Qlife

INTERIM REPORT Q3

JANUARY - SEPTEMBER 2020

FINANCIAL CALENDAR

EXTRA GENERAL MEETING	NOVEMBER 19, 2020
YEAR END REPORT	FEBRUARY 18, 2021
INTERIM REPORT FIRST QUARTER 2021	MAY 5, 2021
ANNUAL GENERAL MEETING 2021	MAY 5, 2021
INTERIM REPORT SECOND QUARTER 2021	AUGUST 16, 2021
INTERIM REPORT THIRD QUARTER 2021	NOVEMBER 8, 2021

SHAREHOLDER INFORMATION

LISTING	NASDAQ FIRST NORTH GROWTH MARKET, STOCKHOLM
TICKER SHARE	QLIFE
TICKER WARRANT	QLIFE TO1
ISIN SHARE	SE0013486552
ISIN WARRANT	SE0013719333

CONTENT

Continued COVID-19 test focus; sales and regulatory progress

FINANCIAL SUMMARY – THIRD QUARTER 2020*

- Revenue in the period amounted to kSEK 5,062 (714). Sales regards COVID-19 test capacity to customers mainly within sports, through the partner KMD.
- EBITDA for the period amounted to kSEK -5,043 (-2,599), and net loss kSEK -2,757 (-3,095).
- The total cash flow in the third quarter amounted to kSEK -11,714 (8,560).
- Shareholders equity as of 30 September 2020 amounted to kSEK 99,299 (15,620).
- Earnings per share before/after dilution for the third quarter amounted to SEK -0,25 (-42,69), calculated on weighted average number of shares in the period.
- In the third quarter, a tax receivable of kSEK 5,409 regarding the period January - September 2020 was accounted. The tax credit regards the tax value of development costs in the nine month period, expected to be paid out in 2021.

FINANCIAL SUMMARY – JANUARY-SEPTEMBER 2020*

- Revenue in the period amounted to kSEK 11,628 (714) whereof kSEK 385 is payment regarding the continued development collaboration with the cancer department at Herlev Hospital. Sales regards COVID-19 test capacity to customers mainly within sports, through the partner KMD.
- EBITDA for the period amounted to kSEK -12,921 (-7,037) and net loss kSEK -12,598 (-7,615).
- Qlife issued 4,472,600 units (4,472,600 shares and 4,472,600 warrants series TO1) through a new share issue in February 2020. Equity capital increased with kSEK 48,950 after issuance costs of kSEK 6,063, and net cash flow from IPO amounted to kSEK 44,450 after netting of loans of kSEK 4,500.
- The total cash flow for the nine months period amounted to kSEK 16,266 (7,194).
- Earnings per share before/after dilution for the nine months period amounted to SEK -1,22 (-120,59), calculated on weighted average number of shares in the period.
- In May, Qlife applied for a tax credit of kSEK 4,062 under the Danish Tax credit scheme related to 2019. The amount was paid out in cash in June 2020. A new application for tax credit will be prepared for 2020 and the amount for January - September is estimated to kSEK 5,409 and is accounted as a tax receivable.

SIGNIFICANT EVENTS - THIRD QUARTER 2020

- In cooperation with KMD, Qlife has extended the contract with Divisionsforeningen. The extended contract is the continuation of COVID-19 testing of players and personnel in the two best football leagues, 3F Superligaen and NordicBet Ligaen, in Denmark. The contract extension is based upon the successful COVID-19 testing that Qlife delivered over the summer and will continue in an adjusted format.
- In cooperation with Geelmuyden Kiese (GK) and KMD, several international COVID-19 testing contracts have been closed within professional cycling.
- Qlife expanded their COVID-19 testing to include all professional handball in Denmark, as from August.
- In September, Qlife opened a streamlined testcenter at Symbion in Copenhagen. The testcenter has a capacity of up to 10,000 weekly tests, and is staffed 7 days a week by 5 FTE. Qlife is currently delivering 3,000 - 5,000 tests on a weekly basis.
- In september, Jakob Broberg Lind started his position as Global Sales Director Clinical.

* (Comparative figures 2019 Qlife Aps)

SIGNIFICANT EVENTS – FIRST AND SECOND QUARTER 2020

- Henrik Ljung was hired as CFO in Qlife Holding AB, as from 1st July.
- In cooperation with KMD, Qlife delivered testcapacity to Badminton Denmark to COVID-19 test all players in the final games of the Danish badminton tournament for clubs, RSL Final 4.
- KMD and Geelmuyden Kiese initiated a partnership with Qlife to provide smart and efficient Covid-19 test solutions for the professional sports, culture, and entertainment industry. The test capacity is delivered by Qlife.
- In May, Qlife applied for a tax credit of kSEK 4,062 under the Danish Tax credit scheme. The amount was paid out in cash in June.
- Qlife Holding AB held its Annual General Meeting 20 May 2020. The General Meeting decided to re-elect Board members Mette Gross, John Moll, Niklas Marschall and Thomas Warthoe. Mette Gross was re-elected as Chairman of the Board. The Meeting resolved to elect the audit firm BDO Malmö as the company's auditor, with authorized public accountants Olof Andersson and Jörgen Lövgren as responsible auditor.
- Qlife and KMD entered a sales agreement with The Danish Football League (Divisionsforeningen) to test players and staff in the professional leagues (3F Superliga and Nordicbet) for COVID-19. Qlife delivers the test capacity and KMD delivers the data infrastructure to secure testing of all players and staff as from 29th May and continued testing once a week during the remaining game weeks.
- Qlife entered an agreement with Nordsjællands Hospital to start validation of COVID-19 test.
- Qlife entered a license and supply agreement with Aidian Oy focused on expanding the Egoo systems product portfolio with COVID-19 test.
- Qlife announced their strategic decision to develop the Egoo system's ability to perform both protein-based and molecular-based tests.
- Qlife Holding AB listed its shares and warrants at Nasdaq First North Growth Market, Stockholm, on March 2nd 2020.
- Qlife received CE-mark on the Egoo home system for professional use for its first biomarker capsule CRP/HB.

