

An intensive start to 2021

First quarter: 1 January–31 March 2021

- Net sales amounted to SEK 0.0 million (0.2).
- The operating result totalled SEK -63.8 million (-55.9).
- The result for the period amounted to SEK -63.2 million (-56.0).
- Earnings per share before and after dilution amounted to SEK -2.34 (-2.44).
- Cash flow from operating activities totalled SEK -56.1 million (-59.1).
- At 31 March 2021, cash and cash equivalents totalled SEK 12.5 million (10.1). Short-term investments in fixed-income funds amounted to SEK 106.1 million (165.7), short-term components of listed corporate bonds to SEK 82.6 million (131.0) and long-term investments in listed corporate bonds to SEK 73.0 million (24.4).

Significant events

in the first quarter of 2021

- Q-linea received its first order for ASTar® from the Company's global sales partner Thermo Fisher Scientific, valued at over SEK 8 million. The order included a pre-payment for a binding order for the next six months.
- The Company contracted Thermo Fisher Scientific as the first site to participate in the Company's US clinical study for ASTar.
- Q-linea presented very good interim results from the pivotal European trial for antibiotic susceptibility system ASTar.

after the end of the period

- Q-linea achieves CE-IVD approval for ASTar with very strong study results and can now commercialize ASTar in Europe together with its partner Thermo Fisher Scientific.

An intensive start to 2021



Q-linea achieved a number of important milestones during the quarter: we received our first ASTar order, we presented very good interim results from our pivotal European trial and we contracted Thermo Fisher Scientific as the first site to participate in our US study. The quarter was also dominated by preparations for the European launch.

The first quarter marked a highly intensive phase of launch preparations for us and our global sales partner, Thermo Fisher Scientific. Commercial launch will take place when the clinical study is finalised and ASTar receives CE-IVD approval. We have trained our sales and service personnel and prepared sales materials.

Thermo Fisher Scientific has shown considerable interest in training and preparations among both its sales and service organisations. For everyone at Q-linea, it fills us with enthusiasm to see Thermo Fisher Scientific's dedication. However, we will truly be put to the test when ASTar reaches the end customer. The positive feedback we have received and the interest shown in our product are an important encouragement that bodes well for the commercial launch and reinforces the positive atmosphere at Q-linea.

Together with Thermo Fisher Scientific, we expect the launch to take place in several stages, with the first half of the year spent essentially hand-picking customers to carry out thorough evaluations, enabling us to definitively ensure that the ASTar system delivers a first-rate performance. Only then can we pick up the pace. Both Thermo Fisher Scientific and Q-linea anticipate healthy growth for ASTar and are aiming for a long-term, successful and strong expansion after the initial controlled launch phase.

Thermo Fisher Scientific's strong belief in the ASTar system was reflected in the order placed by the company in early March, even before the clinical study had been completed. The order for ASTar instruments and consumables was worth over SEK 8 million and included a prepayment for the next six months. As a result of this order,

we are now prepared for launch and commercially ready for our first orders from end customers.

In light of this order, we were particularly pleased to receive the very strong interim results from our pivotal European trial. Essential agreement (EA) – giving the same result as the reference method on the concentration of antibiotics that kill or inhibit bacterial growth – exceeded 94% and categorical agreement (CA) – giving the same classification of the bacterium within one of three groups (S.I.R) with respect to susceptibility to antibiotics – exceeded 97%. To achieve CE-IVD approval in Europe, EA and CA must exceed 90%. In addition, reproducibility was very high and exceeded 99%.

The third major development during the quarter was that we contracted Thermo Fisher Scientific as the first site to participate in our US clinical study for ASTar. It feels gratifying to further strengthen our collaboration in this manner. Thermo Fisher Scientific will be the reference site for all samples in the study. Thermo Fisher's long experience in sensitivity testing provides good conditions for a successful study.

The study is expected to commence during the second quarter of 2021, starting with the analytical portion of the study, followed by the prospective portion. As in Europe, several hospitals have shown considerable interest in testing ASTar and Q-linea will select at least one more US site for the prospective portion of the study.

Having Thermo Fisher Scientific participate in our US study will be positive in many regards, not least in practical terms, but it will also pave the way for further collaboration in the future. ASTar's first application is focused on improving diagnostics for patients with blood stream infections, of which sepsis is the most common. The lessons we have learned during the development and commercialisation of ASTar will be of great benefit as we continue to develop our product portfolio.

We are now closing the books on an intensive quarter and look forward with confidence to a continued intense and interesting 2021.

After the end of the period, we achieved CE-IVD mark of ASTar with very good results, it naturally feels very positive and we are now ready to launch. I hope and believe that Q-linea's shareholders share our enthusiasm.

