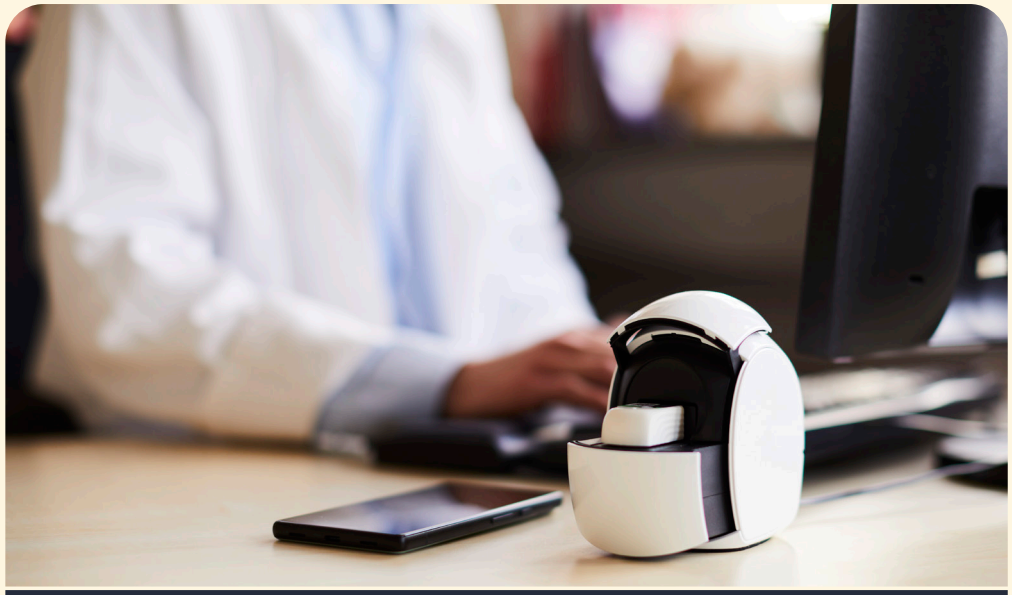
Interim Report Q3

January - September 2023



Financial calendar

Interim report Q3 2023	November 13th, 2023

Shareholder information

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

Content

Looking ahead with new partners

Financial summary – third quarter 2023

- Revenue in the period amounted to kSEK 45 (1,967). Revenue includes sales of Egoo. Health devices and capsules for the device. Revenue in Q3 is solely from test orders of CRP capsules and Egoo systems.
- EBITDA for the period amounted to kSEK -6,660 (-14,850), and net loss kSEK -8,926 (-20,678).
- The total cash flow in the third quarter amounted to kSEK -3,631 (-21,766).
- Earnings per share before/after dilution for the quarter amounted to SEK -0,01 (-1.34), calculated on weighted average number of shares in the period.

Financial summary – January-September 2023

- Revenue in the period amounted to kSEK 214 (16,897). Revenue includes sales of Egoo.Health devices and capsules for the device.
- EBITDA for the period amounted to kSEK -34,521 (-51,768), and net loss kSEK -48,410 (-56,097).
- The total cash flow from January to September amounted to kSEK -7,848 (-61,479).
- Earnings per share before/after dilution for the first 3 quarters of 2023 amounted to SEK -0.14 (-3.62), calculated on weighted average number of shares in the period.

Significant events – third quarter of 2023

- **Directed issue of convertibles**
  On August 3rd the board of directors of Qlife Holding AB ("Qlife" or the "Company") has, pursuant to the authorization granted by the annual general meeting on 4 May 2023, resolved on a directed issue of a convertible loan raising gross proceeds of SEK 4,647,035 prior to deduction of transaction costs. The convertible loan is expected to satisfy the Company's financing need until the end of 2023.

- **Qlife signs letter of intent with major Chinese industry partner Hipro.**
  On Septermber 14th Qlife signed a Letter of Intent (LOI) with major industry player, Hipro Biotechnology, to introduce Egoo Health to the Chinese market. Qlife anticipate finalizing a comprehensive collaboration agreement by the end of 2023.

  The collaboration will be executed in two distinct phases:

  1. Regulatory Approvals: Hipro Biotechnology will navigate the regulatory landscape to secure vital approvals from the China Food and Drug Administration (CFDA) for Egoo Health which consist of the software, hardware and three test capsules. Hipro Biotechnology will cover all associated costs during the approval phase for Egoo Health.
  2. Commercialization in China: Following regulatory approvals, Hipro Biotechnology will lead the commercialization of Egoo Health in China, which includes marketing, sales, and distribution through Hipro's distribution network directly to Chinese hospitals, along with overseeing the associated financial responsibilities.

Significant events after the end of third quarter of 2023

- **Qlife Holding announces the outcome of the exercise of warrants series TO 3**
  On October 10 Qlife Holding AB announced the outcome of the exercise period for warrants series TO 3, which were issued in connection with the Company's rights issue of units in April 2023 (the "Rights Issue"). The subscription rate was approximately 0.02 per cent and Qlife thereby received approximately SEK 14 thousand before issue costs.