SIGNIFICANT EVENTS AFTER END OF THIRD QUARTER 2020

- Qlife announced in October that a delay in the original plan has incurred. CE-mark for professional use on the COVID-19 test in Egoo Home system is now expected around year end.
- Qlife submitted an application to the Danish Medicines Agency (Lægemiddelstyrelsen) for placing the company's COVID-19 test on the market prior to CE-marking in a direct response to the pandemic. The application was temporarily rejected on 13th November. The Danish Medicines Agency see no reason to grant an exemption for medical equipment that does not currently have a CE-mark and that there are other diagnostic alternatives on the market.
- On 19th November the company will have an extraordinary shareholders meeting. The board of directors' propose to implement an Employee Option Program 2020 with a maximum of 185,000 employee options.
- In accordance with the decision at Qlife Holding's Annual General assembly a Nomination committee has been convened. The Nomination committee consist of the following persons; Sören Skjärbäk, Sören Amund Henriksen, Christian Månsson and Mette Gross.

	Jul-Sep, Q3		Jan-Sep, Q1-Q3	
Group - Key figures - kSEK	2020	2019*	2020	2019*
Revenue	5 062	714	11 628	714
Total operating income	9 029	4 313	21 920	8 073
Total operating expenses	-14 071	-6 912	-34 841	-15 110
EBITDA	-5 043	-2 599	-12 921	-7 037
Total cash flow	-11 714	8 560	16 266	7 194
Cash reserve	20 354	9 284	20 354	9 284
Shareholders' equity	99,299	15 620	99,299	15 620
Number of employees	33	9	33	9

* Qlife Holding AB was founded October 31st 2019 - the comparative figures adhere to figures from subsidiary Qlife ApS.

Preparing for Roll-Out

During the second quarter 2020 it became clear that our technology could be used to provide volume testing of Covid-19, and since the summer it has become clear that the need for testing has a longer perspective than anticipated as the virus continues to spread and cause halts in society. Covid-19 testing has become generally available, but we see that many segments within the sports, culture and corporate worlds are asking for more flexible and rapid test solutions.

To support deliveries of volume test results, Qlife has established an efficient test center at Symbion in Copenhagen during the third quarter. The location is staffed 7 days a week and delivers Covid-19 test results daily to a range of customers, mainly within sports and events. The test center services our customers with fast and reliable results at the same time as it provides access to samples for our assay validation, which otherwise could be difficult and expensive to acquire. The need for validation data will remain crucial when developing further molecular tests.

At this stage, Qlife's test center is delivering 3,000 - 5,000 weekly testresults. It is an increasing market advantage that Qlife's test results are based on PCR technology, as it has become more documented and commonly known that other testing methods are less reliable. I am extremely proud that my team managed to respond and in an agile way adapt to a new demand. Today we are among the top providers of private Covid-19 testing services in Denmark.

TEMPORARY APPROVAL FOR THE DANISH MARKET

Early in October we finalized a temporary dossier on our Egoo Sars-CoV-2 test and submitted it to the Danish Medicines agency for an "approval to place a non CE-marked product on the market in the interest of public health". The application regarded specifically our small Egoo device and the COVID-19 test.

We are disappointed that the Medicines Agency rejected our application, as it would have given us the opportunity to placing our devices in the Danish market at a time where we believe there is a dire need for rapid, decentral and qualitative tests. We are currently evaluating how to respond to the temporary rejection.

CE-MARK EXPECTED AROUND YEAR END

We have continued our documentation process and expect the CE-mark for the Sars-CoV-2 assay around year end. The delay in the CE-marking has no long term impact on the company's commercialization. Once we have a CE-mark for professional use, we expect to place the Egoo.health platform into strategic settings such as elderly homes, where there is a need to test elderly, visitors and employees.

In many ways the combination of our volume testing and our Egoo.health small device is an ideal combination. It addresses both the need for volume testing of hundreds of people and the need for on-site testing when the crowd is smaller but in need of a fast result.

Due to the positive technology integration and the significantly increased demand for virus testing, the company has decided to prioritize further product development of molecular tests. Qlife evaluates that there is a significant business potential and a relatively low risk in the development of further virus tests.

During the last six months, KMD and their partners have been acting sales channels for Qlife's Covid-19 tests. It is a valuable corporation where Qlife gains access to well-established and agile sales professionals, and KMD and partners gain access to an innovative and flexible product with an extraordinary service package.

KMD will further act as a sales partner for the core Egoo.health product so that KMD can offer the combined solutions to the already established service customer base.

Simultaneously, we have taken the first steps to establishing a sales organization internally, who will evaluate and establish sales partnerships in Denmark and internationally.

It is of utmost importance that we sell and place our devices with the customers and partners that will use them instantly, at the same time paving the way for volume sales in the coming years.

We are aiming to gain customer insights from a range of different customers during the coming period, to confirm our design, user experience and product offering.

PROGRESS IN OUR PLANNED NEW TESTS

While establishing our Covid-19 service and progressing the Egoo Sars-CoV-2 CE-marking process, we have also managed to progress other planned assays. Our assay development strategy entails to outsource the initial R&D phases to create antibodies or DNA assay format that fits the Egoo platform. This means that the initial phases of assay development can run in parallel with other operations.

Please see the pipeline overview for comments on the product development.

AN EXPANDING ORGANIZATION

In many ways Qlife is in a transition phase going from an R&D based organisation to more of an operationally focused organization, which we consider a healthy next step for a successful startup company. Qlife has a strong R&D base and contains a wealth of knowledge within building miniaturized point-of-care devices. Now, we must transform all of this into operations, which are focused on production output, timelines, regulatory and sales. The transition phase is on-going, and the past 6 months have contributed positively to increase customer-orientation and focus on deliveries. I am proud of the competent organisation that we have built in short time, and on their commitment to deliver to our customers. We are now placing Egoo.health systems into selected segments to start our mission to democratize access to clinical-grade diagnostic data for the purpose of improving people's health outcomes.

MANUFACTURING

We have initiated low volume manufacturing at the level of 15 instruments per week and 750 capsules per week, and expect to be able to increase manufacturing volume for both instruments and capsules over the coming months.

