

Growing pipeline in the US

Third quarter: 1 July – 30 September 2024

- Net sales amounted to SEK 0.6 million (3.0).
- The operating result totalled SEK -41.1 million (-48.2).
- The result for the period amounted to SEK -42.4 million (-48.6).
- Earnings per share before and after dilution amounted to SEK -0.36 (-0.56) SEK.
- Cash flow from operating activities totalled SEK -50.0 million (-54.5).

Period: 1 January – 30 September 2024

- Net sales amounted to SEK 2.2 million (4.4).
- The operating result totalled SEK -162.4 million (-175.1).
- The result for the period amounted to SEK -164.0 million (-175.1).
- Earnings per share before and after dilution amounted to SEK -1.4 (-3.59).
- Cash flow from operating activities totalled SEK -142.1 million (-180.3).
- As of 30 September 2024, the Company had a total of SEK 7.5 million (81.9) in available funds. In addition, the Company has an unutilized loan facility of SEK 23 million (41.5) from the principal owner Nexttobe.

Significant events

In the third quarter of 2023

- The Company participates in its first public tender in Belgium.
- Two American hospitals presented ASTar-data in line with good results shown in several European studies.
- CMS grants New Technology Add-on Payment (NTAP) for ASTar with a reimbursement of USD 97.50 per eligible patient.
- Q-linea expands its operation to Romania and the Middle East through two new distribution agreements.

After the of the period

- Q-linea announces changes in executive leadership team and expands US commercial team.
- Large US reference laboratory completes ASTar evaluation successfully.
- Two UK commercial evaluations successfully completed.
- The Company receives a formal request for a contract from a prominent hospital in Milano and participates in a multi-site public tender in Italy.
- First clinical evaluation of ASTar begins at a National Cancer Institute-designated (NCI) cancer center.
- Q-linea resolves to carry out a rights issue of approximately SEK 225 million and enters into an agreement for a bridge loan facility of approximately SEK 40 million.

Growing pipeline in the US



ASTar® awarded NTAP funding

\$97.50 in reimbursement for Medicare and Medicaid patients

Unique reimbursement from Medicare for ASTar analyses! Q-linea is the only company to receive NTAP reimbursement from Medicare for rapid resistance testing. We estimate that this will accelerate the use of ASTar in the U.S.

More than 66 million people in the United States are covered by the Medicare health insurance. It is partly publicly funded, partly paid by the patient.

In August, the U.S. Centers for Medicare and Medicaid Services (CMS) announced that ASTar System had been awarded NTAP funding. NTAP is an abbreviation of New Technology Add-on Payment. It is a way to make it easier for hospitals to introduce new technologies into clinical routines. ASTar qualified by meeting criteria around significant clinical improvement, novelty and cost.

The funding is valid for three years, from October 2024 to September 2027. Patient cases involving the use of ASTar and eligible for reimbursement will be identified using a unique NTAP code. The additional reimbursement to the hospital will be \$97.50 per eligible Medicare patient.

Growing pipeline in the US

Even before the FDA approval in April, we started a number of ASTar evaluations and it is gratifying to see the results. In August, clinical data was presented for the first time by a U.S. university hospital at the annual meeting of the Southwestern Association of Clinical Microbiology. The performance and results were as expected and in line with what had previously been shown in several European studies. At a webinar in September, Penn State Hershey Medical Center and George Washington University presented additional interim data from their respective studies, corroborating the August presentation.

This US-specific clinical data is an additional factor driving the growing pipeline of customers seeking to evaluate the ASTar platform. Our US team has been focused on the top 200 – 300 hospitals and labs in the US, and now have a sizeable pipeline of customers lined up for evaluations through the autumn and winter. Several of these are at or nearing completion and are entering

commercial contracting. I hope to be able to announce our first US commercial placements during Q4 2024.

Market expansion

We continue the geographical expansion with a focus on countries and regions that are actively working to address the challenge of antibiotic resistance. Romania is one of the countries with the highest number of infections with antibiotic-resistant bacteria in the EU. With the help of financial support, the country has drawn up a national action plan for optimising the use of antibiotics. We have found a very knowledgeable and experienced partner in S.C. Mecro System S.R.L. to bring ASTar into the country.

After evaluation of several potential partners for expansion in the Middle East, we are very pleased to have entered into an exclusive agreement with the medical technology company AMICO Group. The company is active in 12 countries in the Middle East and North Africa and employs more than 1,300 people. Q-linea will benefit from their extensive experience in clinical microbiology.

In our other core EMEA markets, projects continue to move through the pipeline. Our partner in the UK, Pro-Lab, has completed two successful evaluations with others ongoing. We anticipate that these will convert to commercial systems, along with similar projects in Benelux and Italy which should yield contracts in Q4.