  In total, Qlife issued 622,348,940 units in the Rights Issue, each consisting of one (1) share and one (1) warrant series TO 3. One (1) warrant entitled the right to subscribe for one (1) new share in the Company at a fixed exercise price of SEK 0.11 per share, which exceeded the Company's share price during the exercise period of the warrants that ran from 11 – 29 September 2023.

  The outcome showed that 126,250 warrants were utilized for subscription of 126,250 shares, meaning a subscription rate of approximately 0.02 per cent. Exercised warrants have been replaced with interim shares pending registration with the Swedish Companies Registration Office. The interim shares has been converted into shares during week 40, 2023.

  Through the exercise of the warrants the Company received approximately SEK 14 thousand before issue costs. The total number of shares in Qlife increases by 126,250, from 645,435,499 to 645,561,749. The share capital in Qlife increases by SEK 10,100.00, from SEK 51,634,839.92 to SEK 51,644,939.92.

	Jul-Sep		Jan-Sep		Jan-Dec
Group - Key figures - kSEK	**2023**	**2022**	**2023**	**2022**	**2022**
Revenue	45	1 967	214	16 897	17 993
Total Operating expenses	-6 705	-16 817	-34 735	-68 665	-95 657
EBITDA	-6 660	-14 850	-34 521	-51 768	-77 664
Total cash flow	-3,631	-21 766	-7,848	-61 479	-57 946
Cash reserve	5 632	11 269	5 632	11 269	14 547
Shareholders equity	91,504	79 430	91,504	79 430	91 149
Number of employees	13	61	24	61	62

Our collaboration in China has large potential

During the summer we did a strategic review which resulted in a new operating model, partly driven by feedback from different stakeholders. We now offer Egoo-technology as an open system, Egoo Innovate, which means that we sell our products as a concept, and that we have broadened our commercial opportunities. Egoo Innovate was launched at a big expo in Anaheim, California, which gave us access to the world's largest diagnostics market.

During the expo we got over 100 leads and are now in detailed discussions with several of them. One is the Chinese company Hipro Biotechnology Corp, and on 14 September we jointly announced a letter of intent aiming at introducing Egoo Health to the Chinese market, a direct result of our Egoo Innovate-strategy.

Hipro Biotechnology has approximately 500 employees and is a leading point-of-care company in China with sales to more than 14,000 Chinese hospitals. The company focuses on R&D, manufacturing, marketing, and relevant services of point-of-care products. Hipro has five production facilities in China and R&D centers in Silicon Valley, USA, and Freiburg, Germany.

We are now in intense discussions with Hipro and it is our mutual goal to reach a final agreement before the year end. The agreement will be structured around four components.

1. **Reagent Integration.** As Hipro already is producing a reagent it is beneficial for us to use this. It means that the data will be similar, and that we can work faster with several indications. Right now, we are testing the reagent to be able to start the integration. We are working with biomarkers for CRP, HBA1C (Diabetes type-2), Vitamin D and Nt-Pro-BNP (Congestive Heart Failure).
2. **Regulatory Approvals.** Hipro will work to secure vital approvals from the China Food and Drug Administration (CFDA) for Egoo Health consisting of software, hardware, and test capsules. Hipro will cover all associated costs during the approval phase, and we estimate that this can be finalized during 2024.
3. **Commercialization in China.** Following regulatory approvals, Hipro will lead the commercialization of Egoo Health in China, including marketing, sales, and distribution through Hipro's distribution network directly to Chinese hospitals, along with overseeing the associated financial responsibilities.
4. **Production in China.** If everything develops according to plan, it is our intention to move a large part of our production to China. Initially we will focus on the capsules, as we have good control of the production of devices. This will give access to products at low cost, which is important when reaching out to the consumer home market.

New structure of our product portfolio

Our product portfolio has developed, and we have moved our focus from Sars-CoV-2 to a table of biomarkers, and thanks to the collaborations with Hipro we can move the development of several biomarkers forward more quickly. In the portfolio we focus on four biomarkers: HbA1c (diabetes Type-2), Vitamin D, Nt-Pro-BNP (Congestive Heart Failure) and Lipids (Cholesterols incl. HDL, LDL, Total Cholesterol and Triglycerides). For more details see page 7.

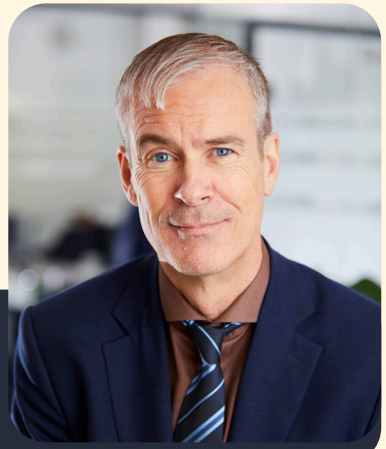
We are also continuing to process the markets in UK and Ireland. There are a lot of active Health practitioners and private clinics there that needs to get access to blood data, mainly for the vitamin D and diabetes biomarker. Marketing and sales in these two markets are very important for us short term, as we are aware that the development with Hipro in China will take some time.