FINANCIAL PERFORMANCE

With revenues of more than SEK 5M for the quarter and close to SEK 12M for the 9 months, I am pleased already at this early stage for the sales to contribute positively to our operations. We have used the past 6 months under the corona crisis to build a revenue foundation with a Covid-19 service-offering and a broad customer base for our core Egoo.health product. We believe this warrants well for the financial future of the company. Our burn rate is high, due to an expanding organization that is already more than 40 people all together. We regard this as a positive development for the company as it provides us with a sound basis and the resources to deliver on market expectations and on our ambitious milestones. We expect a capital increase in May 2021 from the proceeds of the warrants issued in the IPO.

Helsingborg 18 November 2020

Thomas Warthoe - CEO Qlife Holding AB

Thomas Warthoe

NEW IVDR REGULATION COMING INTO FORCE

On 5 April 2017, the European Parliament adopted a new IVDR legislation that applies to all IVD manufacturers, including Qlife. The new regulation will apply after a transitional period after which the IVDD will be fully enforced from 26 May 2022. None of the existing requirements under the current IVDD have been removed, while the new IVDR introduces additional requirements, most notably

a) Re-assessment of products regarding their intended purpose and risk classification, leading to up-classification and increased involvement of notified body;
b) Broadened requirements for clinical /performance evaluation;
c) Clinical evidence must be based upon scientific validity, analytical performance and clinical performance data providing a sufficient level of clinical performance studies as part of design validation.

This means, that a product cannot be launched without successfully completed and concluded in the form of a performance evaluation report. For point-of-care devices the technical documentation must now also be reviewed by the Notified Body prior to placing the product on the market, as opposed to previously being a self-certification process.

Qlife is already adhering to this new up-classification of regulatory requirements. Technical data packages and software documentation have become a resource consuming process. Qlife's regulatory department has therefore increased rapidly and is thus the company's biggest with 10 people working on fulfilling all IVDR requirements.

STRATEGY AND BUSINESS MODEL

Qlife envisions that most patients will appreciate the possibility of monitoring crucial health and disease indicators from home, while being able to share results with health professionals for diagnosis and care optimization. The company expects a huge market of consumers having an interest in their health, with a desire to monitor health parameters much like pulse, temperature and blood pressure, either for specific reasons like optimizing athletic results, or monitoring a genetic risk parameter or following lifestyle changes impact on various biomarkers.

Public and private healthcare professionals appreciate the possibility to monitor patients at home without bringing them into the care facility. This will be a huge improvement in providing efficient care for those who need it the most while offering easy and safe processes for the patients.

Qlife is focused on commercializing the diagnostic system "Egoo" consisting of a universal device, software, and disposable capsules, for decentralized testing of biomarkers and virus in healthcare environment and ultimately in people's homes.

The company business model is the sale of an instrument and adjacent disposable test capsules. Qlife CE marked its first capsules in February 2020 and can market capsules for Hb and CRP tests. The company is working diligently towards a CE-mark on the company's highly sensitive RNA Sars-CoV-2 test for the professional market.

Qlife is constantly developing new capsules for various indicators and follows a regulatory pathway towards a CE mark for each test before they can be taken to the market. Please see details of the pipeline in the section "Products and pipeline". It is the intention that health professionals – and ultimately consumers - shall be able to use the same device to make various tests and get fast and reliable test results.

For the coming 1-2 years Qlife will scale its production capacity not compromising quality to meet the expected increasing demand. It is the company's intention to serve customers in carefully selected and well-defined segments to gain valuable user experience and ensure a pipeline that fits the most needed tests. The first segments Qlife aim to address are care homes and hospital departments or clinics who are regularly monitoring patients for disease progression and medication efficiency.

Qlife is successively establishing its own commercial organization, to launch the product in the mentioned segments. Market launch is planned first in the Nordic countries, followed by Europe.

With the arrival of the corona virus pandemic in 2020, the company added molecular testing (DNA/RNA) capability to the system for the detection of SARS-CoV-2, the virus that causes COVID-19. The test provides a clinical-grade answer in 20-30 minutes with less than a minute of preparatory hands-on time. The ability to test for viruses was envisioned for a later stage but was prioritized by the company as the demand increased dramatically. We see a huge demand for fast and reliable tests from everywhere in society, care homes, airports, companies, events and sports, dentists, and many more. Qlife expects the demand to continue for at least the coming year.

Qlife has the fastest decentral PCR test in the market, and is currently offering two different solutions;

1. Volume testing collected and analysed at our test centre, giving results in 6-24 hours
2. Testing through Egoo devices placed at the hand of any health professional at any physical location, giving results in 20-30 minutes

To support deliveries of volume test results, Qlife has established a streamlined and efficient test centre at Symbion in Copenhagen. The location is staffed 7 days a week and delivers COVID-19 test results daily to a range of customers, mainly within sports and events. The test centre fulfils two main purposes for Qlife. It services customers with fast and reliable results and provides access to samples for assay validation, which otherwise could be difficult and expensive to acquire. The need for validation data will remain crucial when developing further molecular tests, like influenza.

Due to the positive technology integration and the significantly increased demand for virus testing, the company has decided to prioritize further product development of molecular tests. Qlife evaluates that there is a significant business potential and a relatively low risk in the development of further virus tests.

During the last six months, KMD and their partners has been acting sales channels for Qlife's COVID-19 tests. It is a valuable corporation where Qlife gains access to well-established and agile sales professionals, and KMD and partners gains access to offer their customers an innovative and flexible product with an extraordinary service package. Both parties intend to prolong the corporation for the coming 6-12 months. KMD will take over logistical solutions and customer service regarding the service business, and Qlife will continue to deliver test results in a streamlined and efficient way.

