

# Q-LINEA

Sustainable healthcare for a new generation

## Presentation Q2(24)

July 11, 2024



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# Key messages for today



- 1 **US market now in full commercial mode** with focus on early adopters and leading lab facilities
- 2 **Geographic footprint expansion** is proceeding thoughtfully with prospective distribution partners across EMEA / RoW
- 3 **Cost saving program successfully completed** and will generate run-rate savings of SEK 50 million annually
- 4 **Additional financing secured** with a loan facility from Nexttobe (Q-linea's largest shareholder): total value SEK 101.5 million

## Q2 highlights | Full speed on commercialisation agenda with emphasis in USA

Four overall areas of focus and progress during the quarter

### Commercial Acceleration

- First instruments shipped to US with market-specific settings & software; evaluations planned for July & August
- CMS recommendation for NTAP reimbursement coverage at \$97.50 per patient (awaiting final approval)
- Another instrument sold in Italy, tender submitted in Belgium; expanding regional footprint conscientiously
- ECCMID conference in Barcelona followed by ASM in US with strong customer interest

### Innovation and Product Development

- FDA approval for v1 menu on ASStar; pre-submission of v2 menu for US market has been made
- Development projects making strong progress through restructuring process
- Focused R&D efforts on further improvements to ASStar software capabilities and menu expansion, e.g., BC G+

### Organisational Readiness

- Restructuring process complete in Q2; savings secured from July onward
- Strengthening in-market team to boost US launch
- Emphasis on securing end-to-end customer care and service support as commercial units ramp up

### Financial Health

- Continued performance ahead of budget with costs coming down
- Focus continues on accelerating topline
- Financing secured with loan facility totalling SEK 101.5m

# ASTar: Revolutionizing AST

~6

**Hours  
turn-around time**

- Save lives
- Save money
- Reduced effort

~2

**Minutes  
Hands-on time**

- Simple interface
- Load-and-Go
- Minimal training need

1<sup>st</sup>

**Fully-automated,  
random access platform**

- Comprehensive menu
- High reproducibility
- High throughput with 12 samples in parallel

# Live in the USA! | FDA clearance for ASTar awarded on April 26, 2024

Comprehensive panel with 18 antibiotics and 12 microbial species; 7 – 11 two-fold dilutions per antibiotic

## ASTar v1 US menu

Antimicrobial class	Antimicrobial agent	Reportable range (mg/L)	<i>A. baumannii</i>	<i>C. freundii</i>	<i>C. koseri</i>	<i>E. cloacae</i> complex	<i>E. coli</i>	<i>K. aerogenes</i>	<i>K. oxytoca</i>	<i>K. pneumoniae</i>	<i>P. aeruginosa</i>	<i>P. mirabilis</i>	<i>P. vulgaris</i>	<i>S. marcescens</i>	Dilution steps
<b>Non-fastidious</b>															
Penicillin	Ampicillin	≤1 to ≥128					•					•			7
β-lactam combination agents	Ampicillin-sulbactam <sup>1</sup>	≤1 to ≥128 <sup>6</sup>					•	•	•		•	•	•		7
β-lactam combination agents	Ceftazidime-avibactam <sup>2</sup>	≤0.125 to ≥64	•	•	•				•		•		•		9
β-lactam combination agents	Meropenem-vaborbactam <sup>3</sup>	≤0.25 to ≥64	•	•	•	•	•	•	•		•		•		8
β-lactam combination agents	Piperacillin-tazobactam <sup>4</sup>	≤0.25 to ≥12		•		•				•	•	•	•		11
Cephalosporin	Cefazolin	≤0.25 to ≥32								•					7
Cephalosporin	Cefepime	≤0.25 to ≥128	•			•	•	•	•	•	•	•	•		9
Cephalosporin	Cefuroxime	≤1 to ≥128				•		•	•		•				7
Cephalosporin	Ceftazidime	≤0.25 to ≥128				•	•	•	•		•	•	•		9
Monobactam	Aztreonam	≤0.25 to ≥128			•	•	•	•	•		•	•	•		9
Carbapenem	Meropenem	≤0.06 to ≥128	•	•	•	•	•				•	•	•		11
Aminoglycoside	Gentamicin	≤0.25 to ≥64	•	•					•	•	•	•	•		8
Aminoglycoside	Tobramycin	≤0.06 to ≥64	•	•	•	•				•		•	•		10
Aminoglycoside	Amikacin	≤0.5 to ≥256	•		•		•	•	•	•	•	•	•		9
Tetracycline	Tigecycline	≤0.03 to ≥32	•	•	•	•	•	•	•				•		10
Fluoroquinolone	Ciprofloxacin	≤0.125 to ≥16		•	•	•	•	•	•	•	•	•	•		7
Fluoroquinolone	Levofloxacin	≤0.125 to ≥32	•	•	•	•	•	•	•	•	•	•	•		8
Miscellaneous	Trimethoprim-sulfamethoxazole <sup>5</sup>	≤0.06 to ≥16				•	•	•	•				•		8

