

INTERIM REPORT 1 JANUARY – 31 MARCH 2020

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

First quarter, 1 January –31 March 2020

- Net sales amounted to SEK 0.2 million (0.4).
- The operating result totalled SEK -55.9 million (-36.7).
- The result for the period amounted to SEK -56.0 million (-36.3).
- Earnings per share before and after dilution amounted to SEK -2.44 (-1.59).
- Cash flow from operating activities totalled SEK -59.1 million (-41.0).
- At 31 March 2020, cash and cash equivalents amounted to SEK 28.3 million (26.0). Short-term investments in fixed-income funds totalled SEK 89.8 million (150.4), short-term portions of listed corporate bonds SEK 27.9 million (30.1) and long-term investments in listed corporate bonds amounted to SEK 115.2 million (121.0).

Significant events

in the first quarter of 2020

- Q-linea signs global partnership agreement with Thermo Fisher Scientific for the commercialisation of ASTar
- On account of the coronavirus pandemic, the company has taken action to protect our employees and has taken our social responsibility, while we are at the same time striving to minimise any adverse impact on operations.

after the end of the period

- Q-linea is planning to unveil ASTar to the market in digital form at a later date, given that the European Congress of Clinical Microbiology & Infectious Diseases (ECCMID) was cancelled due to the coronavirus pandemic.

Comments by the CEO

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

The first quarter of 2020 was one of the most eventful in Q-linea's history. The most important event was, of course, the signing of a global partnership agreement with Thermo Fisher Scientific™ for the commercialisation of ASTar®. We also moved to new production premises on Palmbladsgatan in Uppsala, where we have now begun to produce consumables. During the quarter, we solved the component problems that arose at the end of last year, which is naturally very positive. ASTar is now undergoing verification testing ahead of a future clinical study.

Our exclusive worldwide partnership with Thermo Fisher Scientific for the commercialisation of ASTar is our most important commercial milestone to date. A number of global companies showed strong interest in commercialising ASTar and we are very pleased to be collaborating with Thermo Fisher Scientific. We are particularly pleased with the company's global reach and share their view of the market and how infection diagnostics can be improved.

Thermo Fisher Scientific will have exclusive rights to offer ASTar to the market in all geographic areas, with the exception of the Swedish market where we also can market ASTar. Despite the challenges of the coronavirus pandemic, for example in the form of digital meetings instead of physical, the collaboration has begun well.

The coronavirus pandemic has naturally affected the mood at Q-linea, but we have thankfully been spared most of the direct and indirect effects of the pandemic. We have taken action to protect our employees and have taken our social responsibility, while we are at the same time striving to minimise any adverse impact on operations. The situation may, of course, change in the future but we are currently cautiously positive.

In 2019, we took the strategic decision to relocate all plastic component production for our consumables to Sweden. If we had not taken control of our procurement and production from abroad, we may have been left with no components at this sensitive time. In conjunction with this strategic shift, we decided to establish an internal production and assembly facility for disposables. This has now been inaugurated in our new premises on Palmbladsgatan in Uppsala, which feels very positive for the future.

Our clinical study is progressing as planned. This may change, but our clinical partner remains confident that the study will start. A large share of the study will be conducted on isolates internally by the company and is not dependent on patient material, which has partially reduced the risk of possible delays. We are holding very positive talks with other clinical partners should we need to conduct the study at several laboratories to keep to the timetable.

The issue detected with an important component from a third-party manufacturer in October last year was resolved during the quarter. In collaboration with the component manufacturer, we quickly identified and completed the minor modifications and improvements that were required. The solution has now been tested since November and this component has operated without any issue. A number of the systems were also used in our new microbiology laboratory, in other words, in the same environment as at customers' sites, without encountering any problems with the component.

In summary, I am proud to look back on one of Q-linea's strongest and most intensive quarters. However, we have no plans to rest on our laurels. We must now work just as hard towards the market launch of ASTar. In these turbulent times, we have an enormous strength in our global partner Thermo Fisher Scientific. We are looking forward to the joint launch – which is a value-creating move for us, for healthcare and for patients and therefore also for our shareholders.

Uppsala, May 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, 7 May, at 1:00 to 2:00 p.m. (CEST). President Jonas Jarvius and CFO Anders Lundin will present Q-linea, comment on the interim report for the January to March 2020 period and respond to questions.

Webcast: <https://tv.streamfabriken.com/q-linea-q1-2020>

Telephone number for the teleconference: SE: +46850558352 UK: +443333009261 US: +18332498403

Upcoming reporting dates

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 7 May 2020 at 7:30 a.m. CEST.

About Q-linea

Q-linea is an innovative infection diagnostics 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.