
Total comprehensice profit/loss for the period	**-21,965**				**-10,229**
Total profit/loss for the period attributable to owner of Parent Company	**-20,200**				**-8,464**
Total comprehensive profit/loss for the period attributable to owner of Parent Company	-21,965				-10,229
Earnings per share before and after dilution - SEK	*-1.91*				*-0.80*
Weighted average number of shares in the period before dilution	*10,548,385*				*10,548,385*
Weighted average number of shares in the period after dilution	*13,455,793*				*13,455,793*
Total number af shares end of period	*11,174,438*				*11,174,438*

Group - consolidated Balance Sheet	K3	IFRS conversion			IFRS converted
	Dec. 31, 2021	Goodwill	Leasing	Bridge loan	Dec. 31, 2021
Assets					
Fixed Assets					
Capitalized development cost	55,193				55,193
Goodwill	30,757	-30 757			0
Right of use leasing assets			1,113		1,113
Manufaturing equipmetn and fixtures	4,301				4,301
Deferred tax			210		210
Total fixed assets	**90,251**				**60,817**
Current assets					
Inventory	**8,309**				**8,309**
Receivables					
Accounts receivables	2,755				2,755
Other receivables	3,885				3,885
Tax receivables	7,564				7,564
Prepaid expenses and accrued income	7,211				7,211
Total Receivables	**21,415**				**21,415**
Cash and cash equivalents	**73,461**				**73,461**
Total current assets	**103,185**				**103,185**
Total assets	**193,435**				**164,001**
Equity and liabilities					
Equity					
Share capital	1,239				1,239
other equity	237,007	-54,277			182,730
retained earnings	-26,229	12,665	29	859	-12,676
Profit/loss for the period	-48,838	10,855	45	-859	-38,797
Total equity	**163,179**				**132,496**
Long term liabilities					
Leasing			747		747
Loan from credit institution	2,763				2,763
Deferred tax liability			229		229
Total long term liabilities	**2,763**				**3,738**
Short term liabilities					
Prepayments from customers	0				0
Short term leasing			273		273
Short term loans from credit institutions	939				939
Accounts payables	10,027				10,027
Other short term liabilities	1,091				1,091
Accrued expenses and deferred income	15,436				15,436
Total short term liabilities	**27,493**				**27,766**
Total liabilities	**30,256**				**31,504**
Total equity and liabilities	**193,435**				**164,001**

Group - consolidated Balance Sheet	K3	IFRS conversion			IFRS converted
	Dec. 31, 2020	Goodwill	Leasing	Bridge loan	Dec. 31, 2020
Assets					
Fixed Assets					
Capitalized development cost	35,254				35,254
Goodwill	41,612	-41 612			0
Right of use leasing assets			1 302		1,302
Manufaturing equipmetn and fixtures	5,167				5,167
Deferred tax			273		273
Total fixed assets	**82,033**				**41,996**
Current assets					
Inventory	**5,377**				**5,377**
Receivables					
Accounts receivables	9,329				9,329
Other receivables	359				359
Tax receivables	7,421				7,421
Prepaid expenses and accrued income	1,848				1,848
Total Receivables	**18,956**				**24,333**
Cash and cash equivalents	**20,822**				**20,822**
Total current assets	**45,156**				**45,156**
Total assets	**127,189**				**87,152**
Equity and liabilities					
Equity					
Share capital	894				894
other equity	116,164	-54 277			61,887
retained earnings	-7,309	1 810			-5,499
Profit/loss for the period	-20,200	10 855	22	859	-8,464
Total equity	**89,549**				**48,818**
Long term liabilities					
Leasing			1 154		1,154
Loan from credit institution	3,348				3,348
Deferred tax liability			279		279
Total long term liabilities	**3,348**				**4,781**
Short term liabilities					
Prepayments from customers	600				600
Short term leasing			120		120
Short term loans from credit institutions	700				700
Accounts payables	11,607				11,607
Other short term liabilities	18,222			-859	17,363
Accrued expenses and deferred income	3,163				3,163
Total short term liabilities	**34,292**				**33,553**
Total liabilities	**37,640**				**38,334**
Total equity and liabilities	**127,189**				**87,152**