Uppsala, 5 May 2021

Jonas Jarvius, President

ASTar CE marking reaches final stage

Q-linea focuses on supplying the market with automated systems for rapid antibiotic susceptibility testing of bacteria that cause infectious diseases, primarily sepsis.

ASTar will be sold to the hospitals microbiology laboratories and is a fully automated instrument for measuring bacteria's antibiotic susceptibility using the consumables developed by the Company. The aim of the instrument is to be able to deliver patient-specific treatment prescriptions for the choice of antibiotics more than 24 hours faster than today's traditional technologies and thereby save lives.

Developments in the first quarter of 2021

Consumables

- During the quarter, the Company's production department continued to carry out the consumables production process validation and is now in the final stage of preparing for product launch. The Company has built up its inventories ahead of the launch and carried out preparations to expand its processes ahead of the US clinical study. In parallel, the product development project was provided with consumables for design verification and validation and delivered to the European clinical performance study.

Instruments

- The instrument design and software have been completed in preparation for the CE marking of ASTar.
- The Company continued developing procedures for the deployment and release of instruments. The aim is to be able to release instruments for commercial use in an efficient manner.

Clinical performance study

- During the first quarter, the Company analysed the samples in the clinical performance study, with excellent results. After the end of the quarter, the Company still had to complete the technical file and carry out certain validation activities ahead of the coming CE marking of ASTar.

Development of new products

The work has continued in a very positive direction for the portable culturing technology.

- Data from prototypes have been very strong and show that our portable technology is just as fast or faster compared to today's traditional blood culture system for detecting the growth of bacteria. Of course, the time is further shortened as cultivation can now be started and detected throughout the transport time.
- The company has also begun an expanded market analysis in the US to continue to adapt the product based on information and wishes from future potential customers.
- Based on the positive development, the company's plan is to begin a pivotal clinical study in 2022.

Financial performance in brief

Comments on the report

Figures in parentheses refer to the outcome for the corresponding period in the preceding year with respect to earnings and cash flow and to the closing balance in the preceding financial year with respect to the balance sheet. Unless otherwise stated, the amounts are presented in thousands of kronor (SEK thousand). All amounts presented have been rounded correctly, which may mean that certain totals do not tally.

Income, expenses and earnings

Net sales for the first quarter amounted to SEK 0 thousand (178), down SEK 178 thousand compared with the year-earlier period.

Other operating income for the first quarter totalled SEK 4 thousand (8), down SEK 4 thousand.

Operating expenses including depreciation, amortisation and impairment amounted to SEK 63,763 thousand (56,086) for the first quarter, up SEK 7,677 thousand compared with the corresponding quarter in the preceding year.

Costs for raw materials and consumables totalled SEK 9,122 thousand (9,499) for the first quarter, down SEK 377 thousand compared with the corresponding quarter in the preceding year.

Other external costs for the first quarter amounted to SEK 22,073 thousand (24,213), down SEK 2,140 thousand. This decrease is mainly attributable to a reduction in external consultants and lower purchases of disposables than in the corresponding quarter in the preceding year.

Personnel costs amounted to SEK 30,834 thousand (21,089) for the first quarter, up SEK 9,745 thousand compared with the corresponding quarter in the preceding year. There was a corresponding increase in the average number of employees compared with the corresponding quarter in the preceding year.

Depreciation, amortisation and impairment of tangible and intangible assets amounted to SEK 1,693 thousand (1,203) for the first quarter, up SEK 490 thousand. Depreciation mainly pertained to production equipment and other equipment in the building.

Other operating expenses amounted to SEK 41 thousand (82) for the first quarter.

The operating result for the first quarter totalled SEK -63,759 thousand (-55,900). The planned reduction in the operating result, which amounted to SEK -7,859 thousand for the first quarter, was primarily attributable to increased personnel costs.

Net financial items amounted to SEK 566 thousand (-60) for the first quarter, up SEK 626 thousand year-on-year. This positive result from financial items was attributable

to coupon rates received, accrued interest on listed corporate bonds and capital gains and losses in conjunction with the divestment of short-term fixed-income funds and listed corporate bonds.

The reported tax in the first quarter amounted to SEK 0 thousand (0).

The result for the first quarter totalled SEK -63,193 thousand (-55,960).

Financial position

Cash and cash equivalents at the end of the first quarter totalled SEK 12,499 thousand (10,144). Cash and cash equivalents that will not be used in the daily operations over the coming 12 months have been invested in fixed-income funds and listed corporate bonds.