Organization and cost savings

The previously communicated cost savings program is now clearly visible in the results for the third quarter. In addition to the total cost savings of approximately SEK 50 million on an annual basis, there has also been a shift of resources and focus from development and clinical studies to sales and market support activities. We will continue to maintain good cost control and to balance the increased need for in-market resources with savings in other areas.

As Thomas Fritz and Tiziana Di Martino prepare to leave the management team, having both been instrumental in establishing ASTar on the market, Franco Pellegrini, who led our launch in the Italian market, will take on the overall leadership of the EMEA commercial and clinical teams. We have also strengthened our US commercial team to meet the demands of a fast-expanding pipeline.

Financing

We are entering a critical phase of Q-linea's journey, having positioned ourselves assertively during 2024 for accelerated commercial growth. The communicated Rights Issue will provide us with funding for a pivotal upcoming period when we expect to see a steady pace of commercial contracts and revenue generation.

Uppsala, den 4 November 2024, Stuart Gander, koncernchef

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 the statement of profit and loss and statement of cash flows and to the closing balance in the preceding financial year with respect to the statement of financial position. Unless otherwise stated, the amounts are presented in thousands of kronor (SEK thousand). All amounts presented have been rounded, which may mean that certain totals do not tally.

All of the figures in the comments below refer to the Group and not the Parent Company unless otherwise stated.

Future financing

Q-linea's first product, ASTar, has been approved for sales in Europe and in the US market following the FDA's approval of ASTar on 26 April. The Company has yet to generate any positive cash flow and is thus continually engaged in pursuing other financing options. This process includes holding discussions with potential partners for the licensing of distribution and sales rights, and negotiations with new and existing investors, financiers and lenders.

The available cash and cash equivalents as of 30 September amount to SEK 7.5 million. In addition, there is an unutilized part of a loan facility from the Company's principal owner Nexttobe of SEK 23 million.

The Board considers the available cash and cash equivalents, the unutilised portion of the loan facility and the 80 percent underwritten, ongoing rights issue, sufficient to cover the Company's requirements to carry out the activities planned for the next 12 months.

Income, expenses and earnings

Net sales in the third quarter amounted to SEK 569 thousand (2,998), a decrease of SEK 2,429 thousand compared to the corresponding period in the preceding year. Net sales for the January-September period totalled SEK 2,204 thousand (4,378), a decrease of SEK 2,174 thousand. Sales comprised ASTar instruments and consumables.

Other operating income amounted to SEK 281 thousand (1,484) for the third quarter and SEK 2,179 thousand (2,041) for the January to September period, and refers primarily to sales of customer-specific prototypes and services.

The change in inventories of products in progress, semi-finished goods and finished goods amounted to SEK -

2,207 thousand (-2,646) for the third quarter and SEK -3,114 thousand (162) for the January to September period. A negative value indicates a cost.

Costs for raw materials and consumables and goods for resale totalled SEK 1,126 thousand (-693) for the third quarter and SEK -2,759 thousand (-4,402) for the January to September period.

Other external costs totalled SEK -11,391 thousand (-9,841) for the quarter, up SEK 1,550 thousand. Costs for the January – September period totalled SEK -40,866 thousand (-51,019), down SEK 10,153 thousand. The changes during the quarter were largely attributable to a decrease in the number of consultants during both the quarter and the period.

Personnel costs amounted to SEK -24,689 thousand (-34,463) for the quarter, down SEK 9,774 thousand. Personnel costs for the January-September period amounted to SEK -105,274 thousand (-111,910), down SEK 6,636 thousand. The decrease is attributable to the reorganization completed in 2024 where restructuring costs totalling SEK 8,426 thousand was taken in the third quarter. Cost for the Company's employee share option program amounted to 0 (0) for the quarter, including social security contributions and to SEK 0 thousand (3,902) for the January-September period.

Costs for depreciation, amortisation and impairment of tangible and intangible assets totalled SEK -4,153 thousand (-4 423) for the quarter and SEK -13,420 thousand (-13,131) for the January-September period.

Other operating expenses amounted to SEK -686 thousand (-669) for the quarter and SEK -1,342 thousand (-1,224) for the January-September period and pertained largely to exchange-rate losses.

The operating result SEK -41,150 thousand (-48,253) for the quarter and SEK -162,392 thousand (-175,103) for the January-September period. The improvement is primarily attributable to lower costs for personnel and consultants.

The result from financial items totalled SEK -1,217 thousand (-395) for the quarter and SEK -1,683 thousand (-5) for the January-September period. Increased cost explained by higher loans from the principal owner Nexttobe.

The reported tax for the quarter and for the January-September period amounted to SEK 0 thousand (0).

The result totalled SEK -42,366 (-48,648) for the third quarter and SEK -164,075 thousand (-175,108) for the January-September period.

Financial position

Cash and cash equivalents at the end of the quarter totalled SEK 7,451 thousand (81 895).