<sup>1</sup> Ampicillin-sulbactam in the ratio 2:1

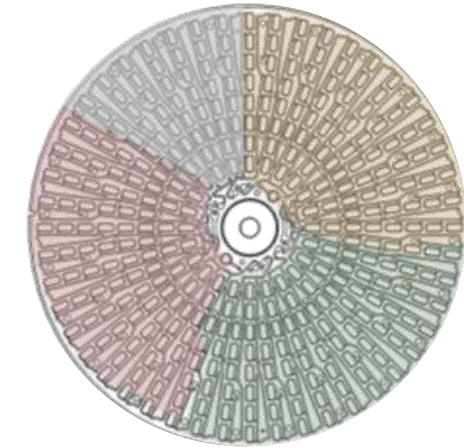
<sup>2</sup> For susceptibility testing purposes, the concentration of avibactam is fixed at 4 µg/mL

<sup>3</sup> For susceptibility testing purposes, the concentration of vaborbactam is fixed at 8 µg/mL

<sup>4</sup> For susceptibility testing purposes, the concentration of tazobactam is fixed at 4 µg/mL

<sup>5</sup> Trimethoprim:sulfamethoxazole in the ratio 1:19

<sup>6</sup> AST Reportable range for *P. vulgaris* is ≤2 to ≥128 µg/mL



The ASTar AST disc:

336 reaction wells in a 120 mm CD format.