Moved into new facility

As of 1 November, we moved our head office back to Symbion, one of the life science facilities in Copenhagen. We have adapted our operations and organization to our financial reality and created a low-cost organization. The move to this facility is part of that process. We are since some time back a much smaller organization, 13 employees. In addition, we have agreements with some external business development consultants, which play an important role in working with our negotiations with potential partners.

Helsingborg, 13 November 2023

Thomas Warthoe, CEO



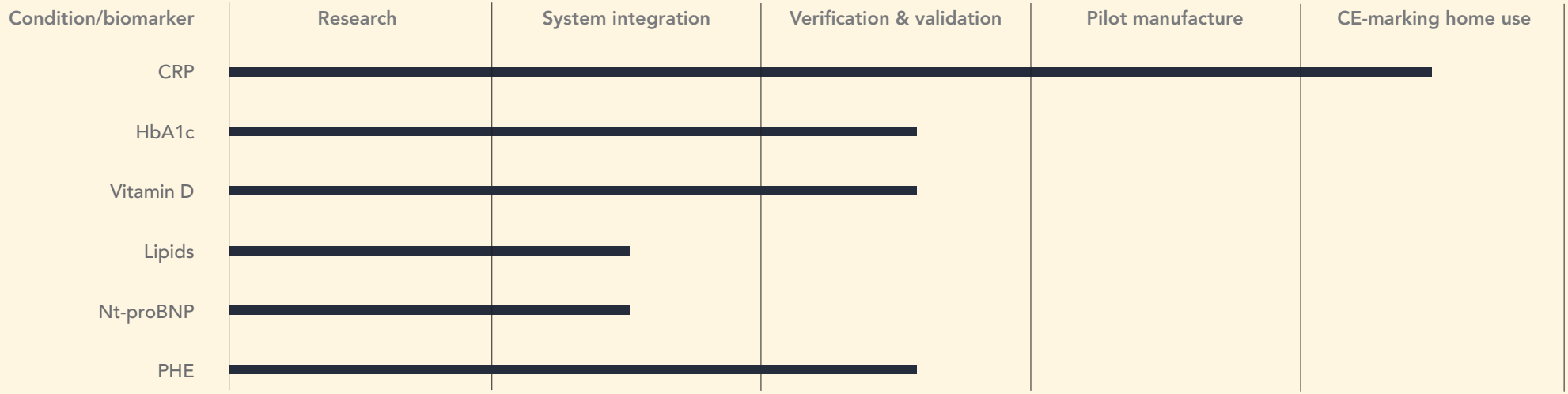
Thomas Warthoe

The Egoo system

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

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

Product portfolio



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

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

THE NEW BIOMARKERS:

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

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

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

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

Taking the necessary steps towards our vision we introduce

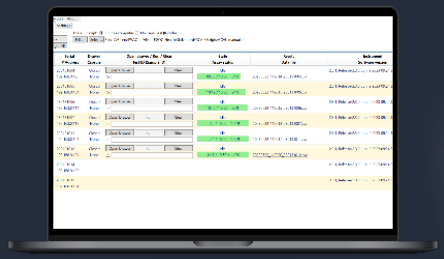
egoo innovate

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

Egoo Open System

Egoo Open Instrument

Egoo Open Capsule



Egoo ILab

Egoo Collect (Optional)

Egoo Connect App

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

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

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

Phase 1:

Implement your Biomarker for the Egoo Open System

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

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

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

Phase 2:

Optimerized design for Home-settings

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

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

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

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

Phase 3:

Validation – decentralized clinical studies

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

Large scale decentralized clinical research study

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

Share and ownership

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

Share and sharecapital

As per September 30th 2023, the company's share capital is SEK 51,634,839.92, divided into 645,435,499 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 September 29th 2023, according to the public nominee register of shareholders register from Euroclear.

Warrants series TO3

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

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

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

Shareholder	Shares	Percent
Avanza Pension	51 360 759	7,96%
Tradgardshuset Nissarna AB	40 127 982	6,22%
Monitor International 1 AB	16 632 000	2,58%
Jan Robert Parsson	16 000 000	2,48%
Gunther Wikberg Kapitalforvalt AB	13 794 218	2,14%
ATH Invest AB	12 225 380	1,89%
CBLDN-OP Custody Ltd Clt	11 541 990	1,79%
Nordnet Pensionsforsakring AB	11 082 620	1,72%
Vio Ljusfabrik Aktiebolag	8 800 000	1,36%
Jens-Martin Wurr	8 612 171	1,33%
Total top 10	**190 177 120**	29,46%
Others	455 354 629	70,54%
Sum	**645 531 749**	**100,0%**

Incentive programmes

Warrants 2021/2024

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

Staff warrants 2022/2025

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

Staff warrants 2023/2026

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

Financial comments Group, Q3

July - September 2023

Financial result

Revenue in the period amounted to kSEK 45 (1,967). Revenue derives from sales of Egoo.Health devices and capsules for the device.