On the balance sheet date, the Company's short-term investments amounted to SEK 188,720 thousand (296,748), consisting of fixed-income funds and the short-term component of listed corporate bonds. The fixed-income funds, which invest in low-risk interest-bearing securities and other interest-rate instruments, amounted to SEK 106,112 thousand (165,749) at the end of the first quarter. The fair value of fixed-income funds at the end of the first quarter amounted to SEK 106,766 thousand (level 1 in the fair value hierarchy).

The Company's short-term component of the listed corporate bonds amounted to SEK 82,608 thousand (130,999) at the end of the first quarter. The value includes accrued coupon rates of SEK 288 thousand.

Total financial assets amounted to SEK 76,041 thousand (27,411) on the balance sheet date, up SEK 48,630 thousand. The Company's financial assets primarily comprise listed corporate bonds in several sectors with a diversified maturity structure with high credit ratings. At the end of the first quarter, the Company's total value of listed corporate bonds amounted to SEK 72,994 thousand (24,364). These are recognised at amortised cost and include a credit reserve of SEK -63 thousand (-63). The Company tests for impairment on each recognition date. On the balance sheet date, the Company decided to retain the earlier reserve since there had been no material change in the test results.

Other long-term financial assets mainly comprise participations in EMPE Diagnostics AB amounting to SEK 2,997 thousand (2,997) at the end of the quarter.

Other liabilities SEK 5,218 thousand (2,126) include a prepayment from Thermo Fisher Scientific which was invoiced during the first quarter of 2021.

At the end of the quarter, equity amounted to SEK 317,846 thousand (380,197), the equity/assets ratio to 89% (92) and the debt/equity ratio to -86% (-87).

Cash flow and investments

Cash flow from operating activities totalled SEK -56,101 thousand (-59,119) for the first quarter. The decreased cash outflow from operating activities during the quarter was mainly due to an improvement in working capital that exceeded the decline in the operating result.

Changes in working capital amounted to SEK 5,005 thousand (-5,584) and were primarily attributable to an accumulation of inventory, higher accounts receivable and a decrease in other current receivables, accounts payable and other current liabilities during the quarter.

Cash flow from investing activities totalled SEK 58,537 thousand (61,606) for the first quarter. Investments in production equipment and other equipment in the building amounted to SEK -798 thousand (-6,389) for the first quarter, a decrease of SEK 5,591 thousand attributable to the fact that the Company's office premises on Palmbladsgatan were built during the first quarter of 2020 and have now been completed and are in use.

The Company invested SEK -5,006 thousand (0) in short-term investments during the first quarter. The Company also divested short-term investments totalling SEK 112,997 thousand (59,969), of which short-term fixed-income funds accounted for SEK 59,637 thousand (59,969). Sales of fixed-income funds are continuously carried out on a monthly basis to cover overhead expenses since the Company does not generate a positive cash flow. The Company has also divested bonds with short maturities and reinvested SEK 48,657 thousand (0) in bonds with longer maturities. These investments pertained to listed corporate bonds with the highest ratings from S&P and Moody's.

Cash flow from financing activities amounted to SEK -80 thousand (-105) for the first quarter. The change in the period is attributable to the fact that the Company has repaid a loan.

Financing

As of 31 March 2021, the Company had access to cash and cash equivalents of SEK 12,499 thousand (10,144), short-term investments including short-term components of other securities held as non-current assets of SEK 188,720 thousand (296,748) and long-term listed corporate bonds of SEK 72,994 thousand (24,364), totalling SEK 274,213 thousand (331,256).

Future financing

Q-linea has received its first customer order from its sales partner, Thermo Fisher, valued at over SEK 8 million, including a pre-payment for a binding order for the next six months. However, the Company has still not generated its own positive cash flow. The Board's assessment is that the existing working capital, as of 31 March 2021, is sufficient to cover the Company's needs for at least the next 12 months.

Other information

Employees

Q-linea had 111 (76) employees at the end of the quarter, 45 (29) of whom were women. The number of consultants at the end of the quarter was 35 (38), 11 (9) of whom were women.

Covid-19

Q-linea has taken action to protect its employees, assume its responsibility in society and at the same time minimise the negative impact of the ongoing pandemic on the Company's operations. As of the date of the signing of this interim report, Q-linea has seen a slight increase in sickness absence, directly as well as indirectly, while employees whose duties allow it are working from home.

Although it is currently not possible to estimate the extent to which Q-linea's operations could be affected in the future, the following are the significant areas that could be subject to the effects of any outbreak:

- The timeframe of the planned clinical study, where, for example the situation in the USA can be decisive in case the hospitals are tied up with activities related testing of Coronavirus and covid-19. The situation may also affect the commercial activities in the launch phase for both Q-linea and the partner Thermo Fisher Scientific.
- Expense levels and financing strategy linked to possible delays in company activities.

