Qlife

INTERIM REPORT Q2

JANUARY - JUNE 2020

FINANCIAL CALENDAR

INTERIM REPORT THIRD QUARTER 2020	NOVEMBER 18TH, 2020
YEAR END REPORT	FEBRUARY 18, 2021
INTERIM REPORT FIRST QUARTER 2021	MAY 5, 2021
ANNUAL GENERAL MEETING 2021	MAY 5, 2021

SHAREHOLDER INFORMATION

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

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Extensive deliveries of COVID-19 tests

FINANCIAL SUMMARY – SECOND QUARTER 2020*

- Revenue in the period amounted to kSEK 6,181 (0) and is mainly related to sales to KMD regarding the agreement with Danish Football League to test players and staff for COVID-19.
- EBITDA for the period amounted to kSEK -2,146 (-2,563), and net loss kSEK -1,138 (-2,628).
- The total cash flow in the second quarter amounted to kSEK -5,774 (253).
- Shareholders equity as dilution of 30 June 2020 amounted to kSEK 101,775 (2,540).
- Earnings per share before/after dilution for the second quarter amounted to SEK -0,10 (-42,52), calculated on weighted average number of shares in the period.
- In May, Qlife applied for a tax credit of MDKK 2.8 under the Danish Tax credit scheme. The amount was paid out in cash in June 2020.

FINANCIAL SUMMARY – JANUARY – JUNE 2020*

- Revenue in the period amounted to kSEK 6,566 (0) whereof kSEK 385 is payment regarding the continued development collaboration with the cancer department at Herlev Hospital and kSEK 6,181 is mainly related to sales to KMD regarding the agreement with Danish Football League to test players and staff for COVID-19.
- EBITDA for the period amounted to kSEK -7,878 (-4,438) and net loss kSEK -9,841 (-4,520).
- 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 six months period amounted to kSEK 27,980 (-1,366).
- Earnings per share before/after dilution for the six months period amounted to SEK -0,99 (-75,37), calculated on weighted average number of shares in the period.
- In May, Qlife applied for a tax credit of MDKK 2.8 under the Danish Tax credit scheme. The amount was paid out in cash in June 2020.

SIGNIFICANT EVENTS – SECOND QUARTER 2020

- Henrik Ljung was hired as CFO in Qlife Holding AB.
- In coorporation with KMD, Qlife delivered testcapacity to Badminton Denmark to COVID-19 test all players in the final game of the Danish badminton tournament for clubs, RSL Final 4.
- KMD and Geelmuyden 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 will be delivered by Qlife.
- Qlife Holding AB held its Annual General Meeting 20 May 2020. The General Meeting decided to re-elect Board members Metter Gross, John Moll, Niklas Marschall and Thomas Warthoe. Mette Gross was re-elected as Chair 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 auditors.
- Qlife entered an agreement with Nordsjællands Hospital to start validation of COVID-19 test. The validation of the Egoo test happens real-time at the testing facility in an emergency setting and data is compared continuously.
- 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 have delivered the data infrastructure to secure testing of all players and staff prior to game start on 29th May and continued testing once a week during the remaining game weeks.
- It is the company's assessment, that effects of the COVID-19 pandemic will have limited impact on product development and regulatory approval processes, and no impact on manufacturing processes.

* (Comparative figures 2019 Qlife Aps)

SIGNIFICANT EVENTS – FIRST QUARTER 2020

- Qlife received CE-mark on the Egoo home system for professional use for its first biomarker capsule CRP/HB.
- Qlife Holding AB listed its shares and warrants at Nasdaq First North Growth Market, Stockholm, on March 2nd 2020.
- Qlife announced their strategic decision to develop the Egoo system's ability to perform both protein-based and molecular-based tests.
- Qlife entered a license and supply agreement with Aidian Oy focused on expanding the Egoo systems product portfolio with COVID-19 test.

SIGNIFICANT EVENTS AFTER END OF SECOND 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) an KD, several international COVID-19 contracts have been closed within professional cycling. Testing will be delivered as from August.