Capitalized development costs amounted to kSEK 3,431 (12,993) showing a decrease in the development activities in Q3 2023 as development work on the Egoo system for CRP testing has been completed and the number of R&D employees has been reduced.

Raw materials and consumables amounted to kSEK -742 (-2,746), which is costs for components and parts for devices and capsules used both for sales and development activities. Finished goods inventories changes in the period is kSEK 0 (-1,261).

Other external expenses amounted to kSEK 4,262 (13,431). Quarter to quarter decrease in other external expenses is driven by reductions in the size of the organization and accruals for cost relating to the termination of the rent agreement for production facilities in Ballerup that was booked in Q2.

Personnel costs for the period amounted to kSEK 5,131 (14,540).

As per September 30 2023 Qlife Aps had 13 (64) employees. This is a reduction of 29 employees compared to 31 Dec 2022 as cost saving activities executed in first half of the year is taking effect.

Depreciation of equipment and capitalized development costs amounted to kSEK 5,330 (3,713). Depreciation of development costs is made over 5 years.

Net financial income and expenses amounted to kSEK -997 (-2,152) is related to interests on loans from Danish Growth Fund, convertibles, interest on leasing contracts and exchange rate gains and losses.

Earnings before interest and tax (EBIT) for the period amounted to kSEK -11,991 (-18,563) and net loss kSEK -8,926 (-20,678).

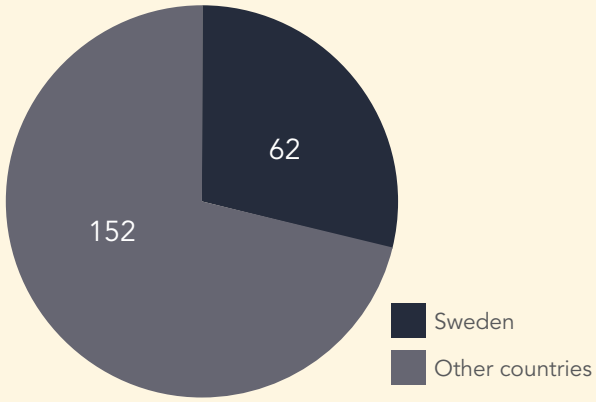
Cash flow

The total cash flow amounted to kSEK -3,631 (-21,766) for the third quarter of 2023. Cash flow from operations and changes in working capital amounted to kSEK -14,451 (-14,220). Cash flow from investing activities amounted to kSEK 3,909 (-61,958) consisting of capitalized development net of depreciations.

Cash flow from financing activites is positive kSEK 6,911 (54,411) and includes convertible loan received in August.

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

Geographical distribution of Q1-Q3 revenue (kSEK)



Egoo sales revenue Q1-Q3 2023 (kSEK)	
Sweden	62
Other countries	152
Total Sales	**214**

Financial comments Group, Q1-Q3

January - September 2023

Financial result

Revenue in the period amounted to kSEK 214 (16,897). Revenue derives from sales of Egoo.Health devices and capsules for the device.

Capitalized development costs amounted to kSEK 16,798 (37,046) showing a decrease in the development activities in 2023 as development work on the Egoo system for CRP testing has been completed.

Raw materials and consumables amounted to kSEK -2,746 (-16,870), which is costs for components and parts for devices and capsules used both for sales and development activities. Finished goods inventories changes in the period is kSEK -1,033 (357). Representing products used for sales and R&D as well as expired products that has been written off.

Other external expenses amounted to kSEK 21,052 (40,872). Consisting of fees for external consultants, admin cost and cost relating to the termination of the rent agreement for production facilities in Ballerup.

Personnel costs for the period amounted to kSEK 26,702 (48,326).

As per September 30 2023 Qlife Aps had 13 (64) employees. This is a reduction of 29 employees compared to 31 Dec 2022 as cost saving activities executed in H1 is taking effect.

Depreciation of equipment and capitalized development costs amounted to kSEK 18,087 (9,692). Depreciation of development costs is made over 5 years.

Net financial income and expenses amounted to kSEK -4,275 (-2,420) is related to interests on loans from Danish Growth Fund, bridge financing, interest on leasing contracts and exchange rate gains and losses.

Earnings before interest and tax (EBIT) for the period amounted to kSEK -52,608 (-61,460) and net loss kSEK -48,410 (-56,097).

Fixed assets

Capitalized development costs relate to accumulated internal and external product development costs including costs for patent preparation and application. At the end of the third quarter 2023 the capitalized development costs amounted to kSEK 105,380 (89,807) relating to continued development of the device and test capsules for CRP, PKU and Influenza/SARS tests. At the beginning of the year capitalized development cost was kSEK 97,744.