Q-linea is monitoring the ongoing situation very closely and will implement further measures as required and keep the markets informed if the assessment of potential impact changes significantly.

It is currently impossible to estimate the ultimate impact on the Company.

Information about risks and uncertainties

Q-linea's management makes assumptions, assessments and estimates that impact the contents of the Company's financial statements. As is stated in the Company's accounting policies, actual outcomes may differ from these assessments and estimates.

The goal of the Company's risk management is to identify, measure, control and limit the risks associated with its operations. Risks can be divided into financial risks and operational and business environment risks. Q-linea's operational and business environment risks mainly comprise risks related to research and development, production risks, clinical trials, market risks, risks associated with product approval and the dependence on key individuals. A detailed description of the Company's risk exposure and risk management is presented on pages 36–38 and 62–63 of the 2020 Annual Report.

Definition of performance measures

In this financial report, Q-linea presents certain alternative performance measures that are not defined in accordance with IFRS. These performance measures are generic and are often used for the purpose of analysing and comparing different companies. Accordingly, the Company believes that these alternative performance measures serve as an important supplement to enable readers to conduct a quick overview and assessment of Q-linea's financial situation.

These financial performance measures are not to be considered independent and are not deemed to replace the performance measures calculated in accordance with IFRS. Moreover, such performance measures, as defined by Q-linea, are not to be compared with other performance measures with similar names used by other companies. This is because the above performance measures have not always been defined in the same way and because other companies may not calculate them in the same way as Q-linea.

The performance measures "Net sales", "Result for the period", "Earnings per share" and "Cash flow from operating activities" are defined in accordance with IFRS.

Performance measure	Definition	Purpose
EBITDA	Operating result before depreciation/amortisation and impairment.	This performance measure provides an overall view of profit for the operating activities.
Adjusted equity	Equity recognised in the balance sheet plus untaxed reserves less the tax portion of untaxed reserves.	The equity measure is used to calculate all performance measures that include equity, for example, equity/assets ratio and equity per share.
Operating result	Result before financial items according to the income statement.	This earnings measurement is used for external comparisons.
Equity/assets ratio, %	Adjusted equity in relation to total assets.	This performance measure shows the amount of the Company's equity that can be attributed to a share.
Debt/equity ratio	Net debt divided by recognised equity according to the balance sheet. Net debt is defined as total borrowing (comprising the items short-term borrowing and long-term borrowing in the balance sheet, including borrowing from related parties/Group companies and provisions, less cash and cash equivalents and short and long-term investments).	This performance measure is a measure of capital strength and is used to determine the relationship between adjusted liabilities and adjusted equity. In the case of positive equity, a negative debt/equity ratio means that available cash and cash equivalents and short-term investments exceed total borrowing.
Equity per share before and after dilution	Adjusted equity attributable to the Company's shareholders in relation to the number of shares outstanding, excluding treasury holdings, at the end of the period.	This performance measure shows the amount of the Company's equity that can be attributed to a share.

Reconciliation of alternative performance measures

The following is a reconciliation of certain alternative performance measures showing the various performance measure components that make up the alternative performance measures. Treasury shares refer to the Company's own holding to ensure the delivery of performance shares under LTIP 2018 and LTIP 2019. The Company's holding of treasury shares has been excluded from the calculation of per-share performance measures.

EBITDA

SEK thousand (unless otherwise stated)	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Operating result	-63,759	-55,900	-221,543
Depreciation, amortisation and impairment	1,693	1,203	6,101
EBITDA	-62,066	-54,697	-215,442

Equity/assets ratio

SEK thousand (unless otherwise stated)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Total assets	355,844	316,437	412,233
Equity	317,846	285,773	380,197
Equity/assets ratio (%)	89 %	90 %	92 %

Debt/equity ratio

SEK thousand (unless otherwise stated)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Long-term liabilities to credit institutions (a)	40	251	79
Current liabilities to credit institutions (b)	212	353	252
Total borrowing (c=a+b)	252	604	331
- Less cash and cash equivalents (d)	-12,499	-28,350	-10,144
- Less short-term investments (e)	-188,720	-117,770	-296,748
- Less long-term investments (g)	-72,994	-115,199	-24,364
Net debt (g=c+d+e+f)	-273,961	-260,715	-330,925
Equity (h)	317,846	285,773	380,197
Debt/equity ratio (g/h) (%)	-86 %	-91 %	-87 %

Equity per share

SEK thousand (unless otherwise stated)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Equity (a)	317,846	285,773	380,197
Total number of shares outstanding (b)	27,337,947	23,337,947	27,337,947
- Less holding of treasury shares (c)	-328,472	-328,472	-328,472
Equity per share a/(b+c), SEK	11.77	12.42	14.08