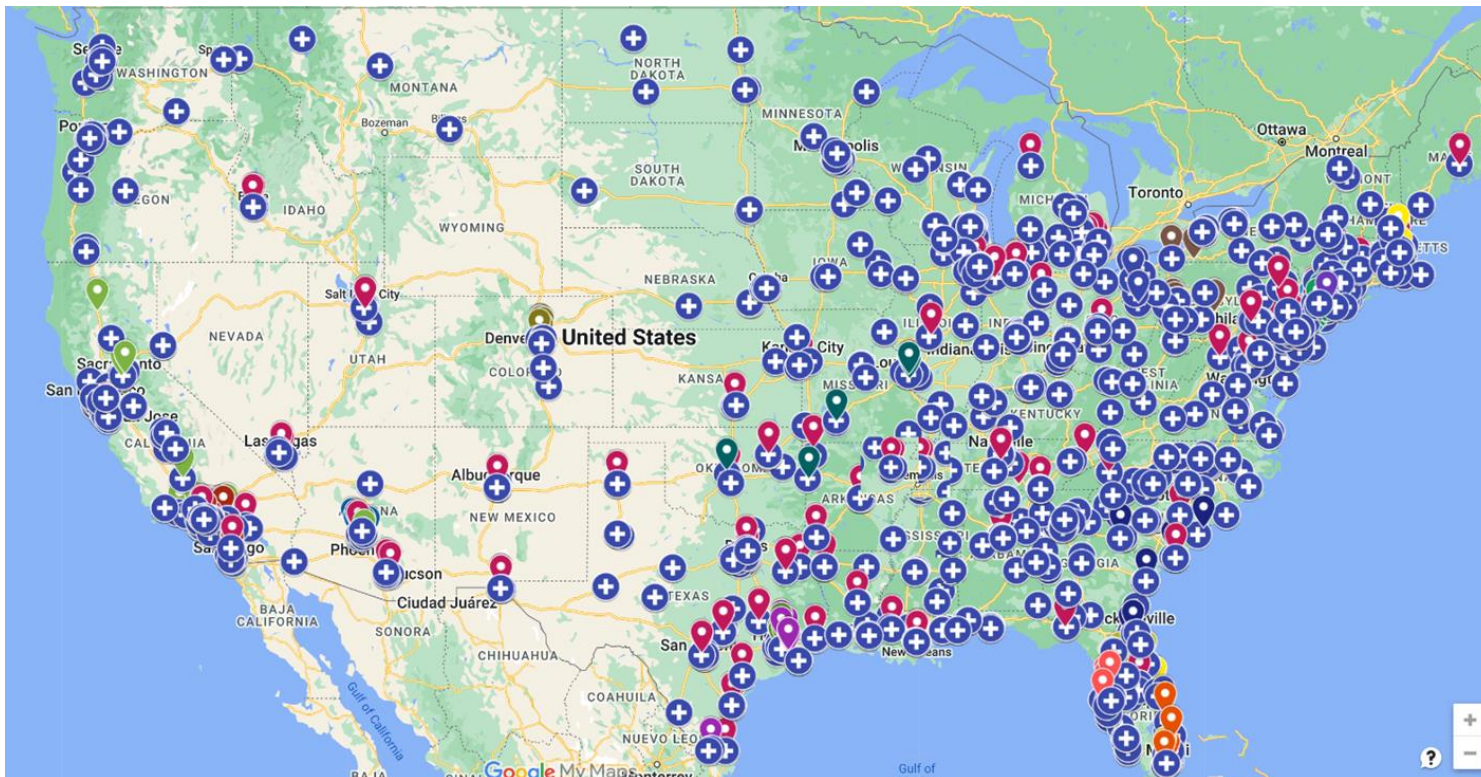
10 different sectors

Enables unparalleled flexibility for differentiated assays, e.g., fastidious and non-fastidious conditions, and additional drug-bug combinations in future



## US market | Segmentation is key especially for initial launch phase

### Locations of largest hospital labs, reference labs and IDNs across US



**FOCUS** on the largest labs with proven track record of early adoption (50 – 100 centres)

**ENGAGE** with thought leaders (KOLs) and decision makers at these institutions

**DEMONSTRATE** performance superiority of ASTar with 'hands on' time in the lab (evaluations)

**CONVERT** strong levels of interest to commercial placements and reference partners for next wave

# ASM 2024 | Opportunity for Q-linea to engage with US stakeholders

Primary Microbiology conference in US held in Atlanta during June



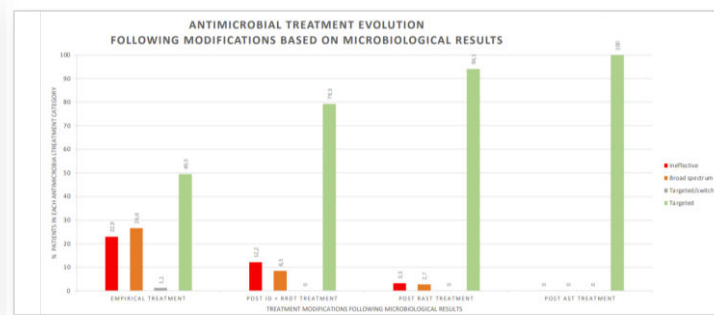
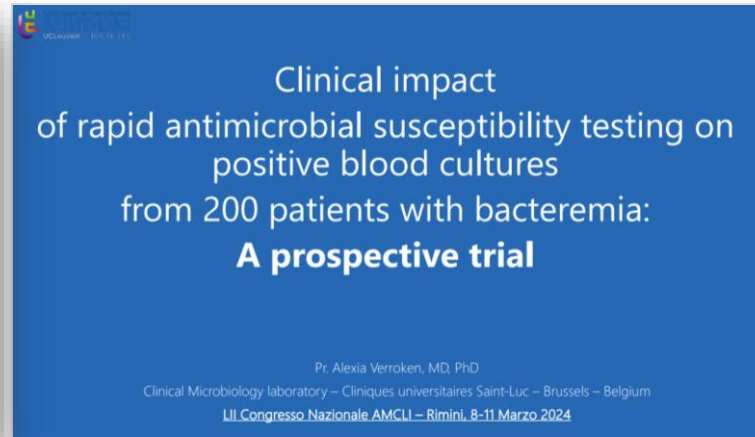
- **>5,500** practitioners and decision makers from across the US
- **Rapid AST a key theme** throughout clinical seminar sessions and scientific posters
- **Q-linea hosted poster sessions** to highlight findings from our ongoing clinical studies
- **High level of interest in Q-linea** from current priority customer group and from broader market
- **Evaluations lined up** through to end 2024