	Apr-Jun, Q2		Jan-Jun, Q1-Q2	
Group - Key figures - kSEK	2020	2019*	2020	2019*
Revenue	6 181	-	6 566	0
Total operating income	10 356	2 219	12 891	3 760
Total operating expenses	-12 503	-4 782	-20 770	-8 198
EBITDA	-2 146	-2 563	-7 878	-4 438
Total cash flow	-5 774	253	27 980	-1 366
Cash reserve	31 808	778	31 808	778
Shareholders' equity	101 775	2 540	101 775	2 540
Number of employees	23	9	23	9

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

A Second Quarter in the Time of Corona

As I reflect on the weeks past while writing this executive summary, the global infection rate of the coronavirus has jumped by a million in the last four days alone. Less than a month ago, when the western world began to re-open the countries from stages of lockdown, the global infection rate was 10 million cases. At present, it stands at 17 million and is likely to reach 20 million by the time this report is released. These are frightening numbers and yet they also confirm that the decision for Qlife to enter the coronavirus detection field is the right move. A decision that placed the company among those who successfully work with tackling the global pandemic. Though our initial efforts and opportunities were all focused in Denmark, we are now working abroad as well. The need for testing is worldwide and the practicality of decentralized testing is the simplest solution to the effective detection of disease. No country wants to go through rounds of shutting down societies as they did early March, but if the pandemic is not controlled, this can become a reality again. Thus, the demand for products and service that can detect corona infection early and prevent a potential hotspot is only growing.

Qlife has sold test capacity to a range of customers, urgently demanding testing with quick response times, a digital platform for test results, and at relatively high volumes with short notice. Our customers are mainly within sports and events, typically customers who wishes to continue business safely and to offer participants a smooth and efficient testing solution.

Qlife´s organization understands the urgency of this demand and we are working at maximum capacity to deliver on all levels of our operation. During the second quarter, new processes and people within logistics and lab analysis were introduced to ensure timely delivery and quality of test results. I am proud of my growing organization, which is responding to the shifting demands and always operating with product quality and customer service as a primary focus.

Irrespective of the opportunities, let me affirm that Qlife's primary focus continues to be the introduction of our core product; the Egoo.Health platform, in the shortest possible time frame. Earlier this year, we took the opportunity to provide high volume testing for the coronavirus on our multi-sample device (big Egoo) that tests up to 100 samples per run. Following this path provided us with new customers and gave us quick access to volume data to validate our technology. Our capacity on this multi-processing device is so impressive that, with just two of them and a small robotic pipettor to handle sample processing; from swab to tray to machine, we can run 200 samples/results per hour. This is arguably faster than any commercial system on the market currently that we know of. With a sensitivity and specificity of >95% and detection resolution down to 25 copies of the virus, we believe, we are a serious contender in this new marketplace.

As we move forward, having established ourselves as a company with a technology that can provide testing results for the corona virus with the shortest possible time, we are continuing our efforts for validation of the corona reagents on the little Egoo device. We are expecting CE-mark in October 2020, and many of our contracts wants to complement or migrate the testing onto our platform, for immediate onsite results.

We have been fortunate to work with the Danish Infectious Disease Agency (SSI) where we generated part of our validation data for the SIBA amplification reagents. Despite the spread of this pandemic, access to corona-positive human samples has proven to be a limiting factor, but probably the most important component for the validation protocol. This has been critical for our ability to continually generate data to support our regulatory filings.

Simultaneously, we continue our efforts with our clinical partner at Nordsjællands Hospital, and we expect to see demand from other hospitals clinical- and acute departments for rapid PoC and multi-sample testing devices, as we continue to roll out our system.

We know that the demand for our product is existing and growing, thus the question that remains is how to meet this need. Qlife's future depends on its ability to scale up the manufacturing of its instruments and consumables. It is important to reach our revenue projections to support our operations.