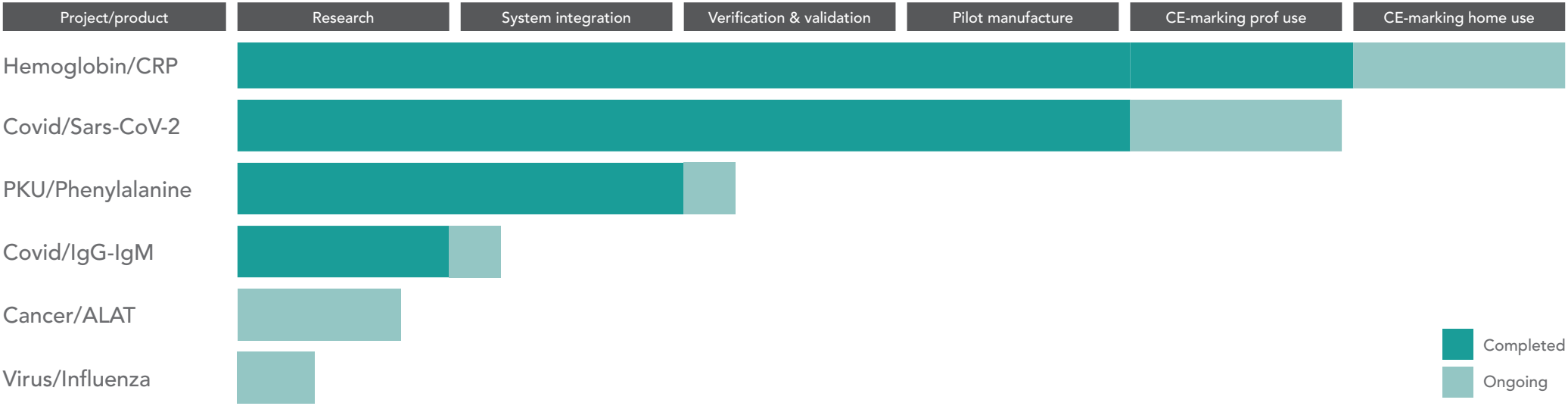
In 2019 the company obtained the ISO 13485:2016 certification related to the manufacture and sale of in-vitro diagnostic tests. The company has filed for patent protection for key elements of its technology. The organisation is growing rapidly and consists currently of 32 full time employees and 8 temporary consultants that are assisting in the CE-mark documentation, all on a mission to make clinical-grade diagnostic testing easier, faster, and accessible for everyone.

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 two tests have been CE-marked for professional use and more is 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



Hemoglobin/CRP. To enable a CE-marking for home use, a usability study for the CRP/Hb capsule is being planned. Notified Body response time for this type of dossier under the new IVDR guidelines are expected to be longer.

Covid/Sars-COV-2. Once the Sars-CoV-2 assay has been CE-marked for professional use Qlife will advance usability study with the purpose of documenting the simplicity for a layman user to perform the test, with the aim of obtaining a CE-mark for home use. Given that other throat home use Swap-like tests exist on the market already, combined with the high need for innovative new solutions to detect Sars-CoV-2 at home, it is expected that this approval process can be a fast-track designation so that the timeline will be relatively short.

PKU phenylalanine assay. Ready to move forward into the clinical comparison phase. Qlife is currently in discussion with health professionals and clinical institutions to arrange best way forward to start the comparison to current ways of detecting phenylalanine.

IgG/IgM Covid-19 antibody assay. The external assay development partner has progressed through the initial development phases and is soon ready to deliver antibodies for further implementation onto the Egoo platform. This antibody assay supplements the molecular Sars-CoV-2 assay so that the Egoo system can both detect the presence of the virus with clinical precision as well as test a person for having developed the Covid-19 antibody immune response.

ALAT liver assay. The activities at Herlev Hospital connected to our clinical validation project regarding cancer patients has been on hold since the COVID 19 pandemic break out. We have continued the development of the ALAT tests required for the project. At present, we expect a delay in the project, most likely with delivery and patient trials towards the end of 2021.

Molecular virus assays. Planning of an outsourced influenza assay is on-going. Qlife's product development strategy entails to launch further assays that target the field of virus detection, and influenza is one of the most important assays in this field. Besides complementing our Sars-Cov-2 assay there is a big need for a fast way to detect Influenza before inoculation within 48 hours, to be able to give the drug Tamiflu. With the Covid-19 crisis this seems more appropriate than ever before. Qlife expects to continue to launch assays in this category of respiratory and virus detection.

Products and pipeline

C-REACTIVE PROTEIN (CRP) - INFLAMMATION

CRP monitoring is a fundamental means of discovering a health condition at an early stage.

CRP is not a specific disease, rather it serves as a warning signal for other conditions. Inflammation is the body's attempt to heal itself after injury and defend itself against viruses or bacteria. Elevated CRP can be used as a predictor of cardiovascular diseases, infections (which may require antibiotic treatment), chronic inflammatory diseases or certain cancers.

Qlife is planning to validate a CRP test within a cancer field and within rheumatoid arthritis.

In rheumatoid arthritis CRP is an important measurement for the disease progression, also within this field a home test is expected to reduce the number of visits to the rheumatology department.

HEMOGLOBIN (HB) - BLOOD PERCENTAGE

Hemoglobin is a strong biomarker of health status.

Hemoglobin is the protein in your red blood cells that is responsible for carrying oxygen to the tissues.

Anemia is a condition when the body has a decreased level of hemoglobin in the red blood cells. Iron deficiency is the most common type of anemia, and it occurs when the body does not have enough of the iron mineral. The body needs iron to make hemoglobin and when there is not enough iron in the blood stream, the rest of the body cannot get the amount of oxygen needed.

Women of childbearing age are those most afflicted with iron deficiency anemia due to heavy menstruation or pregnancy complications. The treatment is supplements or change of diet.

Qlife is planning to validate the Hemoglobin test along with the CRP test in a clinical setting. Hemoglobin is here an indicator of disease progression and thus a highly important status biomarker.

CORONAVIRUS (SARS-COV-2) - VIRAL INFECTION

Sars-CoV-2 diagnoses COVID-19.

Sars-CoV-2 is the virus that causes COVID-19. The test leverages the Egoo System into the field of DNA/RNA testing.

The Egoo SARS-CoV-19 test from Qlife is not expected to be used in hospital central laboratories, rather it is a frontline screening tool. It can be moved around fast for testing in critical locations where time and limit of exposure is paramount to decrease the risk of infections, and where actionable test results are needed to make informed treatment decisions quickly. The quality of the test is on par with current laboratory tests, e.g. PCR (Polymerase Chain Reaction).

The main applications for the Egoo Sars-CoV-2 are expected to be in decentral locations such as elderly homes, GPs, health centers and elsewhere. The system is easy to use and thus with few instructions healthcare personnel can apply it and have a result done in just 20-30 minutes.