# Leveraging the clinical evidence | Early results very strong, more studies coming

## Q-linea sponsored studies generating strong initial results

Presented at the AMCLI Congress (Mar 2024), ESCMID (Apr 2024) and ASM (Jun 2024)



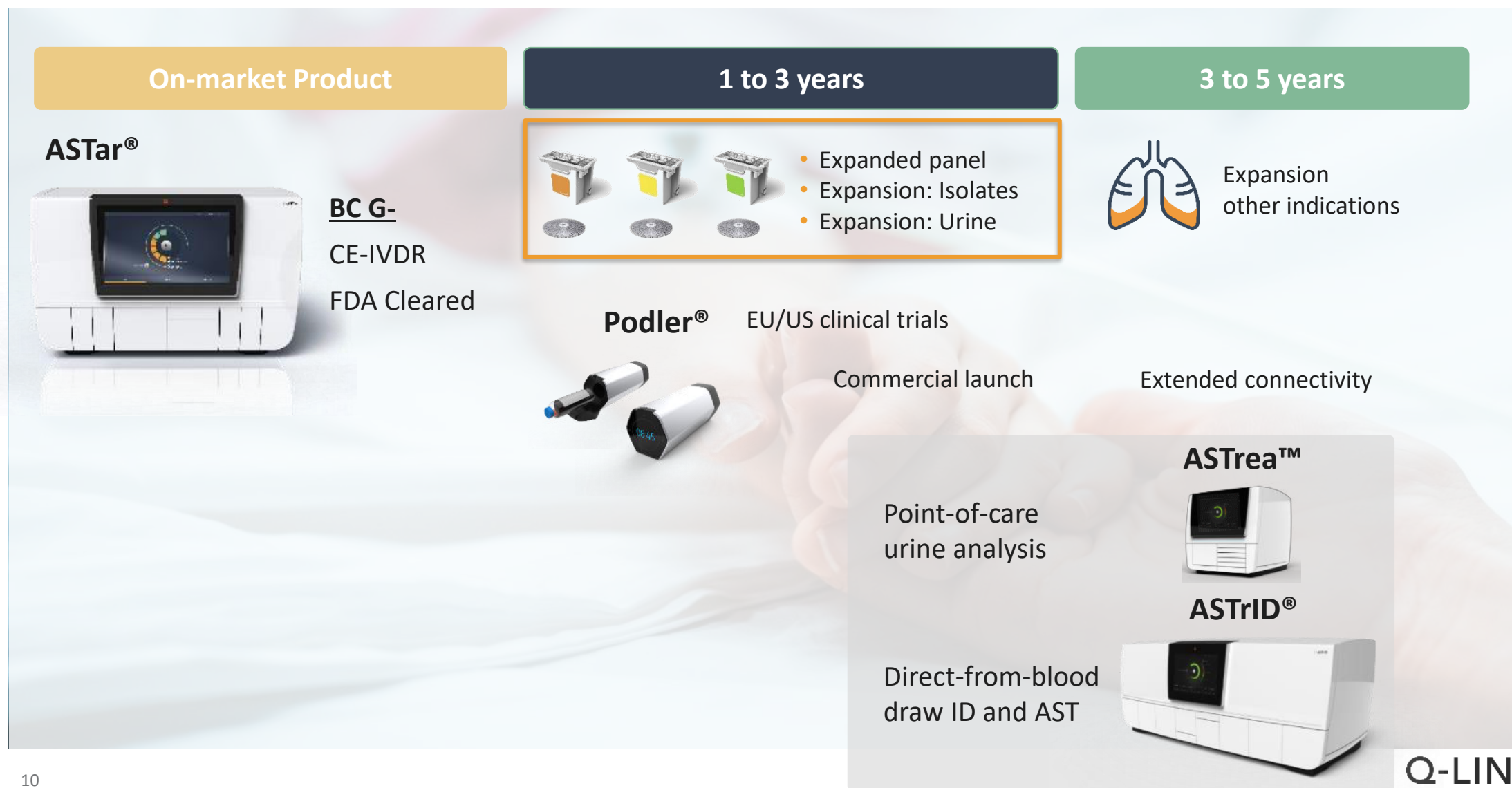
## Preliminary LIFETIMES study results

**20-34 hours**  
Faster time to optimized therapy

**45%**  
of patients with adjusted therapy

**46%**  
of the antibiotic changes were escalations

# Focused innovation | Prioritising expansion of ASTar capabilities in near-term



## Financial highlights | During (and after) second quarter

- Cost savings program initiated in January now completed, estimated savings amount to SEK 50 million annually, restructuring costs taken in second quarter of SEK 8.4 million
- Cost savings already visible in first two quarters but will have full effect as from Q3 2024
- Additional loan facility offered by main owner Nexttobe (May 29), approved by AGM June 28
  - Existing, unutilized facility as of 30 June: SEK 60 million
  - Cash at bank as of 30 June: SEK 20.9 million---→Total: SEK 80.9 million
- Operating result for the second quarter of SEK -57 million excluding restructuring cost of SEK 8.4 million or SEK -19 million per month, in line with Q1 2024,
- Parent company equity amounts to SEK 163 million, Podler-technology valued at SEK 70 million is included the parent company equity but not in the group equity.

## Consolidated statement of profit and loss | Second quarter

- Instrument sales and other operating income recorded, SEK 0.6 million (1.9)
  - Top-line is affected negatively short term by the use of reagent rental model in some European markets such as Italy
  - In short the reagent rental model has no capital sale of the instrument up-front but charge the client based on consumables purchased
- Operating result SEK -65,4 million (-64,6) or SEK 57 million excluding restructuring cost of SEK 8.4 million.
  - Improvement thanks to cost saving program 2023
- Earnings per share amounted to -0.56 (-2.23) for the quarter, before and after dilution and -1.04 (-4.33) for the period
  - Average no of shares for the quarter and the period is 117,166, 372 (29, 537, 947)