While scaling manufacturing of the sophisticated Egoo device we need to ensure high quality product components and assembling processes. This is a larger task than it appears as it requires optimization at each stage, with continued testing, validation, and re-optimization before the product is deemed stable enough to guarantee an appropriate lifetime. This task is complex in the Egoo device, where the miniaturization has required the use of components that are smaller than hearing aid components. We have spent the past 18 months optimizing manufacturing of components/parts, especially the sub-assemblies that are produced at sub-suppliers, where we are dependent on their performance and their ability to reliably manufacture a high-quality product. Our ability to manage supplier relationship, has given us an edge, and this continues to be a critical yet unavoidable part of our journey to scale up manufacturing. At present the company is planning for three stages of manufacturing volume to be implemented over the next 36 months or sooner.

1. Low volume manufacturing: 15-50 instrument units per week

2. Mid volume manufacturing: 50-200 instrument units per week

3. High volume manufacturing: 200-500 instrument units per week

Our manufacturing focus is currently on finalizing all parts in high quality molds and to manage sub-suppliers to secure quality deliveries. By October 2020, we plan to release the low volume manufacturing, and to operate on this level for the coming six months. This experience will help us to transition to the mid-volume manufacturing stage to be reached during the second quarter of next year. Focus during the mid-volume stage will be on automating certain key assemblies to continue to increase output.

We are working diligently to reach high volume manufacturing with continued automation, and robotic production as soon as possible, that will position our platform as the preferred and chosen method for self-testing of clinical-grade biomarkers.

Our strategic IT partner in Qlife, KMD, offers a fresh perspective to a mutually beneficial partnership. KMD understands and appreciates the innovative business model we have embarked upon and is very supportive in testing new business models to reach customers in innovative ways. KMD has a strong presence in Denmark within municipality health management system through their broad reaching IT systems. They were an appreciated operational partner prior to the corona pandemic, and in the second quarter, this relationship has further strengthened as we have closed several important contracts together with more to come. We have worked on capitalizing the need for innovative solutions that reach beyond the public offering of corona virus testing capacity. This relationship is in early stages of fulfilling contracts within sports where the need for testing was immediate, but we are looking at more fundamental approaches to testing of people, health personnel in all the areas where KMD is present. We expect that during second half of 2020 our relationship with KMD will advance to stages where we can leverage our individual and joint competencies.

As we improve our manufacturing capacity to support the roll-out of our product, we will evolve our sales channels and efforts by positioning the product in all the identified market segments. We will establish strategic sales and distribution partnership with the right sales channels. To lead this effort, we welcome Jakob Broberg Lind, who will join us as the new director of sales in September. We expect dynamic changes with his leadership and immediate impact through his sales and planning activities.

On the regulatory side, we continue to work closely with our notified body to fulfil all requirement to maintain our ISO certification. We went through the yearly ISO 13485 audit in May and look forward to submitting a dossier for home use CE marking. The notified bodies all over the EU are extremely pressured with the workload from requirements under the new MDR and IVDR that come into force in 2022. Qlife expects to be allowed to submit our first CE-mark home use dossier this autumn and we anticipate an approval subject to the processing time that the notified bodies incur at that time.

The company is currently processing assay development related to several assays, including Hb/CRP (home use), Sars-CoV-2, IgG/IgM, ALAT and PHE. This is already a significant portfolio and with our entry into the molecular field, there are several complementary assays to pursue especially related to infectious diseases testing. Authorities in major countries have already indicated that differential testing to distinguish Sars-CoV-2 vs. Influenza virus detection is of high priority as we approach the flu season and an unresolved corona pandemic.

Finalizing our PHE assay is of high priority for us. The PKU community has been waiting very patiently for the industry to deliver a home monitoring device that can alleviate the blood hassle that these, mostly children and teenagers live with. The company was in many ways created on a commitment to deliver such a system. We are currently hiring assay biochemists to upscale our efforts and we plan to generate comparison data on the PHE assay in the autumn in collaboration with our key PKU society partners in Denmark, Holland and in the US, and shortly thereafter start a clinical protocol. Technically and scientifically the system is ready to proceed to the next level, which is indeed to start generating the necessary technical data and dossier to place it on the market in the shortest possible timeframe.

At Herlev Hospital our clinical project related to cancer patients have seen some delay due to corona restrictions at the hospital and challenges in our ALAT assay development. We expect to have a new format for the ALAT assay ready during the autumn and we expect the project to be re-ignited early next year.