PHENYLALANINE (PHE) - GENETIC CONDITION

PHE indicates tolerance towards food proteins.

Phenylketonuria also referred to as PKU, is a rare inherited disorder that causes an amino acid called phenylalanine to build up in the body. PKU is caused by a defect in the gene that helps create the enzyme needed to break down phenylalanine. Without the enzyme required for breaking down phenylalanine, a dangerous build up can develop when a person with PKU eats food that contains protein. This can eventually lead to serious health problems.

PKU is treatable with a lifelong low protein diet, measuring PHE levels in the blood is an essential tool for controlling the diet. Currently this measurement takes several days.

When the PHE test from Qlife is complete it will be the first in the world offering these tests at home representing a significant increase in quality of life and an increased control over PHE status and the possibility to better plan meals.

COVID-19 TOTAL ANTIBODY ASSAY

Upon infection with the Sars-CoV-2 virus human antibodies of the type IgG/IgM starts increasing in the human body.

Qlife's total antibody IgG/IgM test will be based on the particle-enhanced, immunoturbidimetry principle that allows quantitative determination of the total concentration of the IgM/IgG antibodies against COVID-19 virus. The principle of particle-enhanced immunoturbidimetry is based on particles coated with SARS-CoV-2 antigens forming complexes with the specific antibodies. If the IgM/IgG antibodies are present in the capillary blood, Egoo will measure signal changes at 570nm that are directly correlated to the total concentration of the total IgM/IgG antibodies. The assay is expected to take between 6-7 minutes using a drop of blood. With this new Egoo IgM/IgG test it will be possible to follow the total antibodies concentration over time. The new Egoo antibody test will be a full quantitative test just like the laboratory-based ELISA test with comparable specificity.

ALANINE AMINOTRANSFERASE (ALAT) - LIVER CONDITION

ALAT is a specific biomarker of liver condition.

ALAT is an enzyme made by cells in the liver. The liver is the body's largest gland and have many important functions. ALAT helps the liver to break down proteins so the body can absorb them more easily, and it plays a crucial role in metabolism, the process that turns food into energy.

When the liver is damaged or inflamed, ALAT is released into the bloodstream. Measuring the level of ALAT gives an indication of liver condition.

Qlife is expecting to validate the ALAT test together with CRP and Hb at a clinical trial. Cancer patients are often receiving heavy medication and it is in this regard always necessary to survey the liver's condition.

TECHNICAL INFORMATION ABOUT QLIFE'S COVID-19 TESTS

What is Qlife's PCR test?

Qlife use a Polymerase Chain Reaction (PCR) technology called Strand Invasion Based Amplification (SIBA).

PCR and SIBA are in principle the same - PCR uses heat to separate the DNA strings while SIBA is using a probe/enzyme system (chemical separation of DNA strings).

PCR is characterized by cycling in heat temperature to achieve amplification of the DNA, while SIBA uses constant temperature (isothermal).

SIBA is documented to detect as low as 2.5 copy of the RNA, while we claim a LoD (Limit of Detection) of 25 copies which is the same as in traditional PCR. It is the LoD which is important because it tells how secure the test is to find a positive (sensitivity and specificity is also important but does not say how low copy numbers the test can detect – in other words how safe it is).

The test has a sensitivity of at least 95%, which is the market standard for PCR tests, and a specificity of 100% - this means that it only affects COVID-19 viruses.

Specifically what is the difference between traditional PCR and isothermal PCR?

Instead of heating up to min. 94°C and cooling down to 72°C as in traditional PCR, SIBA uses a combined probe/enzyme system to separate the two DNA strings. The probe is called an invasion probe and the enzyme is called a recombinase, plus SIBA then uses a polymerase enzyme just like in traditional PCR.

The biochemical procedure is:

1. The DNA strings are separated by a probe/enzyme (instead of heating to 94°C)
2. The process is run at a constant temperature of 44°C (instead of cooling to 72°C)
3. Every time a doubled stranded DNA string is separated by the probe/enzyme, two synthetic DNA pieces (primers) are attached to each DNA string and by use of the polymerase enzyme the single stranded DNA is made into a double stranded DNA whereby the product is amplified.
4. This continues for 30 minutes, all the time at a constant temperature of 44°C.
5. Dependent on the virus load (number of copies) the amplification process starts as early as after 12 minutes and by the 30 minutes it is exhausted and result is reported.

Share and ownership

Qlife Holdings shares (QLIFE) and warrants (QLIFE TO1) are listed at Nasdaq First North Growth Market, Stockholm since March 2nd, 2020.

SHARE AND SHARECAPITAL

As per September 30, 2020, the company's share capital is SEK 893,955.04, divided into 11,174,438 shares of the same class, with a par value of SEK 0.08.

WARRANTS (TO1)

As per September 30, 2020, the company has 4,472,600 issued warrants (TO1). Two (2) warrants entitle to subscribe for one (1) new share during the period 3 – 31 May 2021 at a price per share of SEK 17.50.

Upon full exercise of the TO1 warrants, the company will raise approximately MSEK 39.1 before deduction of issuance costs of approximately MSEK 1.2, and the share capital will be increased by approximately SEK 178,904.

OWNERSHIP AND LARGEST SHAREHOLDERS

The table below shows the ten largest shareholders in the company, as per September 30, 2020, according to public nominee register of shareholders register from Euroclear.

Shareholder	Shares	Percent
BNY Mellon SA/NV, Belgium	5,033,039	45.0%
Nordnet Pensionsförsäkring	618,163	5.5%
Försäkringsbolaget Avanza Pension	541,150	4.8%
Leif Jonsson	319,800	2.9%
KMD Ventures A/S	219,804	2.0%
Morgan Stanley	170,591	1.5%
Jimmie Landerman	153,859	1.4%
Mona Fröström	117,500	1.1%
John Andersson Moll	103,374	0.9%
Deutsche Bank AG, London	83,947	0.8%
Others	3,813,211	34.1%
Sum	**11,174,438**	**100%**

INCENTIVE PROGRAMMES

WARRANTS 2019/2021

During November 2019, Qlife Holding AB issued 194,444 warrants to the Board of Directors, which entitle the Board of Directors to subscribe for the same number of shares. The warrants can be exercised during the period 1-31 December 2022 and have a strike price of SEK 24 per share. If all options in this program are exercised, the Company will issue a total of 194,444 new shares.