*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.*

*Source: Company information.*



## Consolidated statement of financial position | End of second quarter

- Cash and cash equivalents amounted to SEK 20.9 million (81.9)
  - SEK 41.5 million in new loan from main owner Nexttobe received in second quarter
    - SEK 16.7 million average monthly burn rate for the second quarter
    - SEK 17.1 million average monthly burn-rate for the first half year
- Remaining loan facility 30 June from main owner of SEK 60 million
  - **Total: SEK 80.9 million available funds as of 30 June 2024.**
- Inventories amounted to SEK 40.4 million (45.6)
  - Instruments constitute a large part
- Group equity amounted to SEK 68.1 million (189.6)
  - SEK 18.9 million average monthly decrease (excl. restructuring cost of SEK 8.4 million)
- Parent company equity amounted to 163.6 MSEK (197.8)
  - Includes SEK 70 million of Podler-technology (not included in group equity)

## Future financing

- As of 30 of June we have a total of SEK 80.9 million in available funds, whereof cash at bank 20.9M and 60M in an unutilized loan facility from main owner.
- Total loan facility amounts to SEK 101.5 million is now approved at the AGM and will mature 30 June 2026
- Our average monthly operating result for the second quarter was SEK -19 million (excluding restructuring cost of 8.4 MSEK), cost savings program of SEK 50 million annually will, as previously communicated, have full effect as from third quarter
- Q-linea reported that we do not have “going concern”
- Q-linea is still in an early commercialisation phase, US launch started with NTAP funding, sales funnels growing and maturing, but we have to be engaged in pursuing alternative financing options including;
  - Strategic partnerships
  - Capitalisation of existing assets within Q-linea
  - Negotiations with new and existing investors, financiers, lenders
- *It is the BoD assessment that the group successfully will be able to finance company operations going forward.*

# Thank you!



**Q-linea aims to contribute to a healthier society by future-proofing a new generation of healthcare professionals, labs and hospitals**