Performance measures and other information

SEK thousand (unless otherwise stated)	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Earnings			
Net sales	0	178	243
EBITDA	-62,066	-54,697	-215,442
Operating result	-63,759	-55,900	-221,543
Result for the period	-63,193	-55,960	-218,655
Per share			
Equity per share, SEK	11.77	12.42	14.08
Earnings per share before and after dilution, SEK	-2.34	-2.44	-8.64
Total number of shares outstanding	27,337,947	23,337,947	27,337,947
- of which, treasury shares	328,472	328,472	328,472
Number of shares outstanding excl. treasury shares	27,009,475	23,009,475	27,009,475
Total average number of shares	27,337,947	23,312,025	25,637,513
- of which, average number of treasury shares	328,472	328,472	328,472
Average number of shares excl. treasury shares	27,009,475	22,983,553	25,309,041
Cash flow			
Cash flow from operating activities	-56,101	-59,119	-237,305
Cash flow from investing activities	58,537	61,606	-32,295
Cash flow from financing activities	-80	-105	253,777

SEK thousand (unless otherwise stated)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Financial position			
Total assets	355,844	316,437	412,233
Cash and cash equivalents	12,499	28,350	10,144
Short-term investments and non-current securities	261,714	232,969	321,112
Equity	317,846	285,773	380,197
Equity/assets ratio, %	89	90	92
Debt/equity ratio, %	-86	-91	-87

CERTIFICATION AND UPCOMING REPORT DATES

The Board of Directors and the President hereby certify that this interim report provides a fair and true overview of the Company's operations, financial position and earnings and describes the material risks and uncertainties facing the Company.

Uppsala, 5 May 2021

Jonas Jarvius
President

Erika Kjellberg Eriksson
Chairperson

Mats Nilsson
Director

Mario Gualano
Director

Marcus Storch
Director

Marianne Hansson
Director

Per-Olof Wallström
Director

Hans Johansson
Director

This report has not been reviewed by the Company's auditors. The 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.

Upcoming reporting dates

25 May 2021	Annual General Meeting	
15 July 2021	Interim report, Q2	January to June 2021
4 November 2021	Interim report, Q3	January to September 2021

About the Company

Q-linea AB (publ)

Corporate Registration Number:	556729-0217	
Registered office:	Uppsala	
Contact:	Dag Hammarskjölds väg 52 A SE-752 37 Uppsala, Sweden Tel: +46 18 444 3610	www.qlinea.com E-mail: contact@qlinea.com

For questions about the report, contact:

Jonas Jarvius, President	Tel: +46 70 323 7760	E-mail: jonas.jarvius@qlinea.com
Anders Lundin, CFO & IR	Tel: +46 70 600 1520	E-mail: anders.lundin@qlinea.com

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 6 May 2021 at 7:30 a.m. CEST.

Presentation

Q-linea invites investors, analysts and the media to an audiocast and teleconference (in English) today, 6 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 2021 period and respond to questions.

Webcast: <https://tv.streamfabriken.com/q-linea-q1-2021>

Telephone numbers for the teleconference: SE: +46850558354 UK: +443333009265 US: +18338230586

Income statement

Amounts in SEK thousand	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Operating income				
Net sales	1	0	178	243
Other operating income		4	8	911
Total operating income		4	186	1,155
Operating expenses				
Raw materials and consumables		-9,122	-9,499	-32,263
Other external costs		-22,073	-24,213	-89,409
Personnel costs		-30,834	-21,089	-94,576
Depreciation of tangible assets		-1,693	-1,203	-6,101
Other operating expenses		-41	-82	-349
Total operating expenses		-63,763	-56,086	-222,697
Operating result		-63,759	-55,900	-221,543
Other interest income and similar profit items		1,132	608	4,423
Interest expenses and similar loss items		-566	-668	-1,536
Result from financial items		566	-60	2,887
Result before tax		-63,193	-55,960	-218,655
Tax on result for the period		-	-	-
Result for the period		-63,193	-55,960	-218,655
Earnings per share before and after dilution, SEK	7	-2.34	-2.44	-8.64
Average number of shares excl. treasury shares		27,009,475	22,983,553	25,309,041

Statement of comprehensive income

Amounts in SEK thousand	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Result for the period		-63,193	-55,960	-218,655
Other comprehensive income, net after tax				
Total comprehensive income		-63,193	-55,960	-218,655