Qlife has in 2022 entered into a 10 year leasing agreement relating to new production and office facilities on Industriparken in Ballerup. In order to adjust to Qlife's new partner focused oprating model with a leaner organization this lease agreement has been terminated in Q2 2023 with a final exit date of October 31 2023. The reduced length of the leasing contract is the driver behind the reduction in the value leased premises down to kSEK 3.086 (49.314).

Current assets

Inventory amounted to kSEK 7,872 (18,598), consisting of finished goods and parts and components for instruments, capsules and reagents. Account receivables of kSEK 697 (369) is related to the sales in 2022 and 2023. Cash and cash equivalents amounted to kSEK 5,632 (11,269) at the end of September 2023.

Equity

Equity amounted to kSEK 91,504 (79,430) at the end of September 2023. Shareholder's equity is specified on page 17 – "Group – changes in equity".

Debts

Long term liabilities - kSEK 4.854 (49,275) - consists of a development loan from the Danish Growth Fund and leasing debt.

Short term liabilities consist of development funding for the FIND project, prepayments from customers for future deliveries of Egoo system, bridge loan, trade payables and accruals. Prepayment from customers of kSEK 25,477 is prepayment of development cost from FIND.

Cash flow

The total cash flow amounted to kSEK -7,848 (-61,479) for the first 3 quarters of 2023. Cash flow from operations and changes in working capital amounted to kSEK -46,549 (-40,010). Cash flow from investing activities amounted to kSEK -7,636 (-84,547) consisting of capitalized development.

Cash flow from financing activites is positive kSEK 46,336 (63,078) and includes kSEK 61,538 cash from the rights issue off set by issuance cost of -16,172 and bridge loans and convertible loans of 12,962 and interest and repayment of the bridge loan of -7,695 (-3.986).

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

Financial comments Parent company, Q3

July - September, Q3 2023

Financial result

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

Other external cost consist of various administrative cost.

Personnel costs consist of board fees.

Other Net financial income and expenses kSEK 772 (-149) is related to interest on loan to Qlife Aps and interest on convertible loan.

Net loss for the period amounted to kSEK -272 (-1,064).

Cash flow

The total cash flow amounted to kSEK -1,135 (-15,932) for the third quarter of 2023 driven by net proceeds of kSEK 4,647 from convertible loan in August 2023 offset by an increase in the loan to Qlife ApS (kSEK -3,873).

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

January - September 2023

Financial result

Revenue amounted to kSEK 1,050 (865) in the period and consists of management fee from subsidiary.

Other external cost consist of various administrative cost.

Personnel costs consist of board fees.

Depreciation of investment in subsidiary kSEK – 53,180 (0) is an intercompany loan to the subsidiary Qlife ApS that has been converted to equity.

Other Net financial income and expenses kSEK 3,285 (42) is related to interest on loan to Qlife Aps and interest on bridge loans.

Net loss for the period amounted to kSEK -57,274 (-2,223).

Fixed assets

Fixed assets are shares in subsidiary Qlife ApS kSEK 68,024, based on the valuation of the shares at the time of the in-kind share issue in 2019.

Current assets

Receivables from subsidiary kSEK 112,351 (86,587) is the outstanding loan to Qlife ApS.

Other receivables mainly consist of VAT reimbursement.

Cash and cash equivalents amounted to kSEK 1,094 (9,140) at the end of September 2023.

Equity

Total equity amounted to kSEK 175,130 (144,072) end of September 2023.

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

Cash flow

The total cash flow amounted to kSEK -9,958 (-48,024) for January to September 2023 driven by operational loss from conversion of part of loan to the subsidiary kSEK -53,180 partly offset by net proceeds from the rights issue in April 2023 kSEK 45,155.

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

Additional information

Accounting principles

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

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

Risks and uncertainties

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

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

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

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

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Responsible Partner
Jörgen Lövgren
Authorised Public Accountant