Group - consolidated Balance Sheet	K3 Dec. 31, 2019	IFRS conversion Goodwill	IFRS converted Dec. 31, 2019
Assets			
Fixed Assets			
Capitalized development cost	15,190		15,190
Goodwill	52,468	-52,468	
Right of use leasing assets			
Manufaturing equipmetn and fixtures	1,046		1,046
Deferred tax			
Total fixed assets	**68,704**		**16,236**
Current assets			
Inventory	**2,277**		**2,277**
Receivables			
Accounts receivables	0		0
Other receivables	594		594
Tax receivables	0		0
Prepaid expenses and accrued income	977		977
Total Receivables	**1,571**		**3,848**
Cash and cash equivalents	**4,044**		**4,044**
Total current assets	**7,892**		**7,892**
Total assets	**76,596**		**24,128**
Equity and liabilities			
Equity			
Share capital	536		536
other equity	67,571	-54,277	13,294
retained earnings			0
Profit/loss for the period	-5,629	1,810	-3,820
Total equity	**62,478**		**10,011**
Long term liabilities			
Leasing			0
Loan from credit institution	4,190		4,190
Deferred tax liability			
Total long term liabilities	**4,190**		**4,190**
Short term liabilities			
Prepayments from customers	621		621
Short term leasing			0
Short term loans from credit institutions			0
Accounts payables	2 163		2 163
Other short term liabilities	6 774		6 774
Accrued expenses and deferred income	370		370
Total short term liabilities	**9 928**		**9 928**
Total liabilities	**14 118**		**14 118**
Total equity and liabilities	**76 596**		**24 128**

Group - Statement of changes in shareholders equity	Share capital	Other paid in capital	Retained earnings	Total shareholders equity
Equity at January 1, 2020	**536**	**67,572**	**-5,630**	**62,478**
Adjustments IFRS				
Goodwill		-54,277		-54,277
Retained earnings			1,810	1,810
Equity at January 1, 2020	**536**	**13,295**	**-3,820**	**10,011**
Share Issue	358	54,655		**55,013**
Issuance costs		-6,063		**-6,063**
Warrant programmes			86	**86**
Profit / Loss per December 31, 2020			-8,464	**-8,464**
Other comprehensive income			-1,765	**-1,765**
Equity at December 31, 2020	**894**	**61,887**	**-13,963**	**48,818**

	Share capital	Other paid in capital	Retained earnings	Total shareholders equity
Equity at January 1, 2021	**894**	**61,887**	**-13,963**	**48,818**
Share Issue	345	127,330		**127,675**
Issuance costs		-6,731		**-6,731**
Warrant programmes		244	204	**448**
Profit / Loss per December 31, 2021			-38,797	**-38,797**
Foreign exchange rate adjustment			1,083	**1,083**
Equity at December 31, 2021	**1,239**	**182,730**	**-51,473**	**132,496**

Restatements to parent company financial statements

In the following tables, the effects assessed by the company management on the Parent Company's income statement & balance sheet by application of the Swedish Financial Reporting Board's recommendation RFR 2 Reporting for Legal Entities are presented and quantified for the financial year 2021. The effect on the financial reports for Q4 2021 has also been included as these are used as reference for the Q4 2022 report. The following adjustments have been made in the transition to RFR 2 for the Parent Company representing activation of facilitation fee on a short-term loan.

Parent - Income Statement	K3 Jan-Dec 2021	RFR 2 conversion Bridge loan	RFR 2 Jan-Dec 2021	K3 Jan-Dec 2020	RFR 2 conversion Bridge loan	RFR 2 Jan-Dec 2020
Revenue	700		700	700		700
			0			0
Other external costs	-6,179		-6,179	-2,894	900	-1,994
Personnel costs	-966		-966	-702		-702
Operating result	**-6,445**		**-6,445**	**-2,896**		**-1,996**
Depreciation of investment i subsidiary	-41,259		-41,259	-40,476		-40,476
Net financial income and expenses	-596	-859	-1,455	182	-41	141
Loss before tax	**-48,300**		**-49,159**	**-43,190**		**-42,331**
Tax	0		0			0
Net loss for the period	**-48,300**		**-49,159**	**-43,190**		**-42,331**