Balance sheet

Amounts in SEK thousand	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
ASSETS				
Non-current assets				
<i>Intangible assets</i>				
Licences		149	220	167
Technology and customer relationships		379	545	420
Goodwill		4,617	5,703	4,889
Total intangible assets		5,145	6,468	5,475
<i>Tangible assets</i>				
Equipment, tools, fixtures and fittings		21,257	19,087	21,821
Total tangible assets		21,257	19,087	21,821
<i>Financial assets</i>				
Other securities held as non-current assets	6	75,991	118,196	27,361
Other long-term receivables		50	50	50
Total financial assets		76,041	118,246	27,411
Total non-current assets		102,443	143,801	54,707
Current assets				
Inventories	4	16,349	-	12,433
<i>Current receivables</i>				
Accounts receivable		2,105	4	43
Other receivables		30,383	22,288	35,198
Prepaid expenses and accrued income		3,345	4,223	2,958
Total current receivables		35,833	26,515	38,200
Short-term investments	5	188,720	117,770	296,748
Cash and bank balances		12,499	28,350	10,144
Total current assets		253,402	172,635	357,525
TOTAL ASSETS		355,844	316,437	412,233

Balance sheet

Amounts in SEK thousand	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
EQUITY AND LIABILITIES				
Restricted equity				
Share capital		1,367	1,167	1,367
Total restricted equity		1,367	1,167	1,367
Unrestricted equity				
Share premium reserve		951,017	697,062	951,017
Retained earnings		-571,344	-356,495	-353,531
Result for the year		-63,193	-55,960	-218,655
Total unrestricted equity		316,480	284,606	378,830
Total equity		317,846	285,773	380,197
Liabilities				
<i>Long-term liabilities</i>				
Loans from credit institutions		40	251	79
Total long-term liabilities		40	251	79
<i>Current liabilities</i>				
Loans from credit institutions		212	353	252
Accounts payable		9,167	13,446	8,068
Current tax liabilities		1,419	1,066	1,932
Other liabilities		5,218	2,126	3,463
Accrued expenses and deferred income		21,942	13,421	18,241
Total current liabilities		37,958	30,412	31,956
TOTAL LIABILITIES AND EQUITY		355,844	316,437	412,233

Changes in equity

Amounts in SEK thousand	Note	Restricted equity		Unrestricted equity			Total equity
		Share capital	Unregistered share capital	Share premium reserve	Retained earnings	Result for the period	
Opening balance, 1 January 2020		1,162	5	697,062	-179,930	-177,354	340,944
Comprehensive income							
Result for the period		-	-	-	-	-55,960	-55,960
Appropriation of profits		-	-	-	-177,354	177,354	0
Total comprehensive income		-	-	-	-177,354	121,394	-55,960
Transactions with shareholders							
New share issue		5	-5	-	-	-	0
Share-based remuneration programmes	3	-	-	-	790	-	790
Total transactions with shareholders		5	-5	-	790	-	790
Closing balance, 31 March 2020		1,167	0	697,062	-356,495	-55,960	285,773
Opening balance, 1 January 2020		1,162	5	697,062	-179,930	-177,354	340,944
Comprehensive income							
Result for the year		-	-	-	-	-218,655	-218,655
Appropriation of profits in accordance with AGM decision							
- Carried forward to unrestricted equity					-177,354	177,354	0
Total comprehensive income		-	-	-	-177,354	-41,301	-218,655
Transactions with shareholders							
New share issue		205	-5	269,800	-	-	270,000
Issue costs		-	-	-15,845	-	-	-15,845
Share-based remuneration programmes	3	-	-	-	3,754	-	3,754
Total transactions with shareholders		205	-5	253,955	3,754	-	257,909
Closing balance, 31 December 2020		1,367	0	951,017	-353,531	-218,655	380,197
Opening balance, 1 January 2021		1,367	0	951,017	-353,531	-218,655	380,197
Result for the period		-	-	-	-	-63,193	-63,193
Appropriation of profits		-	-	-	-218,655	218,655	0
Total comprehensive income		-	-	-	-218,655	155,462	-63,193
Transactions with shareholders							
Share-based remuneration programmes	3	-	-	-	842	-	842
Total transactions with shareholders		-	-	-	842	-	842
Closing balance, 31 March 2021		1,367	-	951,017	-571,344	-63,193	317,846