Statement by the Board of Directors

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

Helsingborg November 13th 2023

Lars Bangsgaard
Chairman

Lars Staal Wegner
Board member

Mikael Persson
Board member

Thomas Warthoe
Board member, CEO

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

Group - Consolidated Income Statement

kSEK	Jul-Sep, Q3 2023	Jul-Sep, Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Revenue	45	1,967	214	**16 897**	**17 993**
Total operating income	**45**	**1,967**	**214**	**16 897**	**17 993**
Operating expenses					
Changes in inventories of finished goods	-	-1,261	-1,033	357	-1,138
Capitalized development costs	3,431	12,993	16,798	37,046	46,668
Raw materials and consumables	-742	-578	-2,746	-16,870	-27,604
Other external expenses	-4,264	-13,431	-21,052	-40,872	-50,864
Personnel costs	-5,131	-14,540	-26,702	-48,326	-62,720
Total operating expenses	**-6,705**	**-16,817**	**-34,735**	**-68,665**	**-95,657**
EBITDA	**-6,660**	**-14,850**	**-34,521**	**-51,768**	**-77,664**
Amortization and depreciation	-5,330	-3,713	-18,087	-9,692	-18,071
EBIT	**-11,991**	**-18,563**	**-52,608**	**-61,460**	**-95,735**
Net financial income and expenses	-997	-2,152	-4,275	-2,420	-5,265
Result before tax	**-12,987**	**-20,715**	**-56,883**	**-63,880**	**-101,000**
Tax	4,061	37	8,474	7,783	7,860
Net result for the period	**-8,926**	**-20,678**	**-48,410**	**-56,097**	**-93,141**
Other comprehensive income					
Items that may be reclassified to result for the period Foreign currency exchange gains and losses	-3,008	1,358	3,398	2,908	8,581
Total comprehensive profit/loss for the period attributable to owner of Parent Company	**-11,934**	**-19,321**	**-45,012**	**-53,190**	**-84,560**
	-11 934	-19 321	-45 012	**-53 190**	**-84 560**
Net result per share before and after dilution - SEK	-0.01	-1.34	-0.13	-3.62	-5.46
Weighted average number of shares in the period before dilution	645,438,499	15,484,927	379,010,167	15,484,927	17,065,679
Weighted average number of shares n the period after dilution	1,371,085,140	16,276,035	777 628 028	16,209,368	18,998,331
Total number af shares end of period	645,438,499	15,484,927	645 438 499	15,484,927	23,072,536

Group - Consolidated Balance sheet

kSEK	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
ASSETS			
Intangible fixed assets			
Capitalized development costs	105,380	89,807	97,744
Total Intangible fixed assets	**105,380**	**89,807**	**97,744**
Tangible fixed assets			
Manufacturing equipment and fixtures	4,115	6,032	5,929
Leased premises	3,086	49,314	48,983
Total Tangible fixed assets	**7,201**	**55,346**	**54,913**
Total fixed assets	**112,581**	**145,153**	**152,656**
Current assets			
Inventory	7,872	18,598	8,070
Receivables			
Accounts receivables	697	369	1,056
Other receivables	891	3,489	2,768
Current Tax receivables	16,954	16,149	8,231
Prepaid expenses and accrued income	5,383	6,628	5,321
Total receivables	**23,924**	**26,635**	**17,376**
Cash and cash equivalents	**5,632**	**11,269**	**14,547**
Total currents assets	**37,428**	**56,502**	**39,993**
TOTAL ASSETS	**150,009**	**201,655**	**192,650**

kSEK	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
EQUITY AND LIABILITIES			
Equity			
Share Capital	51,634	1,239	1,846
Additional paid in capital	220,530	182,730	225,162
Retained earnings	-193,721	-104,539	-145,523
Reserves	13,062	-	9,664
Total equity	**-91,504**	**79,430**	**91,149**
Long term liabilities			
Loan from credit institution	3,174	3,211	3,012
Lease liabilities	1,681	46,064	45,281
Total long term liabilities	**4,854**	**49,275**	**48,293**
Short term liabilities			
Prepayments from customers	25,477	24,225	24,716
Short term lease liabilities	1,126	-	4,148
short term loans	5,245	21,000	-
Accounts payables	12,050	19,570	20,086
Other liabilities	1,721	80	382
Accrued expenses and deferred income	8,032	8,074	3,875
Total short term liabilities	**53,651**	**72,948**	**53,206**
Total liabilities	**58,505**	**122,224**	**101,499**
TOTAL EQUITY AND LIABILITIES	**150,009**	**201,655**	**192,650**

Group - Consolidated Cash Flow statement

kSEK	Jul-Sep, Q3 2023	Jul-Sep, Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Cash flow from operating activities					
Net loss before tax for the period	-12,987	-20,715	-56,883	-63,880	-101,000
Depreciations	5,330	3,713	18,087	9,692	18,071
Other non-cash adjustments	-3,008	59	3,398	124	174
Repaid tax	-	-	-	7,746	7,919
Cash flow from operations before changes in working capital	**-10,665**	**-16,943**	**-35,398**	**-46,319**	**-74,836**
Cash flow from changes in working capital					
Change in inventory	-31	-5,935	198	-10,289	239
Change in receivables	857	-7,573	-6,548	-5,220	4,039
Change in current payables	-4,613	16,231	-4,801	21,817	22,824
Cash flow from operating activities	**-14,451**	**-14,220**	**-46,549**	**-40,010**	**-47,733**
Cash flow from investing activities					
Investments in intangible assets	3,909	-12,133	-7,636	-34,615	-42,551
Investments in tangible assets		-49,824		-49,932	-389
Cash flow from investing activities	**3,909**	**-61,958**	**-7,636**	**-84,547**	**-42,940**
Cash flow from financing activities					
Share issue / warrant program	208	-	61,538	-	53,113
Issuance costs	-	-	-16,172	-	-10,074
Loans received	5,245	11,000	12,962	21,000	21,000
Leasing	-1,843	46,064	-4,298	46,064	-3,282
Down payments and interest	3,301	-2,653	-7,695	-3,986	-28,030
Cash flow from financing activities	**6,911**	**54,411**	**46,336**	**63,078**	**32,727**
Total Cash flow in period	**-3,631**	**-21,766**	**-7,848**	**-61,479**	**-57,946**
Cash and cash equivalents at the period start	9,396	34,235	14,547	73,461	73,461
Foreign exchange difference	-133	-1,200	-1,067	-713	-966
Cash and cash equivalents at the period end	**5,632**	**11,269**	**5,632**	**11,269**	**14,547**