Parent - Balance sheet	K3 Dec. 31, 2021	RFR 2 conversion Bridge loan	RFR 2 Dec. 31, 2021	K3 Dec. 31, 2020	RFR 2 conversion Bridge loan	RFR 2 Dec. 31, 2020
ASSETS						
Financial fixed assets						
Shares in subsidiary	68,024		68,024	68,024		68,024
Total financial fixed assets	**68,024**		**68,024**	**68,024**		**68,024**
Total fixed assets	**68,024**		**68,024**	**68,024**		**68,024**
Current assets						
Recievables						
Recievables from subsidiary	21,386		21,386	5,168		5,168
Other recievables	109		109	171		171
Prepaid expenses and accured income	8		8	8		8
Total recievables	**21,502**		**21,502**	**5,347**		**5,347**
Cash and cash equivalents	57,164		57,164	15,527		15,527
Total current assets	**78,666**		**78,666**	**20,874**		**20,874**
TOTAL ASSETS	**146,690**		**146,690**	**88,898**		**88,898**
Equity						
Share Capital	1,239		1,239	894		894
Share premium	237,009		237,009	48,592		48,592
Other paid in capital	328		328	182		182
Retained earnings	-44,105	859	-43,246	66,601		66,601
Profit / Loss	-48,300	-859	-49,159	-43,190	859	-42,331
Total equity	**146,171**	**0**	**146,171**	**73,079**	**859**	**73,938**
Short term liabilities						
Accounts payables	128		128	198		198
Short term loan	0		0	15,004	-859	14,145
Accrued expenses and deferred income	390		390	617		617
Total short term liabilities	**519**	**0**	**519**	**15,819**	**-859**	**14,960**
Total liabilities	**519**	**0**	**519**	**15,819**	**-859**	**14,960**
TOTAL EQUITY AND LIABILITIES	**146,690**	**0**	**146,690**	**88,898**	**0**	**88,898**

Parent - Statement of changes in shareholders equity RFR 2	Share capital	Share premium	Other paid in capital	Retained earnings	Total shareholders equity
Equity at January 1, 2020	**536**	**0**	**84**	**66,613**	**67,233**
Share issue	358	54,655			55,013
Issuance cost		-6,063			-6,063
Option program				86	86
Profit / Loss until december 31 2020				-42,331	-42,331
Equity at December 31, 2020	**894**	**48,592**	**84**	**24,368**	**73,938**

Parent - Statement of changes in shareholders equity RFR 2	Share capital	Share premium	Other paid in capital	Retained earnings	Total shareholders equity
Equity at January 1, 2021	**894**	**48,592**	**84**	**24,368**	**73,938**
Share issue	345	127,330			127, 675
Issuance cost		-6,731			-6,731
Option program				448	448
Profit / Loss until December 31 2021				-49,159	-49,159
Equity at December 31, 2021	**1,239**	**169,191**	**84**	**-24,343**	**146,171**

Helsingborg April 5th, 2023

Mette Gross
Chair

John Andersson Moll

Ulrik Harrysson

Mette-Marie Harild

Mikael Persson

Thomas Warthoe
CEO

Our auditor's report was issued on April 5, 2023. We have neither approved nor disapproved that the income statement and balance sheet for the parent company and the group are adopted.

BDO Sweden AB

Jörgen Lövgren
Chartered Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Qlife Holding AB
Corporate identity number 559224-8040

Report on the annual accounts and the consolidated accounts

No opinions is made

We have audited the annual accounts and consolidated accounts of Qlife Holding AB for the year 2022.

Based on the importance of the circumstance described in the section Basis for Opinions we cannot form an opinion whether the annual accounts have been prepared in accordance with the Annual Accounts Act or if it present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

For the same reason we cannot form an opinion whether the consolidated accounts have been prepared in accordance with the Annual Accounts Act or present fairly, in all material respects, the financial position as per 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and the Annual Accounts Act.

Nor can we comment on whether the statutory administration report is consistent with the other parts of the annual accounts.

Based on the circumstance described in the section Basis for Opinions we can neither recommend nor not recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

At the issuance of the Annual Accounts the market cap of the shares of Qlife Holding AB is essentially less than the equity in the parent company and in the group. According to IAS 36.12 d) this is an external indicator that an impairment test needs to be performed. ESMA (European Securities and Markets Authority) is also skeptical if a write-down is not accounted for if the equity is higher than the market cap. Based on this, we have required comprehensive documentation in order to confirm the impairment test of shares in subsidiary and capitalized expenditure established by the company. Also, evaluation of the value of receivables on group company is affected by this impairment test. We have not received sufficient audit evidence to be able to express an opinion on said items.