Financial assets totalled SEK 4,196 thousand (4,146) on the balance sheet date.

Q-linea's financial assets primarily comprise participations in EMPE Diagnostics AB amounting to SEK 4,095 thousand (4,095) at the end of the quarter. Q-linea's holding comprises 23,400 shares, corresponding to 4.97% of the capital and votes.

At the end of the quarter, equity amounted to SEK 25,665 thousand (189,636), the equity/assets ratio to 19% (82) and the debt/equity ratio to 277% (-neg.).

Cash flow and investments

Cash flow from operating activities totalled SEK -50,039 thousand (-54,452) for the third quarter and SEK -142,127 thousand (-180,331) for the January-September period. The improvement was primarily attributable to the development of working capital, but also to lower overheads.

Cash flow from investing activities amounted to SEK 1,558 thousand (-79,525) for the third quarter and SEK -4,961 thousand (-85,030) for the January-September period, of which investments in tangible assets totalled SEK 1,558 thousand (475) for the third quarter and SEK -4,909 thousand (-5,030) for the January-September period.

The Company invested SEK 0 thousand (80,000) in financial assets in the third quarter and in the January-September period.

Cash flow from financing activities totalled SEK 35,245 thousand (163,900) for the third quarter and SEK 72,754 thousand (247,306) for the January-September period. SEK 37,000 thousand (0) of the loan from the Company's principal owner Nexttobe was utilized in the third quarter and SEK 78,500 thousand (87,000) in the period.

Remaining amount refers to repayment of lease liabilities.

Parent Company

The Parent Company's net sales for the January – September period amounted to SEK 13,934 thousand (4,378), and the result before tax totalled SEK -135,184 thousand (-170,424). As of 30 September 2024, the Parent Company's cash and cash equivalents totalled SEK 4,840 thousand (79,712).

Other information

Nomination Committee

Q-linea's Nomination Committee ahead of the 2025 Annual General meeting has been appointed and comprises: Øystein Engebretsen, Chairman of the Nomination Committee (Investment AB Öresund), Erika Kjellberg Eriksson, Chairperson of Q-linea AB (Nexttobe AB) and Ulf Landegren (Landegren Gene Technology AB).

Employees

Q-linea had 97 (122) employees at the end of the third quarter, 39 (49) of whom were women. The number of consultants on the same date was three (three), one (0) of whom was a woman.

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 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 38–87 of the 2023 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 alternative 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.
Operating result (EBIT)	Result before financial items according to the income statement.	This earnings measurement is used for external comparisons.
Equity/assets ratio, %	Equity in relation to total assets.	This performance measure shows the amount of the balance sheet that has been financed by equity and is used to measure the Company's financial position.
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 liabilities and 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	Equity attributable to the Company's shareholders in relation to the number of shares outstanding, excluding treasury shares, 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 refers to the Company's own holding to ensure the delivery of performance shares. In the event that share options are exercised, shares will be primarily allotted from treasury shares and secondarily through a new issue.

The Company's holding of treasury shares has been excluded from the calculation of per-share performance measures.

EBITDA

SEK thousand	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Operating result (EBIT)	-41,150	-48,253	-162,392	-175,103	-230,587
Depreciation, amortisation and impairment	4,153	4,423	13,420	13,131	17,521
EBITDA	-36,997	-43,830	-148,972	-161,972	-213,066

Equity/assets ratio

SEK thousand (unless otherwise stated)	30 Sep 2024	30 Sep 2023	31 Dec 2023
Total assets	138,563	285,239	231,976
Equity	25,665	244,076	189,636
Soliditet (%)	19%	86%	82%

Debt/equity ratio

SEK thousand (unless otherwise stated)	30 Sep 2024	30 Sep 2023	31 Dec 2023
Current liabilities to credit institutions	-	-	-
Current liabilities to owners	78,500	-	-
Total borrowing (a)	78,500	0	0
- Less cash and cash equivalents (b)	-7,451	-54,945	-81,895
- Less short-term investments (c)	-	-80,000	-
- Less long-term investments (d)	-	-	-
Net debt (e=a+b+c+d)	71,049	-134,945	-81,895
Equity (f)	25,665	244,076	189,636
Debt/equity ratio (e/f) (%)	277%	-55%	-43%

Equity per share

SEK thousand (unless otherwise stated)	2024-09-30	2023-09-30	2023-12-31
Equity (a)	25,665	244,076	189,636
Total number of shares outstanding (b)	117,166,372	117,166,372	117,166,372
- Less holding of treasury shares (c)	-328,472	-328,472	-328,472
Equity per share (a/(b-c)), SEK	0.22	2.09	1.62

