

YEAR-END REPORT 1 JANUARY – 31 DECEMBER 2019

Q-linea signs global partnership with Thermo Fisher Scientific for commercialization of ASTar intensifies ahead of ASTar launch

Fourth quarter, 1 October–31 December 2019

- Net sales amounted to SEK 0.0 million (0.3).
- The operating result totalled SEK -62.1 million (-39.0).
- The result for the period amounted to SEK -62.0 million (-39.4).
- Earnings per share before and after dilution amounted to SEK -2.71 (-2.33).
- Cash flow from operating activities totalled SEK -52.1 million (-37.4).

Period, 1 January–31 December 2019

- Net sales amounted to SEK 1.0 million (1.1).
- The operating result totalled SEK -179.1 million (-127.4).
- The result for the period amounted to SEK -177.4 million (-128.4).
- Earnings per share before and after dilution amounted to SEK -7.74 (-8.82).
- Cash flow from operating activities totalled SEK -169.8 million (-122.7).
- At 31 December 2019, cash and cash equivalents amounted to SEK 26.0 million (354.4), short-term investments in fixed-income funds and the current portion of long-term bonds to SEK 180.5 million (150.0) and investments in listed bonds to SEK 121.0 million (0).

Significant events

in the fourth quarter of 2019

- The start date for the company's clinical studies was postponed from the first quarter to the second half of 2020.
- Q-linea received a positive response from the US Food and Drug Administration (FDA) regarding the design of the company's planned study in the US.

after the end of the period

- Q-linea signs global partnership with Thermo Fisher Scientific for commercialization of ASTar.

Comments by the CEO

Q-linea signs global partnership with Thermo Fisher Scientific for commercialization of ASTar

We are pleased to present an important commercial milestone for both companies. The interest in commercializing ASTar[®] has been very strong from a number of global companies. We are thrilled to be working with Thermo Fisher and especially appreciate their global reach. We share a common market view and agree on how infection diagnostics can be improved.

Thermo Fisher Scientific[™] will have the exclusive right to offer ASTar to the market in all geographies, with the exception that Q-linea can co-market in the Swedish market. The partnership is exclusive to both companies regarding fast AST testing. The two companies will work closely together to provide customers with a comprehensive AST portfolio.

Together with our sub-supplier, we also made good progress in solving the component problem that was identified at the beginning of the quarter. On top of this, our entire production team has been working diligently to prepare for our move to new product premises on Palmbladsgatan in Uppsala. We also found time to take part in important conferences, anchor our health economics studies and continue preparing for our regulatory studies.

The company is developing according to plan, and we were able to strengthen our team during the quarter through the addition of Q-linea's first official service technicians. The goal is to have a service organisation in place in ample time before the launch to give the organisation time to be fully prepared to assist our customers. In the autumn, we strengthened our commercial organisation, and while the marketing team will continue to grow according to plan, it is now ready to begin serving customers as planned.

In November, we exhibited at the Federation of Infection Societies Conference (FIS) in Edinburgh. The UK is far more advanced in terms of infection diagnostics and antimicrobial resistance, and the positive feedback that we received, particularly on our comprehensive antibiotics panel, will be invaluable on the road ahead.

In October, we noted that there was an issue with an important component from a third-party manufacturer. In collaboration with the supplier, we were able to quickly identify and complete the minor modifications and improvements that were required. We have now thoroughly tested the solution on several systems that subsequently operated for two months without any issue. Additional systems are on their way for verification testing. We would, however, like to see a number of additional systems that have operated without any issue for at least one month at our new microbiology lab—thereby recreating the same conditions as would exist at the customer's site—before we can dismiss the issue entirely, but the status looks undeniably positive.

The CE marking process of ASTar continues and our clinical studies are expected to begin during the second half of 2020 as previously announced. During the quarter, tests were carried out on ASTar, such as electrical safety and electromagnetic compatibility (EMC) testing, resulting in more than satisfactory results.

We are entering 2020 with high momentum and important goals. We are looking forward to the European Congress of Clinical Microbiology & Infectious Diseases (ECCMID) in Paris and the chance to, alongside our commercial partner, unveil ASTar to the market. Our clinical and health economics studies will commence during the year. We will present ASTar to the market and the work ahead of launch are scheduled to begin in conjunction with ECCMID. It will truly be an exciting year and I look forward to the journey ahead alongside all of you.

Uppsala, February 2020,

Jonas Jarvius, President

This report has been prepared in a Swedish original and an English translation. In the event of any discrepancies between the two, the Swedish version is to apply.

Presentation

Q-linea invites investors, analysts and the media to an audiocast and teleconference (in English) today, 13 February, at 1:30 to 2:30 p.m. (CET). President Jonas Jarvius and CFO Anders Lundin will present Q-linea, comment on the interim report for the January to December 2019 period and respond to questions.

Webcast: <https://tv.streamfabriken.com/q-linea-q4-2019>

Telephone number for the teleconference: SE: +46850558351 UK: +443333009273 US: +18335268380

Upcoming reporting dates

Week of 13 April 2020	Annual Report 2019	January to December 2019
7 May 2020	Interim report, Q1	January to March 2020
26 May 2020	Annual General Meeting	
16 July 2020	Interim report, Q2	January to June 2020
5 November 2020	Interim report, Q3	January to September 2020

About the company

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This information is information that Q-linea AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 13 February 2020 at 7:30 a.m. (CET).

About Q-linea

Q-linea is an innovative research, development and manufacturing company that primarily develops instruments and disposables for rapid and reliable infection diagnostics. Q-linea's vision is to help save lives by ensuring antibiotics continue to be an effective treatment for future generations. Q-linea develops and delivers preferred solutions for healthcare providers, enabling them to accurately diagnose and treat infectious disease in the shortest possible time. The company's lead product ASTar™ is a fully automated instrument for antibiotic susceptibility testing (AST), giving a susceptibility profile within six hours directly from a positive blood culture. For more information, please visit www.qlinea.com.