STAFF WARRANTS 2019/2021

During November 2019, Qlife Holding AB issued 291,664 employee stock options to employees entitling to subscription of the same number of shares. The stock options can be exercised during the period 1-31 December 2022 and have a strike price of SEK 24 per share. If all options in this program are exercised, the Company will issue a total of 291,664 new shares.

NOMINATION COMMITTEE

The Annual General Meeting resolved in accordance with the proposal that a Nomination Committee shall be appointed prior to the forthcoming election and remuneration. The Nomination Committee shall consist of four members representing the three largest shareholders as of the last September 2020, as well as the Chairman of the Board.

Financial comments Group, Q3

JULY – SEPTEMBER, Q3 2020

FINANCIAL RESULT

Revenue in the period amounted to kSEK 5,062 (714). Sales regards COVID-19 test capacity to customers mainly within sports, through the partner KMD. The market price level has decreased since last quarter, as supply has increased rapidly. Qlifes revenue per test varies with the volume commitment from the customer, as well as the logistical solution provided.

Capitalized development costs amounted to kSEK 3,967 (3,599) which reflects the significant development activities.

Raw materials and consumables amounted to kSEK 437 (677), which is costs for components and parts for device and capsules.

Other external expenses amounted to kSEK 7,293 (3,435). Increased other external expenses mainly regards external development costs, consultants, offices, travel and IT. Expenses related to COVID-19 testing amounted to kSEK 1,409.

Personnel costs for the period amounted to kSEK 6,341 (2,799) reflecting the larger organization. As per 30 September 2019 Qlife Aps had 9 employees, and as per 30 September 2020 Qlife Group had 33 employees, with added headcount in regulatory, production, development and communication.

Amortization on goodwill amounted to kSEK 2,715 (0) and depreciation on equipment kSEK 306 (55).

Net financial income and expenses amounted to kSEK -102 (442) is related to interests regarding loan from Danish Growth Funds.

In the third quarter, a tax receivable of kSEK 5 409 regarding the period January - September 2020 was accounted. The tax credit regards the tax value of development costs in the nine month period, expected to be paid out in 2021.

Operating loss for the period amounted to kSEK -5,043 (-2,599) and net loss kSEK -2,757 (-3,095).

CASH FLOW

The total cash flow amounted to kSEK -11,714 (8,560) in the third quarter of 2020.

Cash flow from operations and changes in working capital amounted to kSEK -5,032 (-4,452).

Cash flow from investing activities amounted to kSEK -6,698 (-3,831) consisting of capitalized development costs kSEK -4,020, manufacturing equipment kSEK -1,600 and equipment for the testcenter kSEK -1,078.

Financial comments Group, Q1-Q3

JANUARY – SEPTEMBER 2020

FINANCIAL RESULT

Revenue in the period amounted to kSEK 11,628 (714) whereof kSEK 385 is payment regarding the continued development collaboration with the cancer department at Herlev Hospital and kSEK 11,243 is related to income from COVID-19 testing.

Capitalized development costs increased to kSEK 10,292 (7,359) which reflects the significantly increased development activities.

Raw materials and consumables amounted to kSEK 2,154 (1,367), which is mainly costs for components and parts for device and capsules.

Other external expenses amounted to kSEK 16,994 (6,589) of which app. kSEK 250 constituted one-time costs regarding the listing of the shares, as well as administrative costs of Qlife Holding AB of app. kSEK 766. Increased other external expenses in Qlife Aps mainly regards external development costs, consultants, offices, travel and IT. Total expenses related to COVID-19 testing amounted to kSEK 2,995.

Personnel costs for the period amounted to kSEK 15,693 (7,154) reflecting the larger organization.

Amortization on goodwill amounted to kSEK 8,142 (0) and depreciation on equipment kSEK 506 (136).

Financial costs in the period regards interest for loan from Danish Growth Fund, bridge loans and a founder's loan. The loans were netted with shares in the IPO or repaid during the first quarter 2020.

Operating loss for the period amounted to kSEK -12,921 (-7,037) and net loss kSEK -12,598 (-7,615).

The tax amount of 9,471 is related to a "Tax Credit Scheme". The Danish tax legislation opens an opportunity for companies with high development costs to have the tax value of the calculated development costs paid out. In 2020 the tax credit regarding 2019 was accounted for and paid out (kSEK 4,062) and the amount receivable regarding 2020 is kSEK 5,444 as per end September.

FIXED ASSETS

Capitalized development costs relate to accumulated internal and external product development costs including costs for patent preparation and application. In the nine months period 2020 the capitalized development costs amounted to kSEK 10,292 (7,359), relating to continued development of device and capsules.

Goodwill concerning acquisition of subsidiary Qlife ApS amounted to kSEK 44,326 at the end of September 30, 2020 and is being depreciated over 5 years.

CURRENT ASSETS

Inventory increased in third quarter with kSEK 507 to kSEK 5,828 – consisting of parts and components for instruments and capsules.

Accounts receivables of kSEK 3,390 is related to the sales during third quarter.

Other receivables mainly consist of VAT reimbursement.

Cash and cash equivalents amounted to kSEK 20,354 (9,284) end of September 2020.

EQUITY

Qlife issued 4,472,600 units (4,472,600 shares and 4,472,600 warrants series TO1) through a new share issue in February 2020. Equity capital increased with kSEK 48,950 after issuance costs of kSEK 6,063, and net cash flow from the IPO amounted to kSEK 44,450 after netting of loans of kSEK 4,500.

Shareholder's equity is specified on page 20 – "Group – changes in equity"

DEBTS

Long term liabilities – kSEK 4,247 - consists of a development loan from Danish Growth Fund.

Short term liabilities consist of prepayments from customers for future deliveries of Egoo system, trade payables and accruals.

CASH FLOW

The total cash flow amounted to kSEK 16,266 (7,194) for the nine months period of 2020.

Cash flow from operations and changes in working capital amounted to kSEK -14,227 (-7,884).