Performance measures and other information

SEK thousand (unless otherwise stated)	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Earnings					
Net sales	569	2,998	2,204	4,378	4,440
EBITDA	-36,997	-43,830	-148,972	-161,972	-213,066
Operating result (EBIT)	-41,150	-48,253	-162,392	-175,103	-230,587
Result for the period	-42,366	-48,648	-164,075	-175,108	-229,366
Per share					
Equity per share, SEK	0.22	2.09	0.22	2.09	1.62
Earnings per share before and after dilution, SEK	-0.36	-0.56	-1.40	-3.59	-3.48
Total number of shares outstanding	117,166,372	117,166,372	117,166,372	117,166,372	117,166,372
- of which, treasury shares	328,472	328,472	328,472	328,472	328,472
Number of shares outstanding excl. treasury shares	116,837,900	116,837,900	116,837,900	116,837,900	116,837,900
Total average number of shares	117,166,372	87,639,403	117,166,372	49,117,925	66,269,862
- of which, average number of treasury shares	328,472	328,472	328,472	328,472	328,472
Average number of shares excl. treasury shares	116,837,900	87,310,931	116,837,900	48,789,453	65,941,390
Cash flow					
Cash flow from operating activities	-50,039	-54,452	-142,127	-180,331	-228,522
Cash flow from investing activities	1,558	-79,525	-4,961	-85,030	-7,766
Cash flow from financing activities	35,245	163,900	72,754	247,307	245,408

SEK thousand (unless otherwise stated)	30 Sep 2024	30 Sep 2023	31 Dec 2023
Financial position			
Total assets	138,563	285,188	231,976
Cash and cash equivalents	7,451	54,945	81,895
Short-term and long-term investments	-	80,000	-
Equity	25,665	244,076	189,636
Equity/assets ratio, %	19	86	82
Debt/equity ratio, %	277	neg	neg

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 4 November 2024

Stuart Gander <i>CEO</i>	Erika Kjellberg Eriksson <i>Chairperson</i>	Anders Ljunggren <i>Managing Director</i>
Hans Johansson <i>Director</i>	Mario Gualano <i>Director</i>	Karin Fischer <i>Director</i>
Finn Sander Albrechtsen <i>Director</i>	Jonas Jarvius <i>Director</i>	

This report has been reviewed by the auditor of the Company. 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 events

13 February 2025	Year-end report	January to December 2024
11 April 2025	2024 Annual Report	
2 May 2025	Interim report, Q1	January to March 2025
22 May 2025	2025 Annual General Meeting	
10 July 2025	Interim report, Q2	January to June 2025
30 October 2025	Interim report, Q3	January to September 2025

About the Company

Q-linea AB (publ)

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This information is information that Q-linea AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on 5 November 2024 at 7:30 a.m. CET.

Presentation

Q-linea invites investors, analysts and the media to an audiocast and teleconference (in English) today, 5 November 2024 kl. 13:00 – 14:00 (CET). CEO Stuart Gander and CFO Christer Samuelsson will present Q-linea, comment on the interim report for the January to September 2024 period and respond to questions.

To participate via webcast, please visit the following link: <https://ir.financialhearings.com/q-linea-q3-report-2024>
There will be an opportunity to ask questions in writing at the webcast.

If you would like to ask questions verbally via conference call, please register at the following link:
<https://conference.financialhearings.com/teleconference/?id=50048764>

You will receive a telephone number and a meeting ID to log into the conference call after registering. There will be an opportunity to ask questions verbally during the conference call.

Consolidated statement of profit and loss

Amounts in SEK thousand	Note	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Net sales	2	569	2,998	2,204	4,378	4,440
Other operating income		281	1,484	2,179	2,041	2,183
Changes in inventories of products in progress, semi-finished goods and finished goods		-2,207	-2,646	-3,114	162	2,341
Raw materials and consumables, and goods for resale		1,126	-693	-2,759	-4,402	-5,786
Other external costs		-11,391	-9,841	-40,866	-51,019	-64,083
Personnel costs	4	-24,689	-34,463	-105,274	-111,910	-150,643
Depreciation/amortisation of tangible and intangible assets		-4,153	-4,423	-13,420	-13,131	-17,521
Other operating expenses		-686	-669	-1,342	-1,224	-1,519
Operating result		-41,150	-48,253	-162,392	-175,103	-230,587
Financial income		4	261	6	1,359	2,790
Financial expenses		-1,221	-656	-1,689	-1,364	-1,569
Result from financial items		-1,217	-395	-1,683	-5	1,221
Result before tax		-42,366	-48,648	-164,075	-175,108	-229,366
Income tax		-	-	-	-	-
Result for the period		-42,366	-48,648	-164,075	-175,108	-229,366
Result attributable to:						
Parent Company shareholders	7	-42,366	-48,648	-164,075	-175,108	-229,366
Non-controlling interests		-	-	-	-	-
Earnings per share before and after dilution		-0.36	-0.56	-1.40	-3.59	-3.48