Group - Statement of changes in shareholders equity

kSEK	Share capital	Other paid in capital	Retained earnings	Reserves	Total shareholders equity
Equity on January 1, 2022	**1,239**	**182,730**	**-52,556**	**1,083**	**132,496**
Profit / Loss per December 31, 2021			-93,141		**-93,141**
Other comprehensive income				8,581	**8,581**
Total comprehensive income for the period	**1,239**	**182,730**	**-145,697**	**9,664**	**47,936**
Transactions with owners					
Share Issue	607	52,506			**53,113**
Issuance costs		-10,074			**-10,074**
Warrant programmes			174		**174**
Total Transactions with owners	607	42,432	174		**43,213**
Equity on December 31, 2022	**1,846**	**225,162**	**-145,523**	**9,664**	**91,149**
Equity at January 1, 2023	1,846	225,162	-145,523	9,664	**91,149**
Profit / Loss per Sep 30, 2023			-48,410		**-48,410**
Other comprehensive income				3,398	**3,398**
Total comprehensive income for the period	**1,846**	**225,162**	**-193,933**	**13,062**	**46,137**
Transactions with owners					
Share Issue	49,788	11,539			**61,327**
Issuance costs		-16,172			**-16,172**
Warrant programmes			211		**211**
Total Transactions with owners	**49,788**	**-4,632**	**211**		**45,367**
Equity on Sep 30, 2023	**51,634**	**220,530**	**-193,721**	**13,062**	**91,504**

Parent company - Income Statement

kSEK	Jul-Sep, Q3 2023	Jul-Sep, Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Revenue	350	288	1,050	865	1,154
Other external costs	-1,025	-947	-4,777	-2,349	-4,818
Personnel costs	-368	-256	-838	-782	-1,120
Operating result	**-1,044**	**-915**	**-4,565**	**-2,265**	**-4,785**
Depreciation of investment in subsidiary	-	-	-53,180	-	-
Net financial income and expenses	772	-149	3,285	42	-376
Loss before tax	**-272**	**-1,064**	**-54,460**	**-2,223**	**-5,160**
Tax	-	-	-	-	-
Net loss for the period	**-272**	**-1,064**	**-54,460**	**-2,223**	**-5,160**
Other comprehensive income	-	-	-	-	-
Total comprehensive profit/loss for the period attributable to owner of Parent Company	**-272**	**-1,064**	**-54,460**	**-2,223**	**-5,160**

Parent company - Balance sheet

kSEK	Sep 30, 2023	Sep 30, 2022	Dec. 31, 2022
ASSETS			
Financial fixed assets			
Shares in subsidiary	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			
Receivables from subsidiary	112,351	86,587	106,667
Other receivables	145	1,294	336
Prepaid expenses and accured income	22	1,123	93
Total recievables	**112,518**	**89,004**	**107,095**
Cash and cash equivalents	**1,094**	**9,140**	**11,052**
Total current assets	**113,612**	**98,144**	**118,147**
TOTAL ASSETS	**181,636**	**166,168**	**186,170**

kSEK	Sep 30, 2023	Sep 30, 2022	Dec. 31, 2022
EQUITY and LIABILITIES			
Equity			
Restricted Equity			
Share Capital	51,634	1,239	1,846
Total Restricted Equity	**51,634**	**1,239**	**1,846**
Unrestricted Equity			
Share premium	274,395	236,595	279,027
Other paid in capital	328	328	328
Retained earnings	-96,766	-91,867	-91,817
Profit / Loss	-54,460	-2,223	-5,160
Total unrestricted Equity	**123,496**	**142,833**	**182,378**
Total equity	**175,130**	**144,072**	**184,224**
Short term liabilities			
Accounts payables	136	260	812
Short term loan	5,245	21,000	
Other short term debt	-	-	225
Accrued expenses and deferred income	1,125	836	909
Total short term liabilities	**6,505**	**22,096**	**1,946**
Total liabilities	**6,505**	**22,096**	**1,946**
TOTAL EQUITY AND LIABILITIES	**181,636**	**166,168**	**186,170**