Cash flow statement

Amounts in SEK thousand	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Cash flow from operating activities				
Operating result		-63,759	-55,900	-221,543
Adjustments for non-cash items				
- Depreciation reversal		1,693	1,203	6,101
- Scrapping of inventory		-	-	201
- Share-based remuneration programmes	3	842	790	3,754
Interest received		997	470	2,764
Interest paid		-367	-6	-434
Tax paid		-512	-91	774
Cash flow from operating activities before changes in working capital		-61,107	-53,534	-208,383
<i>Changes in working capital</i>				
Increase/decrease in inventories	4	-3,916	-	-12,433
Increase/decrease in accounts receivable		-2,062	13	-27
Increase/decrease in other current receivables		4,429	-2,993	-14,638
Increase/decrease in other current liabilities		5,456	-6,869	-711
Increase/decrease in accounts payable		1,099	4,265	-1,113
<i>Changes in working capital</i>		5,005	-5,584	-28,922
Cash flow from operating activities		-56,101	-59,119	-237,305
Cash flow from investing activities				
Investments in tangible assets		-798	-6,389	-13,228
Short-term investments		-5,006	-	-185,000
Divestment of short-term investments		112,997	59,969	200,046
Investments in financial assets		-48,657	-	-50,127
Sales of financial assets		-	8,026	16,013
Cash flow from investing activities		58,537	61,606	-32,295
Cash flow from financing activities				
New share issue		-	-	270,000
Issue costs		-	-	-15,845
Repayment of loans		-80	-105	-378
Cash flow from financing activities		-80	-105	253,777
Cash flow for the period		2,355	2,382	-15,824
Cash and cash equivalents at the beginning of the period		10,144	25,967	25,968
Cash and cash equivalents at the end of the period		12,499	28,350	10,144

Accounting policies and notes

Compliance with IFRS

Q-linea AB has prepared its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. RFR 2 entails that Q-linea applies all of the EU-endorsed International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU and statements, with the limitations that follow the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

Financial assets such as shares in Swedish companies are recognised at cost. Financial assets such as bonds in listed companies are recognised at amortised cost. The Company tests all financial assets for impairment on a quarterly basis.

The carrying amount of the short-term component of financial assets corresponds to the amortised cost. Interest-bearing securities correspond to the lower of fair value and cost. Other current receivables and liabilities are measured at fair value, since these items are current by nature. For a more detailed description of the accounting policies applied in this interim report, refer to Note 2 on pages 57–61 of the Annual Report for the 2020 financial year.

The interim report comprises pages 1–18, and pages 1–9 thus comprise an integrated component of this financial report.

Holding of treasury shares

At the end of the first quarter of 2021, Q-linea had a holding of 328,472 treasury shares. The shares are valued at SEK 0.05 per share, which is also the quotient value of the share. The aim of these shares is to ensure the delivery of performance shares under the long-term incentive programmes LTIP 2018 and LTIP 2019. The holding of treasury shares has been excluded from the calculation of per-share performance measures.

Note 1 Specification of net sales

Net sales specified by geographic market:

Amounts in SEK thousand	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Sweden	-	178	243
Total net sales by geographic market	-	178	243

Net sales specified by type of income:

Amounts in SEK thousand	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Prototype development	-	178	243
Total net sales by type of income	-	178	243

Prototype development pertains to the development of customer-specific prototypes for external customers. Prototype development is recognised as revenue on the date when the control is transferred to the customer.

Note 2 Related-party transactions

Related parties are defined as owners with a significant or controlling influence, senior executives in the Company, meaning directors and members of the management team, and their close family members. Disclosures concerning transactions between the Company and other related parties are presented below. Related-party transactions are performed on an arm's length basis.

One of EMPE Diagnostics AB's co-founders, shareholders and directors is Mats Nilsson, who is also a co-founder, shareholder and director of Q-linea AB. One of Q-linea's senior executives, Mats Gullberg, remains a director of EMPE Diagnostics AB.

Note 3 Share-based remuneration programmes

At the end of the first quarter, Q-linea had three ongoing share-based remuneration programmes: LTIP 2018 and LTIP 2019 and Employee share option programme 2020/2023.

Performance share-based programme LTIP 2018

The rights to receive performance shares were allotted free of charge in March 2019. As of the Annual General Meeting on 22 May 2019, when the programme was closed to new participants, 142,720 performance share rights had been allotted to participants of the programme. The performance targets are linked to product development, product approval and commercialisation. The performance share rights are earned as the performance targets are met. The value of each performance share right is SEK 55.54 and is based on the closing price on the allotment date (1 March 2019). The cost recognised including social security contributions in the first quarter amounted to SEK 643 thousand (766).

Performance share-based programme LTIP 2019

The rights to receive performance shares were allotted free of charge in December 2019. As of 31 December 2019, when the programme was closed to new participants, 40,990 performance share rights had been allotted to participants of the programme. The performance targets are linked to product development, product approval and commercialisation. The performance share rights are earned as the performance targets are met. The value of each performance share right is SEK 56.00 and is based on the closing price on the allotment date (20 December 2019). The cost recognised including social security contributions in the first quarter amounted to SEK 312 thousand (223).