Consolidated statement of comprehensive income

Amounts in SEK thousand	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Result for the period	-42,366	-48,648	-164,075	-175,108	-229,366
Items that may be subsequently reversed in profit or loss	-	-	-	-	-
Change in fair value of financial instruments	-	-	-	-	-
Translation differences	-1,359	-115	-1,417	12	-160
Total comprehensive income	-43,725	-48,763	-165,493	-175,096	-229,526
Comprehensive income attributable to:					
Parent Company shareholders	-43,725	-48,763	-165,493	-175,096	-229,526
Non-controlling interests	-	-	-	-	-

Consolidated statement of financial position

Amounts in SEK thousand	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS				
Non-current assets				
Tangible assets		31,176	33,934	34,060
Right-of-use assets		14,812	23,295	21,528
Goodwill		4,889	4,889	4,889
Other intangible assets		63	148	126
Financial assets	6	4,196	4,145	4,146
Total non-current assets		55,137	66,409	64,749
Current assets				
Inventories	5	39,619	43,351	46,527
Accounts receivable		271	1,233	60
Other receivables		34,169	36,684	35,711
Prepaid expenses and accrued income		1,917	2,566	3,034
Short-term investments	6	-	80,000	-
Cash and cash equivalents		7,451	54,945	81,895
Total current assets		83,426	218,779	167,227
TOTAL ASSETS		138,563	285,188	231,976

Consolidated statement of financial position

Amounts in SEK thousand	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
EQUITY AND LIABILITIES				
Equity attributable to Parent Company shareholders				
Share capital		5,858	5,858	5,858
Reserves		1,483,364	19	-745
Other contributed capital		-1,417	1,483,364	1,483,364
Retained earnings, including result for the year		-1,462,141	-1,245,165	-1,298,842
Total equity attributable to Parent Company shareholders		25,665	244,076	189,636
Equity attributable to non-controlling interest		-	-	-
Total equity		25,665	244,076	189,636
Liabilities				
Non-current liabilities				
Non-current lease liabilities		7,100	14,769	12,905
Total non-current liabilities		7,100	14,769	12,905
Kortfristiga skulder				
Loan from principal owner	3	78,500	-	-
Accounts payable		2,134	5,241	5,305
Current lease liabilities		6,738	7,557	7,659
Current tax liabilities		-	-	-
Other liabilities		2,772	5,464	6,805
Accrued expenses and deferred income		15,655	8,080	9,665
Total current liabilities		105,798	26,343	29,435
Total liabilities		112,898	41,112	42,340
TOTAL EQUITY AND LIABILITIES		138,563	285,188	231,976

Consolidated statement of changes in equity

Amounts in SEK thousand	Note	Equity attributable to Parent Company shareholders ¹⁾				Total equity
		Share capital	Other contributed capital	Reserves	Retained earnings, including result for the year	
Opening balance, 1 Jan 2023		1,477	1,234,972	-4	-1,073,255	163,190
Result for the period		-	-	-	-175,107	-175,107
Other comprehensive income		-	-	15	7	22
Comprehensive income for the period		-	-	15	-175,100	-175,085
New share issue		4,381	258,504	-	-	262,885
Issue cost		-	-10,111	-	-	-10,111
Share-based remuneration programmes	4	-	-	-	3,198	3,198
Transactions with shareholders		4,381	248,393	-	3,198	255,972
Closing balance, 30 Sep 2023		5,858	1,483,365	12	-1,245,158	244,077
Opening balance, 1 Jan 2023		1,477	1,234,972	-4	-1,073,255	163,190
Result for the period		-	-	-	-229,366	-229,366
Other comprehensive income		-	-	-742	582	-160
Comprehensive income for the period		0	0	-742	-228,784	-229,526
New share issue		4,381	258,504	-	-	262,885
Issue costs		-	-10,111	-	-	-10,111
Share-based remuneration programmes	4	-	-	-	3,198	3,198
Transactions with shareholders		4,381	248,393	-	3,198	255,972
Closing balance, 31 Dec 2023		5,858	1,483,364	-745	-1,298,842	189,636
Opening balance, 1 Jan 2024		5,858	1,483,364	-745	-1,298,842	189,636
Result for the period		-	-	-	-164,075	-164,075
Other comprehensive income		-	-	-672	776	104
Comprehensive income for the period		0	0	-672	-163,299	-163,971
Share-based remuneration programmes	4	-	-	-	-	0
Transactions with shareholders		-	-	-	-	0
Closing balance, 30 Jun 2024		5,858	1,483,364	-1,417	-1,462,141	25,665

¹⁾ There are no non-controlling interests.