Parent company - Statement of Cash Flow

kSEK	Jul-Sep, Q3 2023	Jul-Sep, Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Cash flow from operating activities					
Profit/loss before tax	-272	-1,064	-54,460	-2,223	-5,160
Other items	-2,815	-1	583	-	-
Cash flow from operations before change in working capital	**-3,087**	**-1,065**	**-53,878**	**-2,223**	**-5,160**
Cash flow from working activities					
Change in receivables	1,536	-1,442	261	-2,301	-138
Change in current payables	-358	698	-460	577	1,428
Cash flow from working activities	**-1,909**	**-1,809**	**-54,077**	**-3,947**	**-3,870**
Cash flow from financing activities					
Share issues	-	-	61,327	-	53,113
Issuance cost	-	-	-16,172	-	-10,074
Loans to subsidiary	-3,873	-25,123	-5,684	-65,077	-85,281
Loans received	4,647	11,000	12,364	21,000	21,000
Loans repaid	-	-	-7,717	-	-21,000
Cash flow from financing activities	**774**	**-14,123**	**44,119**	**-44,077**	**-42,242**
Total cash flow in period	**-1,135**	**-15,932**	**-9,958**	**-48,024**	**-46,112**
Cash and cash equivalents at period start	2,229	25,072	11,052	57,164	57,164
Cash cash equivalents at period end	**1,094**	**9,140**	**1,094**	**9,140**	**11,052**

Parent company - Statement of changes in shareholders equity

kSEK	Share capital	Share premium	Other paid in capital	Retained earnings	Total shareholders equity
Equity at January 1, 2022	**1,239**	**236,595**	**328**	**-91,991**	**146,171**
Profit / Loss until December 31, 2022				-5,160	**-5,160**
Other comprehensive income					
Total comprehensive income for the period	**1,239**	**236,595**	**328**	**-97,151**	**141,011**
Transactions with owners					
Share issue	607	52,506			**53,113**
Issuance cost		-10,074			**-10,074**
Warrant programmes				174	**174**
Total Transactions with owners	**607**	**42,432**	**0**	**174**	**43,213**
Equity on December 31, 2022	**1,846**	**279,027**	**328**	**-96,977**	**184,224**
Equity at January 1, 2023	**1,846**	**279,027**	**328**	**-96,977**	**184,224**
Profit / Loss per Sep 30, 2023				-54,460	**-54,460**
Other comprehensive income					**0**
Total comprehensive income for the period	**1,846**	**279,027**	**328**	**-151,437**	**129,764**
Transactions with owners					
Share issue	49,788	11,539			**61,327**
Issuance cost		-16,172			**-16,172**
Warrant programmes				211	**211**
Total Transactions with owners	**49,788**	**-4,632**	**0**	**211**	**45,367**
Equity at Sep 30, 2023	**51,634**	**274,395**	**328**	**-151,226**	**175,130**

Note 1 General information

GENERAL INFORMATION

This interim report covers the Swedish parent company Qlife Holding AB (publ), corporate registration number 559224-8040, and its subsidiaries. The parent company is a limited liability company with its registered office in Helsingborg, Sweden. The address of the main office is Redaregaten 48, 252 36 Helsingborg, Sweden. The main operation of the group is development and sales of the Egoo system and test capsules for the system. The report for January to September 2023 was approved for publication on November 13, 2023, in accordance with a board decision on November 13, 2023.

Note 2 Accouting principles

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

Basis of preparation

Group

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

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

Parent Company

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

New standards, interpretations, and amendments not yet effective

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

Consolidation

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

Receivables and liabilities in foreign currencies

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

Segment information

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

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

Revenue

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

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

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

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

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

Financial items

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

Employee benefits

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

Income taxes

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

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

Intangible assets

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

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

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

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

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

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

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

Tangible assets

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

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

Impairment of intangible and tangible assets

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

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

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

The group as a lessee

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

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

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

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

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

Inventories

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

The Groups financial instruments are composed of:

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

Financial assets

Financial assets at amortized cost

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

Impairment

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

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

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

Financial liabilities

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

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

Provisions

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

Contingent liabilities

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

Contingent assets

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

Statement of cash flows

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

Earnings per share

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

Note 3 Important sources of uncertainty in estimates

Important sources of uncertainty in estimates

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

Intangible assets

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

Valuation of inventory

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

Note 4 Financial risk management

Financial risk

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

Currency risk

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

Funding risk

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

Liquidity risk/Financing risk

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

Note 5 Composition of income

	2021				2022				2023		
Sales revenue (kSEK)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sweden	-	1.597	3.231	8.814	7.875	3.460	1.508	1.508	62	-	-
Finland	-	379	482	3.120	2.679	552	377	337	-	-	-
Denmark	11.173	8.358	1.428	150	-	-	-	-	-	-	-
Other countries	3	148	730	-	351	13	82	82	61	46	45
Total Sales	**11.176**	**10.482**	**5.871**	**12.084**	**10.905**	**4.025**	**1.967**	**1.927**	**123**	**46**	**45**

Note 6 Contingent assets

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

Qlife

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