We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Material uncertainty regarding the assumption of going concern

Without it affecting our positions above we will draw attention to the information in the management report regarding the company's financing and in Note 4 and the headline "Financing risk" which states that the company needs additional financing. This circumstance suggests that there is a material uncertainty about the company's ability to continue as a going concern.

Other Information than the annual accounts and the consolidated accounts

A translation of the Swedish version of the annual accounts and the consolidated accounts includes Other information (so called front part) on page 5-26. This other information is not part of the Swedish version of the annual accounts and the consolidated accounts. This other information will be published on the company's website at the same time as the Swedish version is submitted. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, with regard to the consolidated accounts, in accordance with IFRS as adopted by the EU. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or mistake.

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or mistake, and to issue an auditor's report that includes our opinions.

Based on the circumstance described under the headline Basis for Opinions above we could not obtain sufficient and expedient audit evidence as a basis for our opinions regarding these annual accounts and consolidated accounts.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Qlife Holding AB for the year 2022 and the proposed appropriations of the company's profit or loss.

Based on the circumstance described under the headline Basis for opinions we can neither recommend or not recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report.

We recommend that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

As stated in our report of the annual accounts and the consolidated accounts we can neither recommend nor not recommend that the balance sheet is adopted.

We have performed the audit of the administration of the Board of Directors and the Managing Director in accordance with generally accepted audit practice in Sweden. Our responsibility in according to this practice is described further in the "The auditor's responsibility". We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation.

We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm April 5 2023

BDO Sweden AB

Jörgen Lövgren

Authorised Public Accountant

BOARD

The Board of Directors in Qlife Holding consists of John Moll, Ulrik Harrysson, Thomas Warthoe, Mette-Marie Harild, Mette Gross (Chair) and Mikael Persson.

The Board covers extensive experience from the med-tech and diagnostics industry, within supply chain, sales, business development, finance and management.

Mette Gross

Mette-Marie Harild

Mikael Persson

John Moll

Ulrik Harrysson

Thomas Warthoe

Mette Gross *(Chair) has extensive experience from small and large companies as CFO and has in recent years been involved in developing and listing three medical-technology companies. Mette is a board member in three other medical-technology companies in Sweden and Denmark.*

Mette-Marie Harild *is a board professional and has sustained experience of leading international organisations within the pharma/ medical industry, most recently from Medtronic as Regional Vice President ABGI & Nordic.*

Mikael Persson *is Chief Supply Chain officer at Stokke and has broad global experience in the med-tech industry in senior positions in Supply Chain and Product Development from Alfa Laval, Cardo Flow Solutions, Flûgger A/S, Getinge and Arjo.*

John Moll *is an entrepreneur and experienced business angel with a focus on life science. John has founded and sold two companies and is a board member of three biotech companies in Sweden and Denmark.*

Ulrik Harrysson *is CEO of SyntheticMR and has through his career gained international experience from management roles in global companies such as Hermes Medical Solution, HemoCue, Danaher and Pfizer.*

Thomas Warthoe *is CEO of Qlife and one of the original founders of Qlife and holds 9.7% ownership of the company. Thomas has considerable experience in the diagnostics industry and has developed three biotech companies earlier in his career.*

MANAGEMENT

The Management team in Qlife consist of
Thomas Warthoe (CEO), Maiken Worsøe Rosenstierne (R&D),
Kristina Christensen (QA/RA), and Kasper Boel Rousøe (CFO).

The experienced team holds solid academic education and many years of experience in their respective fields.

Thomas Warthoe
CEO, CO-Founder

Maiken Worsøe Rosenstierne
Director R&D

Kristina Christensen
Director QA/RA

Kasper Boel Rousøe
CFO

Maiken Worsøe Rosenstierne *is a Virologist and Biochemist with an MSc and PhD Career: Postdoc at University of Copenhagen and at Roskilde University. Maiken was previously a Senior Scientist at Statens Serum Institut and is a respected scientist and a solid leader of multiple R&D projects and our large R&D department.*

Kristina Christensen *has extensive experience in IVD and Medical Devices within the areas of Quality Assurance, Design Control, Risk Management, Product Development of reagents and instruments and clinical evaluations.*

Kasper Boel Rousøe *joined Qlife on 1 March, 2022, bringing more than 20 years of experience from leading roles in the financial area. Kasper holds an MSc in Economics from Copenhagen University and an EMBA from Lausanne in Switzerland.*

Qlife

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