

Interim report 1 January - 30 June 2023

Underwritten rights issue of SEK 263 million

Second quarter: 1 April–30 June 2023

- Net sales amounted to SEK 1.4 million (4.1).
- The operating result totalled SEK -64.6 million (-72.7).
- The result for the period amounted to SEK -65.0 million (-73.2).
- Earnings per share before and after dilution amounted to SEK -2.23 (-2.51).
- Cash flow from operating activities totalled SEK -53.5 million (-67.5).

Period: 1 January–30 June 2023

- Net sales amounted to SEK 1.4 million (9.9).
- The operating result totalled SEK -126.9 million (-144.2).
- The result for the period amounted to SEK -126.5 million (-145.9).
- Earnings per share before and after dilution amounted to SEK -4.33 (-5.00).
- Cash flow from operating activities totalled SEK -125.9 million (-117.5).
- As of 30 June 2023, the Company had a total of SEK 25.0 million (72.9) in available funds.

Significant events

In the second quarter of 2023

- Q-linea AB received the first two orders for ASTar instruments from Pro-Lab Diagnostics in the UK.
- The Company entered into a non-exclusive distribution agreement for Poland with Integra Diagnostic Sp. z o.o.
- Q-linea AB initiated a cost-saving programme with the aim of enabling the commercial investment.
- The Company signed a distribution agreement for Norway with Montebello Diagnostics AS.
- Q-linea AB announced that the Company had participated in a public tender in Italy with the ASTar[®] instrument and consumables.
- The Company's distributor for the UK, Pro-Lab Diagnostics, started its first commercial evaluation at a large regional hospital in the southwest UK.
- The Board resolved to carry out an underwritten new share issue of approximately SEK 263 million with preferential rights for the Company's existing shareholders.
- The Company signed a distribution partnership for the ASTar[®] instrument and consumables in France with Eurobio Scientific.
- Q-linea announced that the first patient had been enrolled in Lifetimes, a Q-linea sponsored multi-centre study investigating the health economic benefits of using ASTar.
- Q-linea announced that the Company's principal owner, Nexttobe, had granted Q-linea an additional short-term loan of SEK 30 million (total SEK 87 million) within the framework of the previously communicated loan facility totalling SEK 200 million.

After the end of the period

- Q-linea AB held an extraordinary general meeting at which the Board's proposal regarding a new share issue with preferential rights for existing shareholders was approved.
- The Company strengthened its commercial team in Europe through the appointment of Franco Pellegrini as Sales Director for Southern Europe.
- Q-linea AB published a prospectus in connection with the rights issue resolved on by the Board on 1 June 2023 and approved by the extraordinary general meeting on 3 July 2023.
- The Company strengthened its commercial team in the US through the appointment of Jim Kathrein as VP of US Commercial Operations.

Underwritten rights issue of SEK 263 million

During the second quarter of the year, Q-linea made its most significant commercial progress to date, including signing a number of new distribution agreements for ASTar instruments and consumables. We now cover the main European geographic markets and are seeing considerable interest in ASTar.

The strong interest in distributing ASTar has allowed us to choose our partners carefully. Above all, we wanted to ensure that ASTar will be a priority product in our partners' ranges. During the quarter, we signed distribution agreements with Montebello Diagnostics in Norway, Integra Diagnostic in Poland and Eurobio Scientific in France. The companies all have comprehensive market knowledge, extensive expertise in bacteriology and good contacts at microbiology laboratories. We will continue to make methodical progress when it comes to finding the best commercialisation solution for each market.

We now have a presence in six European countries, either through distribution partnerships or directly, and we are particularly pleased with the agreement for the French market, which is very important – partly because it is a large agreement and partly because France is facing a major problem with antibiotic resistance. With Eurobio Scientific, we have added another strong company to our distributor network. The company brings extensive expertise, a highly motivated team and a large installed base of more than 500 diagnostic instruments at its customers' laboratories.

During the quarter, we also received our first commercial order since we began implementing our updated commercialisation strategy. The order was from our UK distribution partner Pro-Lab Diagnostics, which ordered two ASTar instruments for upcoming trade shows and customer evaluations. The order came early in our partnership and is a clear validation of Pro-Lab's strong commitment to ASTar.

An important parameter for successful commercialisation is health economic evidence. That is why we are sponsoring the Lifetimes multi-centre study. The study enrolled the first patient in June and is expected to run for about a year at four major Italian hospitals with a total of 160 potential intensive care patients. The study will investigate the time to optimal treatment, the time spent in intensive care and in hospital, and the duration and cost of antibiotic treatment. By demonstrating the impact of ASTar on patient outcomes and healthcare costs, we hope that the implementation rate for ASTar implementation will increase.

With respect to the US market, we completed the additional testing required by the FDA in the spring. The FDA wanted us to verify the performance improvements made after the clinical study in the 510(k) application was completed. We are preparing to submit the supplementary application to the FDA, and we hope that the FDA will decide that the material is sufficient for processing our application for approval. Since ASTar has breakthrough device designation, we look forward to a continued positive dialogue with priority processing.

I would also like to take this opportunity to welcome Finn Sander Albrechtsen and Franco Pellegrini back to Q-linea. Finn Sander Albrechtsen was together with Karin Fischer elected to the Board of Q-linea in June, and Franco will join us as Sales Director for Southern Europe in July. Both Finn and Franco come from senior positions at Thermo Fischer Scientific, with Finn serving as VP of R&D and Business Development for the microbiology division between 2015 and 2021. It is very gratifying that people in senior positions such as Finn and Franco are interested in working with ASTar and Q-linea, particularly since this is a strong indication that the termination of the partnership between the companies was not due to ASTar itself, but rather to a change in Thermo Fischer Scientific's strategy.

Jim Kathrein has also been appointed to head the commercial organisation in the US. Jim will start in July and will initially focus on market preparation work to ensure we are as ready as possible once US approval is obtained. Jim previously worked at Biofire and Bio Mériex and has extensive commercial experience in infectious disease diagnostics.

Overall the commercial investment develops according to plan and I expect a clear positive sales trend in 2024.

During the spring our board of directors and our owners decided on a rights issue of SEK 263 million to finance the continued operation and it is gratifying to see that it is fully guaranteed. We look forward to having as many shareholders as possible participate.

Uppsala, 13 July 2023, Jonas Jarvius, President

This report has not 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.

Presentation

Q-linea invites investors, analysts and the media to an audiocast and teleconference (in English) today, 13 July 2023, at 1:00 to 2:00 p.m. (CEST). President Jonas Jarvius and CFO Christer Samuelsson will present Q-linea, comment on the interim report for the January to June 2023 period and respond to questions.

To participate via webcast, please visit the following link: <https://ir.financialhearings.com/q-linea-q2-2023>
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=200818>

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.

For more information, please contact:

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About Q-linea

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

This information is information that Q-linea is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-07-13 07:30 CEST.

Attachments

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