Consolidated statement of cash flows

Amounts in SEK thousand	Note	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Cash flow from operating activities						
Operating result		-41,150	-48,253	-162,392	-175,103	-230,587
Adjustments for non-cash items		4,549	11,479	13,962	16,269	20,879
Interest received		4	11	7	11	1,691
Interest paid		-1,209	-642	-1,628	-1,371	-1,562
Tax paid		-	-	-	-	-
Cash flow from operating activities before changes in working capital		-37,805	-37,405	-150,052	-160,193	-209,580
Changes in working capital						
Change in inventories	5	720	2,227	6,894	-1,070	-4,265
Change in accounts receivable		-99	-614	-215	-1,233	-61
Change in other current receivables		386	-1,030	2,627	9,265	9,485
Change in other current liabilities		-9,138	-12,613	1,802	-10,796	-7,874
Change in accounts payable		-4,102	-5,017	-3,183	-16,302	-16,227
Changes in working capital		-12,233	-17,047	7,925	-20,137	-18,941
Cash flow from operating activities		-50,039	-54,452	-142,127	-180,331	-228,521
Cash flow from investing activities						
Investments in tangible assets		1,558	475	-4,909	-5,030	-8,342
Sale of tangible assets		-	-	-	-	575
Short-term investments		-	-80,000	-	-80,000	-80,000
Divestment of short-term investments		-	-	-	-	80,000
Investments in financial assets	6	-	-	-52	-	-
Divestment of financial assets	6	-	-	-	-	-
Cash flow from investing activities		1,558	-79,525	-4,961	-85,030	-7,766
Cash flow from financing activities						
New share issue		-	262,885	-	262,885	262,885
Issuer cost		-	-10,111	-	-10,111	-10,111
Loans raised from principal owner	3	37,000	-	78,500	87,000	87,000
Repayment of lease liabilities		-1,755	-1,874	-5,746	-5,468	-7,367
Repayment of loans		-	-87,000	-	-87,000	-87,000
Cash flow from financing activities		35,245	163,900	72,754	247,306	245,407
Cash flow for the period		-13,235	29,923	-74,334	-18,055	9,120
Cash and cash equivalents at the beginning of the period		20,858	25,032	81,895	72,878	72,878
Exchange rate difference in cash and cash equivalents		-172	-9	-110	122	-103
Cash and cash equivalents at the end of the period		7,451	54,945	7,451	54,945	81,895

Parent Company income statement

Amounts in SEK thousand	Note	2024	2023	2024	2023	2023
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan - Dec
Net sales, external	2	498	2,998	1,988	4,378	7,391
Net sales, internal		2,935	-	11,946	-	-
Other operating income		281	1,484	2,179	2,041	2,183
Changes in inventories of products in progress, semi-finished goods and finished goods		-2,854	-2,646	-11,010	162	-480
Raw materials and consumables, and goods for sale		1,126	-693	-2,753	-4,402	-5,786
Other external costs		-10,679	-10,761	-41,336	-55,741	-70,191
Personnel costs	4	-18,215	-30,842	-86,013	-107,909	-142,352
Depreciation/amortisation of tangible and intangible assets		-2,599	-2,781	-7,895	-8,378	-11,093
Other operating expenses		-613	-668	-1,237	-1,223	-1,516
Operating result		-30,119	-43,910	-134,132	-171,072	-221,844
Revenue from holdings of listed corporate bonds that are non-current assets		-	-	-	-	-
Other interest income and similar profit items		197	261	275	1 359	2 790
Interest expenses and similar loss items		-1,071	-436	-1,327	-710	-710
Result from financial items		-874	-175	-1,052	649	2,080
Result before tax		-30,993	-44,085	-135,184	-170,424	-219,764
Tax on result for the period		-	-	-	-	-
Result for the period		-30,993	-44,085	-135,184	-170,424	-219,764

Parent Company statement of comprehensive income

Amounts in SEK thousand	Note	2024	2023	2024	2023	2023
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan - Dec
Result for the period		-30,993	-44,085	-135,184	-170,424	-219,764
Other comprehensive income, net after tax		-	-	-	-	-
Items that may be subsequently reversed in profit or loss		-	-	-	-	-
Changes in fair value of financial instruments		-	-	-	-	-
Total comprehensive income		-30,993	-44,085	-135,184	-170,424	-219,764

Parent Company balance sheet

Amounts in SEK thousand		30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS				
Non-current assets				
<i>Intangible assets</i>				
Licences		-	-	-
Technology and customer relationships		63	148	126
Goodwill		815	1,901	1,630
Total intangible assets		878	2,049	1,756
<i>Tangible assets</i>				
Equipment, tools, fixtures and fittings		24,821	33,934	31,838
Total tangible assets		24,821	33,934	31,838
<i>Financial assets</i>				
Participations in Group companies	3	109,539	6,352	12,966
Other securities held as non-current assets	6	4,095	4,095	4,095
Other non-current receivables		51	50	51
Total financial assets		113,685	10,498	17,112
Total non-current assets		139,384	46,480	50,706
Current assets				
Inventories	5	37,209	43,351	46,225
<i>Current receivables</i>				
Accounts receivable		185	985	1,558
Accounts receivable in Group companies		2,280	-	-
Other receivables		33,510	36,165	35,367
Other receivables in Group companies		8,480	-	-
Prepaid expenses and accrued income		2,928	4,038	4,299
Total current receivables		47,383	41,188	41,224
Short-term investments		-	80,000	-
Cash and bank balances		4,840	53,989	79,712
Total current assets		89,432	218,528	167,161
TOTAL ASSETS		228,816	265,008	217,867