Rounding up impressions from a hectic quarter, the market for home testing of various biomarkers before the corona virus was an interesting yet only emerging market. After this pandemic, more and more segments are looking for decentralized testing and monitoring solutions, within healthcare, chronical patient care, elderly homes, airports, private companies and many more. Though these are challenging times for people all over the world we realize the dire need to detect, test and report virus, bacterium, pathogen, and many other nucleic acid-based biomarkers in the shortest possible time. As a result, the fundamentals of Qlife´s business model is not only looking stronger, it is essential for the health of the global community.

Thomas Warthoe - CEO Qlife Holding AB


Thomas Warthoe

Strategy

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

The company business model is the sale of an instrument and adjacent disposable test capsules. A further part of the business model relates to data management, storage and optionally the application of advanced AI software.

The company is planning initially to launch into well-defined market segments relating to clinical and chronical health applications, where the need for regular home monitoring is high. The system is thus initially intended for use by patients who require monitoring on a regular basis.

Recently, with the arrival of the corona virus pandemic the company has added molecular testing 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 minutes with less than a minute of preparatory hands-on time.

Market launch is planned first in the Nordic countries, followed by Europe.

Over time the company expects to migrate the use of the system towards consumer markets adressing an increasing demand for personal diagnostic solutions to proactively monitor health indicators.

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 consists of 19 people on a mission to make clinical-grade diagnostic testing easier, smarter and better 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 5-20 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.

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 validating a CRP test within a cancer field and within rheumatoid arthritis. A clinical trial is being run at Herlev Hospital - one of the main hospitals in Denmark - where cancer patients self-test at home to reduce visits to the hospital.

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 validating our Hemoglobin test in the Herlev Hospital trial. 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 minutes.

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 will be validating the ALAT test together with CRP and Hb at the clinical trial at Herlev Hospital. Cancer patients are often receiving heavy medication and it is in this regard always necessary to survey the liver's condition.

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 done 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.

UPCOMING PIPELINE

There are many other biomarker opportunities where Qlife already has done initial research and confirmed the compatibility with the system. Lately, the corona crisis has emphasized a potentially quite sizeable opportunity in the viruses and bacteria market.

Qlife is continuously monitoring biomarker opportunities and remain in close contact with hospitals and patient organizations, to evaluate and prioritize pipeline projects.
For further information on our pipeline please go to our website.

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 June 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 June 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 June 30, 2020, according to public nominee register of shareholders register from Euroclear.

Shareholder	Shares	Percent
BNY Mellon SA/NV, Belgium	4,921,985	44.0%
Nordnet Pensionsförsäkring	595,566	5.3%
Försäkringsbolaget Avanza Pension	577,967	5.2%
KMD Ventures A/S	219,804	2.0%
Jimmie Landerman	144,427	1.3%
Morgan Stanley	130,794	1.2%
Mona Fröström	119,500	1.1%
Leif Jonsson	115,000	1.0%
John Andersson Moll	103,374	0.9%
Deutsche Bank AG, London	70,353	0.6%
Others	4,175,668	37.4%
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, Q2

APRIL – JUNE, Q2 2020

FINANCIAL RESULT

Revenue in the period amounted to kSEK 6,181 (0) mainly consists of income from COVID-19 testing of players and staff in the Danish Football League.

Capitalized development costs increased to kSEK 4,175 (2 219) which continue to reflect the significantly increased development activities.

Raw materials and consumables amounted to kSEK 687 (391), which is mainly costs for components and parts for device and capsules.

Other external expenses amounted to kSEK 6,233 (1,897) of which administrative costs of Qlife Holding AB of app. kSEK 220. Increased other external expenses in Qlife Aps mainly regards external development costs, offices, travel and IT. Total expenses related to COVID-19 testing amounted to kSEK 1 586.

Personnel costs for the period amounted to kSEK 5,583 (2,495) reflecting the larger organization. As per 30 June 2019 Qlife Aps had 9 employees, and as per 31 June 2020 Qlife Group had 23 employees, with added headcount in regulatory, production, development and communication.