Cash flow from investing activities amounted to kSEK -13,403 (-6,875) consisting of capitalized development costs kSEK -9,654 manufacturing equipment and lab equipment for the test center kSEK -3,749 and deducted with kSEK 2.641 received grant from the Danish Innovation Fund.

Qlife Holding raised in total kSEK 55,013 in the IPO in February. Three bridge loans were converted in the transaction. Costs for the IPO transaction amounted to kSEK 6,063 – net cash flow from IPO kSEK 44,450.

Cash and cash equivalents are specified on page 20 – "Group – Consolidated Cash Flow statement".

Financial comments Parent company

JULY – SEPTEMBER, Q3 2020

FINANCIAL RESULT

Revenue amounted to kSEK 175 in the period and consists of management fee from subsidiary.

Other external expenses consist of administrative costs.

Personnel costs consist of salary for a part time employee and board fees.

Net financial expenses are related to interest on loan to Qlife Aps.

Net loss for the period amounted to kSEK -248.

CASH FLOW

The total cash flow amounted to kSEK 158 in the third quarter of 2020.

JANUARY – SEPTEMBER 2020

FINANCIAL RESULT

Revenue amounted to kSEK 525 in the period and consists of management fee from subsidiary.

Other external expenses consist of one-off Nasdaq listing cost of app. kSEK 250, other IPO related costs and administrative costs.

Personnel costs consist of salary for a part time employee and Board fee.

Net financial expenses are related to interest on loan to Qlife Aps.

Net loss for the period amounted to kSEK -1,070.

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 36,544 regards loans to Qlife ApS.

Other receivables mainly consist of VAT reimbursement.

Cash and cash equivalents amounted to kSEK 10,786 end of September 2020.

EQUITY

Total equity amounted to kSEK 115,171 end of September 2020.

Shareholder's equity is specified on page 23 – "Parent company – changes in equity"

CASH FLOW

The total cash flow amounted to kSEK 10,006 for the nine months period of 2020.

Qlife Holding raised in total kSEK 55,013 in the IPO prior to listing at Nasdaq First North Growth Market. Three bridge loans – kSEK 4,500 – were converted in the transaction. Issuance costs amounted to kSEK 6,063. Loan to Qlife Aps amounts to kSEK 33,230 as per end September.

Cash and cash equivalents are specified on page 23 – "Parent company – Cash Flow statement".

Additional information

ACCOUNTING PRINCIPLES

Qlife Holding AB is preparing annual reports according to Annual Accounts Act and K3 accounting principles. Quarterly reports are prepared under the same principles.

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.

In the prospectus (page 18-20) available at Qlifes website, the risks which are considered to have greatest significance for Qlifes future development are described in more detail.

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STATEMENT BY THE BOARD OF DIRECTORS

The board of directors and CEO hereby affirm that the consolidated financial statements for the period January-September 2020 gives a true and fair view of result, operations and financial position in Qlife Holding AB and subsidiary Qlife ApS.

Helsingborg, November 18th, 2020

Mette Gross Chairman	John Moll Board member
Niklas Marschall Board member	Thomas Warthoe Board member, CEO

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

GROUP - CONSOLIDATED INCOME STATEMENT

kSEK	Jul-Sep, Q3 2020	Jul-Sep, Q3 2019*	Jan-Sep 2020	Jan-Sep 2019*
Revenue	5 062	714	11 628	714
Capitalized development costs	3 967	3 599	10 292	7 359
Total operating income	**9 029**	**4 313**	**21 920**	**8 073**
Operating expenses				
Raw materials and consumables	-437	-677	-2 154	-1 367
Other external expenses	- 7 293	-3 435	-16 994	-6 589
Personnel costs	-6 341	-2 799	-15 693	-7 154
Total Operating expenses	**-14 071**	**-6 912**	**-34 841**	**-15 110**
EBITDA	**-5 043**	**-2 599**	**-12 921**	**-7 037**
Amortization and depreciation	-3 021	-55	-8 648	-136
EBIT	**-8 063**	**-2 654**	**-21 569**	**-7 173**
Net financial income and expenses	-102	-442	-500	-442
Profit before tax	**-8 166**	**-3 095**	**-22 069**	**-7 615**
Tax	5 409	0	9 471	0
Net loss for the period	**-2 757**	**-3 095**	**-12 598**	**-7 615**
Earnings per share, before and after dilution - SEK	-0,25	-42,69	-1,22	-120,59
Weighted average number of shares in the period, before and after dilution	11 174 438	72 510	10 334 331	63 147
Total number of shares end of third quarter 2020	11 174 438		11 174 438	

* Qlife Holding AB was founded October 31st 2019 - the comparative figures adhere to figures from subsidiary Qlife ApS.

GROUP - CONSOLIDATED BALANCE SHEET

kSEK	Sep. 30, 2020	Sep. 30, 2019	Dec. 31, 2019
ASSETS			
Intangible fixed assets			
Capitalized development costs	25 072	12 656	15 190
Goodwill	44 326	0	52 467
Total Intangible fixed assets	**69 398**	**12 656**	**67 657**
Tangible fixed assets			
Manufacturing equipment and fixtures	4 302	654	1 047
Total Tangible fixed assets	**4 302**	**654**	**1 047**
Total fixed assets	**73 700**	**13 310**	**68 704**
Current assets			
Inventory	**5 828**	**1 019**	**2 277**
Receivables			
Accounts receivables	3 390	0	0
Other receivables	1 166	1 140	594
Tax receivables	5 444	0	0
Prepaid expenses and accrued income	1 156	367	977
Total receivables	**11 156**	**1 507**	**1 571**
Cash and cash equivalents	**20 354**	**9 284**	**4 044**
Total currents assets	**37 338**	**11 810**	**7 892**
TOTAL ASSETS	**111 038**	**25 120**	**76 596**

kSEK	Sep. 30, 2020	Sep. 30, 2019	Dec. 31, 2019
EQUITY and LIABILITIES			
Share Capital	894	123	536
Other equity	116 233	23 844	67 211
Retained earnings	-17 828	-8 347	-5 269
Total equity	**99 299**	**15 620**	**62 478**
Long term liabilities			
Loan from credit institution	4 247	4 311	4 190
Total long term liabilities	**4 247**	**4 311**	**4 190**
Short term liabilities			
Prepayments from customers	630	639	621
Accounts payables	2 050	963	2 163
Short term loans	0	3 246	5 291
Accrued expenses and deferred income	4 812	341	1 853
Total short term liabilities	**7 492**	**5 189**	**9 928**
Total liabilities	**11 739**	**9 500**	**14 118**
TOTAL EQUITY AND LIABILITIES	**111 038**	**25 120**	**76 596**

* Qlife Holding AB was founded October 31st 2019 - the comparative figures adhere to figures from subsidiary Qlife ApS.