Employee share option programme 2020/2023

Employee share options were allotted free of charge in June 2020 following a resolution by the Annual General Meeting on 26 May 2020. The programme measures the fulfilment of certain strategic and operational targets established by the Board, and employees may acquire one ordinary share in the Company after a vesting period of three years. When the programme was closed to new participants, a total of 345,850 employee share options had been allotted. The volume-weighted average price for the Company's share according to Nasdaq Stockholm's price list during the period from 11–25 May, meaning the ten (10) trading days prior to 26 May 2020, was SEK 79.19, and the exercise price was thus set at SEK 98.98 per share. The option value on the allotment date was based on the average price on the allotment date and was calculated at SEK 11.38 per option. At the end of the first quarter, there were 335,140 (0) employee share options outstanding and 10,710 (0) employee share options had expired. The option value on the balance sheet date was SEK 71.38 per option, according to the Black & Scholes model. The cost recognised including social security contributions in the first quarter amounted to SEK 627 thousand (0).

Note 4 Inventories

At the end of the first quarter of 2021, the Company had an inventory value of SEK 16,349 thousand (12,433).

SEK thousand (unless otherwise stated)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Raw materials and consumables	1,667	-	713
Products in progress	41	-	1,051
Semi-finished goods	1,977	-	1,164
Finished goods	12,664	-	9,505
Total	16,349	-	12,433

Note 5 Short-term investments

Cash and cash equivalents not used in the daily operations have been placed in fixed-income funds that invest in low-risk interest-bearing securities and other interest-rate instruments. Since most of the securities in these funds have a remaining term of more than three months, the securities have been recognised and measured at the lower of cost and fair value in the balance sheet. Short-term investments also include the short-term component of the Company's listed corporate bonds with a maturity of less than 12 months. The short-term component of the Company's financial assets was recognised at amortised cost.

At the end of the first quarter, the Company's short-term investments totalled SEK 188,720 thousand (296,748), of which 82,608 (130,999) represents the short-term component of the Company's listed corporate bonds. The fair value of the fixed-income funds amounted to SEK 106,766 thousand and the fair value of the bonds amounted to SEK 82,185 thousand. Accrued interest amounted to SEK 288 thousand.

Note 6 Other securities held as non-current assets

Other securities held as non-current assets primarily comprise low-risk listed corporate bonds that were measured at an amortised cost of SEK 72,994 thousand (24,364) on the balance sheet date. This value includes accrued interest of SEK 170 thousand and a credit reserve of SEK -63 thousand (-63). An impairment test is carried out on a quarterly basis on each recognition date, and the Company decided on 31 March 2021 to retain the credit reserve recognised on 31 December 2020. The Company invests exclusively in bonds belonging to level 1 of the fair value hierarchy, and the impairment test is based on information from S&P and Moody's. Coupon rates received in the first quarter amounted to SEK 442 thousand (464).

Other securities held as non-current assets pertain to participations in EMPE Diagnostics AB acquired at the end of 2017. Participations were recognised at cost in the balance sheet in an amount of SEK 2,997 thousand (2,997). As of 31 March 2021, the Company deemed that there was no impairment requirement for the participations in EMPE Diagnostics AB since the share price at the latest directed issue exceed the price paid by Q-linea. Q-linea's holding comprises 23,400 shares, corresponding to 5.91% of the capital and votes.

Note 7 Earnings per share

Earnings per share are calculated by dividing the result for the period by a weighted average of the number of ordinary shares outstanding, excluding holdings of treasury shares, during the period:

SEK thousand (unless otherwise stated)	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Result for the period	-63,193	-55,960	-218,655
Weighted average number of shares outstanding	27,337,947	23,312,025	25,637,513
- Less average holding of treasury shares	-328,472	-328,472	-328,472
Earnings per share before and after dilution (SEK)	-2.34	-2.44	-8.64

Note 8 Risk management

The Company is exposed to various types of risks during the course of its operations. By creating an awareness of the risks associated with the operations, such risks can be limited, controlled and managed while allowing business opportunities to be utilised in order to increase the Company's earnings.

At the end of first quarter, the Company had a credit reserve of SEK -63 thousand (-63). The material risks associated with Q-linea's operations are presented in the Annual Report for the 1 January to 31 December 2020 financial year and in the prospectus prepared prior to the listing on Nasdaq Stockholm.

Note 9 Future financing

Q-linea has received its first customer order from its sales partner, Thermo Fisher, valued at over SEK 8 million, including a pre-payment for a binding order for the next six months. However, the Company has still not generated its own positive cash flow. The Board's assessment is that the existing working capital, as of 31 March 2021, is sufficient to cover the Company's needs for at least the next 12 months.

Note 10 Significant events after the end of the period

Q-linea achieves CE-IVD approval for ASTar with very strong study results and can now commercialize ASTar in Europe together with its partner Thermo Fisher Scientific.