Amortization on goodwill amounted to kSEK 2,713 (0) and depreciation on equipment kSEK 134 (52).

Operating loss for the period amounted to kSEK -4,994 (-2,615) and net loss kSEK -1,138 (-2,628).

The tax amount of 4,062 consists of a "Tax Credit". The Danish tax legislation opens an opportunity for companies with high development costs to have the tax value of the calculated development costs paid in based on previous fiscal year (2019).

CASH FLOW

The total cash flow amounted to kSEK -5,774 (253) in the second quarter of 2020.

Cash flow from operations and changes in working capital amounted to kSEK -1,090 (-3,209).

Cash flow from investing activities amounted to kSEK 4,905 (1 381) consisting of capitalized development costs kSEK -4,084 (-1,186), manufacturing equipment kSEK -821 (-195).

Financial comments Group, Q1-Q2

JANUARY – JUNE 2020

FINANCIAL RESULT

Revenue in the period amounted to kSEK 6,566 (0) whereof kSEK 385 is payment regarding the continued development collaboration with the cancer department at Herlev Hospital and kSEK 6,181 is related to income from COVID-19 testing.

Capitalized development costs increased to kSEK 6,325 (3,760) which reflects the significantly increased development activities.

Raw materials and consumables amounted to kSEK 1,717 (690), which is mainly costs for components and parts for device and capsules.

Other external expenses amounted to kSEK 9,701 (3,154) 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 757. Increased other external expenses in Qlife Aps mainly regards external development costs, offices, travel and IT.

Personnel costs for the period amounted to kSEK 9,352 (4,355) reflecting the larger organization.

Amortization on goodwill amounted to kSEK 5,427 (0) and depreciation on equipment kSEK 200 (81).

Financial costs in the period regards interest for bridge loans and a founder's loan. The loans were netted with shares in the IPO or repaid during the first quarter 2020. Operating profit for the period amounted to kSEK -7,878 (-4,438) and net profit kSEK -9,841 (-4,520).

The tax amount of 4,062 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 based on previous fiscal year (2019).

FIXED ASSETS

Capitalized development costs relate to accumulated internal and external product development costs including costs for patent preparation and application. In the first six months period 2020 the capitalized development costs amounted to kSEK 6,325 (3,760), relating to continued development of device and capsules.

Goodwill concerning acquisition of subsidiary Qlife ApS amounted to kSEK 47,040 at the end of June 30, 2020 and is being depreciated over 5 years.

CURRENT ASSETS

Inventory increased in second quarter with kSEK 1,817 to kSEK 5,321 – consisting of parts and components for instruments and capsules.

Accounts receivables of kSEK 4,021 is related to the sales during second quarter.

Other receivables mainly consist of VAT reimbursement.

Cash and cash equivalents amounted to kSEK 31 808 (778) end of June 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 17 – "Group – changes in equity"

DEBTS

Long term liabilities – kSEK 4,219 - 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 27,980 for the six months period of 2020.

Cash flow from operations and changes in working capital amounted to kSEK -9,195 (-3,432).

Cash flow from investing activities amounted to kSEK -6,705 (-3,044) consisting of capitalized development costs kSEK -5,634, manufacturing equipment kSEK -1,071, 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. Changes in loans of kSEK 221 is related to exchange rates.

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

Financial comments Parent company

APRIL – MARCH, Q2 2020

FINANCIAL RESULT

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

Other external expenses consist administrative costs.

Personnel costs consist of salary for a part time employee.

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

Net loss for the period amounted to kSEK -171.

CASH FLOW

The total cash flow amounted to kSEK -20,105 in the second quarter of 2020.

During the second quarter Qlife Holding provided loans to Qlife Aps of kSEK 21,206.

JANUARY – JUNE 2020

FINANCIAL RESULT

Revenue amounted to kSEK 350 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.

Net financial expenses regarding interest on short term bridge loans, which were converted in connection to IPO.

Net loss for the period amounted to kSEK -822.

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 36,452 regards loans to Qlife ApS.