GROUP - CONSOLIDATED CASH FLOW STATEMENT

kSEK	Jul-Sep, Q3 2020	Jul-Sep, Q3 2019	Jan-Sep 2020	Jan-Sep 2019*
Cash flow from operating activities				
Operating loss	-8 202	-3 095	-18 043	-7 615
Amortization and depreciation	2 821	217	8 648	136
Other non-cash adjustments	-31	-256	19	-185
Cash flow from operations before changes in working capital	**-5 412**	**-3 134**	**-9 376**	**-7 664**
Cash flow from changes in working capital				
Change in inventory	-445	-205	-3 521	-461
Change in receivables	-123	-576	-4 128	-1 018
Change in current payables	948	-537	2 798	1 259
Cash flow from operating activities	**-5 032**	**-4 452**	**-14 227**	**-7 884**
Cash flow from investing activities				
Investments in intangible assets	-4 020	-3 541	-9 654	-6 361
Investments in tangible assets	-2 678	-290	-3 749	-514
Cash flow from investing activities	**-6 698**	**-3 831**	**-13 403**	**-6 875**
Cash flow from financing activities				
Share issue	0	18 596	50 513	20 667
Issuance costs	0	-2 194	-6 063	-2 194
Changes in loans	16	441	-554	3 480
Cash flow from financing activities	**16**	**16 843**	**43 896**	**21 953**
Total Cash flow in period	**-11 714**	**8 560**	**16 266**	**7 194**
Cash and cash equivalents at the period start	31 808	778	4 044	1 967
Foreign exchange difference	260	-54	44	123
Cash and cash equivalents at the period end	**20 354**	**9 284**	**20 354**	**9 284**

GROUP - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

kSEK	Share capital	Other paid in capital	Retained earnings	Total shareholders equity
October 31, 2019				
Incorporation	50			**50**
In kind issue	486	67 488		**67 974**
Warrant programmes		96		**96**
Profit / Loss per December 31, 2019			-5 271	**-5 271**
Foreign exchange rate adjustment	0	0	-371	**-371**
Equity at December 31, 2019	**536**	**67 584**	**-5 642**	**62 478**
Share Issue	358	54 655		**55 013**
Issuance costs		-6 063		**-6 063**
Warrant programmes		57		**57**
Profit / Loss until September 2020			-12 598	**-12 598**
Foreign exchange rate adjustment			412	**412**
Equity at September 30, 2020	**894**	**116 233**	**-17 828**	**99 299**

PARENT COMPANY - INCOME STATEMENT

kSEK	Jul-Sep 2020, Q3	Jan-Sep 2020
Revenue	175	525
Other external costs	-259	-1 016
Personnel costs	-256	-665
Operating result	**-340**	**-1 156**
Net financial income and expenses	92	86
Loss before tax	**-248**	**-1 070**
Tax	0	0
Net loss for the period	**-248**	**-1 070**

PARENT COMPANY - BALANCE SHEET

kSEK	Sep. 30, 2020	Dec. 31, 2019
ASSETS		
Financial fixed assets		
Shares in subsidiary	68 024	68 024
Total financial fixed assets	**68 024**	**68 024**
Total fixed assets	**68 024**	**68 024**
Current assets		
Receivables		
Receivables from subsidiary	36 544	3 572
Other receivables	100	185
Prepaid expenses and accured income	45	593
Total receivables	**36 689**	**4 350**
Cash and cash equivalents	**10 786**	**780**
Total currents assets	**47 475**	**5 130**
TOTAL ASSETS	**115 499**	**73 154**

kSEK	Sep. 30, 2020	Dec. 31, 2019
EQUITY and LIABILITIES		
Equity	**115 171**	**67 233**
Short term liabilities		
Accounts payables	96	185
Accrued expenses and deferred income	232	5 736
Total short term liabilities	**328**	**5 921**
Total liabilities	**328**	**5 921**
TOTAL EQUITY AND LIABILITIES	**115 499**	**73 154**

PARENT COMPANY - STATEMENT OF CASH FLOW

kSEK	Jul-Sep 2020, Q3	Jan-Jun 2020
Cash flow from operating activities		
Operating profit	-248	-1 070
Other items	38	76
Cash flow from operations before change in working capital	**-210**	**-994**
Cash flow from working activities		
Change in receivables	175	633
Change in current payables	193	-62
Cash flow from working activities	**158**	**-423**
Cash flow from investing activities		
Loans to subsidiary	0	-33 230
Cash flow from investing activities	**0**	**-33 230**
Cash flow from financing activities		
Share issues	0	55 013
Issuance cots	0	-6 063
Changes in loans	0	-5 291
Cash flow from financing activities	**0**	**43 659**
Total cash flow in period	**158**	**10 006**
Cash and cash equivalents at period start	10 628	780
Cash and cash equivalents at period end	**10 786**	**10 786**

PARENT COMPANY - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

kSEK	Share capital	Share premium	Other paid in capital	Retained earnings	Total shareholders equity
October 31, 2019					
Incorporation	50				**50**
In kind issue	486			67 488	**67 974**
Warrant programmes			96	0	**96**
Profit / Loss per December 31, 2019				-887	**-887**
Equity at December 31, 2019	**536**	**0**	**96**	**66 601**	**67 233**
Share issue	358	54 655			**55 013**
Issuance cost		-6 063			**-6 063**
Warrant programme			58		**58**
Profit / Loss until September 30, 2020				-1 070	**-1 070**
Equity at September 30, 2020	**894**	**48 592**	**154**	**65 531**	**115 171**

Qlife

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