Parent Company balance sheet

Amounts in SEK thousand	30 Sep 2024	30 Sep 2023	31 Dec 2023
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	5,858	5,858	5,858
Revaluation reserve	70,000	-	-
Total restricted equity	75,858	5,858	5,858
Unrestricted equity			
Share premium reserve	1,483,364	1,483,364	1,483,364
Fair value reserve	-	-	-
Retained earnings	-1,291,386	-1,071,622	-1,071,622
Result for the period	-135,184	-170,424	-219,764
Total unrestricted equity	56,795	241,319	191,979
Total equity	132,653	247,177	197,837
Liabilities			
<i>Current liabilities</i>			
Loan from principal owner	3	78,500	-
Accounts payable	1,994	4,996	4,762
Accounts payable in Group companies	240	-	-
Current tax liabilities	-	-	-
Other liabilities	2,466	5,247	6,356
Liabilities to Group companies	25	-	-
Accrued expenses and deferred income	12,939	7,588	8,912
Total current liabilities	96,163	17,831	20,030
Total liabilities	96,163	17,831	20,030
TOTAL LIABILITIES AND EQUITY	228,816	265,008	217,867

Parent Company statement of changes in equity

Amounts in SEK thousand	Note	Restricted equity		Share premium reserve	Retained earnings	Result for the period	Total equity
		Share capital	Revaluation reserve				
Opening balance, 1 Jan 2023		1,477	0	1,234,972	-805,316	-269,503	161,630
Result for the period		-	-	-	-	-170,424	-170,424
Appropriation of profits in accordance with		-	-	-	-269,503	269,503	0
- Carried forward to unrestricted equity		-	-	-	-	-	0
Total comprehensive income		0	0	0	-269,503	99,080	-170,424
Transactions with shareholders							
New share issue		4,381	258,504	-	-	-	262,885
Issue costs		-	-10,111	-	-	-	-10,111
Share-based remuneration programmes	4	-	-	-	3,198	-	3,198
Transactions with shareholders		4,381	248,393	-	3,198	-	255,972
Closing balance, 30 Sep 2023		5,858	1,483,364	0	-1,071,622	-170,424	247,177
Opening balance, 1 Jan 2023		1,477	0	1,234,972	-805,316	-269,503	161,630
Comprehensive income							
Result for the period		-	-	-	-	-219,764	-219,764
Other comprehensive income		-	-	-	-	-	0
Appropriation of profits in accordance with AGM decision:		-	-	-	-	-	0
- Carried forward to unrestricted equity		-	-	-	-269,503	269,503	0
Total comprehensive income		0	0	0	-269,503	49,739	-219,764
Transactions with shareholders							
New share issue		4,381	-	258,504	-	-	262,885
Issue costs		-	-	-10,111	-	-	-10,111
Share-based remuneration programmes	4	-	-	-	3,198	-	3,198
Transactions with shareholders		4,381	-	248,393	3,198	-	255,972
Closing balance, 31 Dec 2023		5,858	0	1,483,364	-1,071,622	-219,764	197,837
Opening balance, 1 Jan 2024		5,858	0	1,483,364	-1,071,622	-219,764	197,837
Comprehensive income							
Result for the period		-	-	-	-	-135,184	-135,184
Other comprehensive income		-	-	-	-	-	0
Revaluation of participations in subsidiaries		-	70,000	-	-	-	70,000
Appropriation of profits in accordance with AGM decision:		-	-	-	-	-	0
- Carried forward to unrestricted equity		-	-	-	-219,764	219,764	0
Total comprehensive income		-	70,000	-	-219,764	84,580	-65,184
Transactions with shareholders							
Share-based remuneration programmes	4	-	-	-	-	-	-
Transactions with shareholders		-	-	-	-	-	-
Closing balance, 30 Sep 2024		5,858	70,000	1,483,364	-1,291,386	-135,184	132,653

Accounting policies and notes

Note 1 Accounting policies

Q-linea has prepared consolidated financial statements in accordance with the IFRS issued by the International Accounting Standards Board (IASB) as adopted by the EU.

The accounting policies applied in this interim report are the same as the policies applied and described in the 2023 Annual Report. Nor have the significant estimates and judgements described in the aforementioned Annual Report changed significantly during the period.

Parent Company accounting policies

The Parent Company's financial statements have been prepared 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 means that IFRS is applied with certain limitations.