Other receivables mainly consist of VAT reimbursement.

Cash and cash equivalents amounted to kSEK 10,628 end of June 2020.

EQUITY

Total equity amounted to kSEK 115,399 end of June 2020.

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

CASH FLOW

The total cash flow amounted to kSEK 9,848 for the six month 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 and Qlife Holding AB transferred kSEK 12,024 to Qlife ApS in first quarter.

During the second quarter the loan to Qlife Aps increased by kSEK 21,206 and amounted total to kSEK 33,230.

Cash and cash equivalents are specified on page 20 – "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 17-19) available at Qlifes website, the risks which are considered to have greatest significance for Qlifes future development are described in more detail.

CONTACT INFORMATION

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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-June 2020 gives a true and fair view of result, operations and financial position in Qlife Holding AB and subsidiary Qlife ApS.

Helsingborg, August 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	Apr-Jun, Q2 2020	Apr-Jun, Q2 2019*	Jan-Jun 2020	Jan-Jun 2019*
Revenue	6 181	-	6 566	0
Capitalized development costs	4 175	2 219	6 325	3 760
Total operating income	**10 356**	**2 219**	**12 891**	**3 760**
Operating expenses				
Raw materials and consumables	-687	-391	-1 717	-690
Other external expenses	-6 233	-1 897	-9 701	-3 154
Personnel costs	-5 583	-2 495	-9 352	-4 355
Total operating expenses	**-12 503**	**-4 782**	**-20 770**	**-8 198**
EBITDA	**-2 146**	**-2 563**	**-7 878**	**-4 438**
Depreciation	-2 847	-52	-5 627	-81
EBIT	**-4 994**	**-2 615**	**-13 506**	**-4 519**
Net financial income and expenses	-207	-12	-398	0
Profit before tax	**-5 200**	**-2 628**	**-13 903**	**-4 520**
Tax	4 062	0	4 062	0
Net loss for the period	**-1 138**	**-2 628**	**-9 841**	**-4 520**
Earnings per share before and after dilution - SEK	-0,10	-42,52	-0,99	-75,37
Weighted average number of shares in the period, before/after dilution	11 174 438	61 803	9 904 942	59 966
Total number of shares end of second 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	June 30, 2020	June 30, 2019*	Dec. 31, 2019
ASSETS			
Intangible fixed assets			
Capitalized development costs	20 880	10 240	15 190
Goodwill	47 040	0	52 467
Total Intangible fixed assets	**67 920**	**10 240**	**67 657**
Tangible fixed assets			
Manufacturing equipment and fixtures	1 911	427	1 047
Total Tangible fixed assets	**1 911**	**427**	**1 047**
Total fixed assets	**69 831**	**10 667**	**68 704**
Current assets			
Inventory	**5 321**	**1 126**	**2 277**
Receivables			
Accounts receivables	4 021	-	-
Other receivables	-	17	594
Prepaid expenses and accrued income	1 495	0	977
Total receivables	**5 516**	**17**	**1 571**
Cash and cash equivalents	**31 808**	**778**	**4 044**
Total currents assets	**42 645**	**1 921**	**7 892**
TOTAL ASSETS	**112 476**	**12 588**	**76 596**

kSEK	June 30, 2020	June 30, 2019	Dec. 31, 2019
EQUITY and LIABILITIES			
Share Capital	894	89	536
Other equity	116 192	6 971	67 211
Retained earnings	-15 311	-4 520	-5 269
Total equity	**101 775**	**2 540**	**62 478**
Long term liabilities			
Loan from credit institution	4 219	4 244	4 190
Total long term liabilities	**4 219**	**4 244**	**4 190**
Short term liabilities			
Prepayments from customers	625	629	621
Accounts payables	2 304	1 742	2 163
Short term loans	0	2 986	5 291
Accrued expenses and deferred income	3 553	447	1 853
Total short term liabilities	**6 482**	**5 804**	**9 928**
Total liabilities	**10 701**	**10 048**	**14 118**
TOTAL EQUITY AND LIABILITIES	**112 476**	**12 588**	**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	Apr-Jun, Q2 2020	Apr-Jun, Q2 2019	Jan-Jun 2020	Jan-Jun 2019*
Cash flow from operating activities				
Operating loss	-1 137	-2 627	-9 841	-4 520
Amortization and depreciation	3 047	-110	5 827	-81
Other non-cash adjustments	34	0	50	71
Cash flow from operations before changes in working capital	**1 944**	**-2 737**	**-3 964**	**-4 530**
Cash flow from changes in working capital				
Change in inventory	-2 032	-111	-3 076	-256
Change in receivables	-3 277	61	-4 005	-442
Change in current payables	2 275	-422	1 850	1 796
Cash flow from operating activities	**-1 090**	**-3 209**	**-9 195**	**-3 432**
Cash flow from investing activities				
Investments in intangible assets	-4 084	-1 186	-5 634	-2 820
Investments in tangible assets	-821	-195	-1 071	-224
Cash flow from investing activities	**-4 905**	**-1 381**	**-6 705**	**-3 044**
Cash flow from financing activities				
Share issue	0	2 071	50 513	2 071
Issuance costs	0	0	-6 063	
Changes in loans	221	2 772	-570	3 039
Cash flow from financing activities	**221**	**4 843**	**43 880**	**5 110**
Total Cash flow in period	**-5 774**	**253**	**27 980**	**-1 366**
Cash and cash equivalents at the period start	38 175	389	4 044	1 967
Foreign exchange difference	-593	136	-216	177
Cash and cash equivalents at the period end	**31 808**	**778**	**31 808**	**778**

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**
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		16		**16**
Loss until June 2020			-9 841	**-9 841**
Foreign exchange rate adjustment			172	**172**
Equity at June 30, 2020	**894**	**116 192**	**-15 311**	**101 775**

PARENT COMPANY - INCOME STATEMENT

kSEK	Apr-Jun 2020, Q2	Jan-Jun 2020
Revenue	175	350
Other external costs	-224	-757
Personnel costs	-173	-409
Operating result	**-222**	**-816**
Net financial income and expenses	51	-6
Loss before tax	**-171**	**-822**
Tax	0	0
Net loss for the period	**-171**	**-822**

PARENT COMPANY - BALANCE SHEET

kSEK	June 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	36 452	3 572
Other receivables	404	185
Prepaid expenses and accured income	91	593
Total receivables	**36 947**	**4 350**
Cash and cash equivalents	**10 628**	**780**
Total currents assets	**47 575**	**5 130**
TOTAL ASSETS	**115 599**	**73 154**

kSEK	June 30, 2020	Dec. 31, 2019
EQUITY and LIABILITIES		
Equity	**115 399**	**67 233**
Short term liabilities		
Accounts payables	127	185
Accrued expenses and deferred income	73	5 736
Total short term liabilities	**200**	**5 921**
Total liabilities	**200**	**5 921**
TOTAL EQUITY AND LIABILITIES	**115 599**	**73 154**

PARENT COMPANY - STATEMENT OF CASH FLOW

kSEK	Apr-Jun 2020, Q2	Jan-Jun 2020
Cash flow from operating activities		
Operating loss	-171	-822
Other items	22	38
Cash flow from operations before change in working capital	**-149**	**-784**
Cash flow from working activities		
Change in receivables	1 082	458
Change in current payables	168	-255
Cash flow from working activities	**1 101**	**-581**
Cash flow from investing activities		
Loans to subsidiary	-21 206	-33 230
Cash flow from investing activities	**-21 206**	**-33 230**
Cash flow from financing activities		
Share issues	0	55 013
Issuance cost	0	-6 063
Changes in loans	0	-5 291
Cash flow from financing activities	**0**	**43 659**
Total cash flow in period	**-20 105**	**9 848**
Cash and cash equivalents at period start	30 733	780
Cash and cash equivalents at period end	**10 628**	**10 628**

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**
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 programmes			38		**38**
Loss until June 30 2020				-822	**-822**
Equity at June 30, 2020	**894**	**48 592**	**134**	**65 779**	**115 399**

Qlife

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