According to RFR 2, a company, as a legal entity, can choose to apply IFRS 9 Financial Instruments, which Q-linea has chosen to do. This primarily means that certain financial instruments, which had previously been measured at cost, will now be measured at fair value.

Note 2 Specification of net sales

Net sales comprise sales of ASTar instruments and associated consumables, and are distributed by geographic markets as follows:

SEK thousand	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Sweden	-	-	-	60	60
Italy	71	-	216	-	-
UK	402	141	462	1,462	1,522
France	-	2,857	95	2,857	2,857
Finland	96	-	1,431	-	-
Total net sales by geographic market	569	2,998	2,204	4,379	4,440

Note 3 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. In addition to the groups mentioned above, Q-linea AB's subsidiaries Q-linea Inc., Q-linea S.r.l. and NexttoQ AB are also related parties.

Disclosures concerning transactions between the Company and other related parties are presented below. Transactions with related parties are made on market-based terms.

During the third quarter, the Parent Company paid a capital contribution of EUR 200 thousand (190) to Q-linea S.r.l., which was reported in the Parent Company at SEK 2,272 thousand (2,272) and to Q-linea Inc a capital contribution of USD 700 (100) thousand, which in the Parent Company was reported at SEK 7,351 thousand (1,104).

Of the loan facility resolved at the 2024 Annual General Meeting from the Company's principal owner Nexttobe, Q-linea AB has as of September 30 utilized SEK 78.5 million out of a total of SEK 101.5 million. In total, therefore, SEK 23 million remains in unutilized loan facility from the Company's principal owner Nexttobe. The entire loan facility runs until 30 June 2026 at the latest. Q-linea and its main owner Nexttobe are considered to be related parties, which means that the rules in Chapter 1 of the Swedish Companies Act. 16a on related party transactions have been taken into account.

Note 4 Aktierelaterade ersättningsprogram

Det personaloptionsprogram som beslutades vid bolagsstämman den 28 juni 2024 (LTIP 2024/27) är per den 4 november det enda programmet som är utestående. Programmet har tilldelats under oktober månad i enlighet med beslutet på bolagsstämman men har inte haft någon finansiell påverkan på resultatet i kvartal 3.

Note 5 Inventories

At the end of the third quarter 2024, the Company had an inventory value of SEK 40,393 thousand (46,527).

SEK thousand	30 Sep 2024	30 Sep 2023	31 Dec 2023
Raw materials and consumables	7,021	8,255	8,531
Goods for resale	21,413	26,190	27,648
Products in progress	2,992	422	5,856
Semi-finished goods	6,304	5,867	2,361
Finished goods	1,889	2,616	2,131
Total inventories	39,619	43,351	46,527

Note 6 Financial instruments

Cash and cash equivalents not used in daily operations are invested in low-risk listed corporate bonds as well as in fixed-income funds that invest in low-risk interest-bearing securities and other interest-rate instruments.

The Company had no holdings in fixed-income funds at 30 September 2024.

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)	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Result for the period	-42,366	-48,648	-164,075	-175,108	-229,366
Weighted average number of shares outstanding	117,166,372	87,639,403	117,166,372	49,117,925	66,269,862
- Less average holding of treasury shares	-328,472	-328,472	-328,472	-328,472	-328,472
Earnings per share before and after dilution (SEK)	-0.36	-0.56	-1.40	-3.59	-3.48

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.

Material risks associated with Q-linea's operations are presented in the Annual Report for the 1 January to 31 December 2023 financial year.

Note 9 Future financing

Q-linea's first product, ASTar, has been approved for sales in Europe and in the US market following the FDA's approval of ASTar on 26 April. The Company has yet to generate any positive cash flow and is thus continually engaged in pursuing other financing options. This process includes holding discussions with potential partners for the licensing of distribution and sales rights, and negotiations with new and existing investors, financiers and lenders.

The available cash and cash equivalents as of 30 September amount to SEK 7.5 million. In addition, there is an unutilized part of a loan facility from the Company's principal owner Nexttobe of SEK 23 million.

The Board considers the available cash and cash equivalents, the unutilised portion of the loan facility and the 80 percent underwritten, ongoing rights issue, sufficient to cover the Company's requirements to carry out the activities planned for the next 12 months..

Note 10 Significant events after the end of the period

Q-linea announces changes in executive leadership team and expands US commercial team.

US reference laboratory completes ASTar evaluation.

Two UK commercial evaluations successfully completed.

The Company receives a formal request for a contract from a prominent hospital in Milano and participates in a multi-site public tender in Italy.

First clinical evaluation of ASTar begins at a National Cancer Institute-designated (NCI) cancer center.

Q-linea resolves to carry out a rights issue of approximately SEK 225 million and enters into an agreement for a bridge loan facility of approximately SEK 40 million.