

Interim report 1 January–31 March 2023

COMMERCIAL EXPANSION CONTINUING ACCORDING TO PLAN

First quarter: 1 January - 31 March

- Net sales amounted to SEK 0 million (5.8).
- The operating result totalled SEK -62.2 million (-71.5).
- The result for the period amounted to SEK -61.4 million (-72.8).
- Earnings per share before and after dilution amounted to SEK -2.10 (-2.49).
- Cash flow from operating activities totalled SEK -72.4 million (-50.0).
- As of 31 March 2023, the Company had a total of SEK 20.6 million (72.9) in available funds.

Significant events

In the first quarter of 2023

- In February, Q-linea AB entered into a distribution partnership for the ASTar® instrument and consumables for the UK market with Pro-Lab Diagnostics as its sole distribution partner. However, Q-linea also has the right to address this market.
- Q-linea AB received certification under the new and more comprehensive EU In Vitro Diagnostics Regulation (IVDR).
- The Company announced an updated commercialisation strategy focusing on three key geographies in Europe – the UK, Italy and Benelux – to be implemented through an internal sales force, subsidiaries and partnerships. In the US, Q-linea will initially focus on the East Coast and will be assisted by a subsidiary with a dedicated sales force of 8–12 people. Q-linea's majority owner, Nexttobe, fully supports the strategy and has expanded the current loan facility from SEK 100 million to SEK 200 million.
- Q-linea AB hired Christer Samuelsson as CFO and IR Director. Christer Samuelsson will take up his post on 1 May 2023, replacing Anders Lundin, who has held the role since 2018.
- In March, the Company received ethics approval for a university hospital in Belgium to initiate a study that evaluates ASTar's clinical benefit. The aim of the study is to investigate the effect of a shorter time to optimal antibiotic treatment using ASTar.

After the end of the period

- 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.
- Q-linea AB has initiated a cost-saving program with the purpose of enabling investment in the updated commercialisation strategy. The cost savings are estimated to approx. SEK 45 million on an annual basis.
- The board of Q-linea AB has decided to change the date of the annual general meeting to June 13, 2023 at 4:00 p.m. The background to the board's decision is the cost-saving process that has been initiated.

CEO Comment

Q-linea's journey of transformation continued at a rapid rate during the first quarter of the year. We took important steps in accordance with our new commercialisation strategy, and we are delighted with the strong interest we see in ASTar.

We are focusing on the US, Italy and Benelux through an internal sales force and are expanding our presence in other geographies in Europe in partnership with distributors. We are initially focusing on strategically important markets such as the UK.

We were pleased to enter into a distribution partnership with Pro-Lab Diagnostics for the UK market during the quarter. Moreover, shortly after the end of the quarter we received our first order for two ASTar instruments, which will be used by Pro-Lab at future exhibitions and in future customer evaluations. Poland is also an attractive geographic region, which had a clear focus on investment in improved infection diagnostics in 2023. Therefore we believe that the distribution agreement that we entered into with Integra Diagnostic Sp. z.o.o. provides us with an excellent opportunity to address the Polish market and meet the needs that have been identified.

We are being selective about the distributors we want to work with in order to ensure that we are given priority in their product range and that they possess strong market knowledge. We will continue to make methodical progress when it comes to finding the best and most cost-effective commercialisation solution for each market. We are also continuing our dialogue with major strategic companies in order to evaluate the potential for jointly facilitating the commercialisation of ASTar.

In the US, we will initially enter with a dedicated sales force in our subsidiary Q-linea Inc., and until we receive market approval we will be engaged in running clinical evaluation studies with the aim of being ready when ASTar is approved for sale in the US. We received feedback from the FDA during the quarter, and as a result we initiated additional testing in order to verify the performance improvements that were introduced after the clinical study in the 510(k) application was completed. Our objective is to complete testing during the spring in order to submit additional data before the summer.

Rapid susceptibility testing (rapid AST) is definitely the future, but hospitals, laboratories and payers need solid health economic evidence in order to justify their purchases. During the quarter, we announced that a university hospital in Belgium had received ethics approval to initiate a study that evaluates ASTar's clinical benefit. Demonstrating the clinical benefit is a cornerstone of our clinical strategy and for commercial development.

Studies such as this one increase awareness of the advantages of rapid AST in general and ASTar in particular.

Another positive piece of news during the quarter was our certification under the new and more comprehensive EU IVDR. This certification is proof of our consistently high level of quality, and is a condition for CE marking the ASTar BC G- kit. Our goal is to receive CE marking for ASTar BC G- Kit under IVDR before the summer. The ASTar instrument has been CE-marked under IVDR since May 2022.

After the end of the period, we participated in ECCMID, which is one of the largest infection diagnostics conferences in the world. We were extremely well received and had a constructive dialogue with potential future customers. At the same time, we are seeing strong interest from the hospitals that have evaluated ASTar. More tenders are being invited as a response to previous evaluations.

The current financial year will continue to be a year of transformation, and in April we announced that the Company is implementing a comprehensive cost savings programme. Other purpose is to enable greater financial sustainability while simultaneously allowing us to use resources to support our new commercialization strategy. The purpose of the year's activities is to enable an increase in sales in 2024. I look forward to keeping you updated.

Uppsala, 3 May 2023 Jonas Jarvius, President

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. This report has not been reviewed by the auditor of the Company.

Presentation

Q-linea invites investors, analysts and the media to an audiocast and teleconference (in English) today, 4 May 2023 from 1:00 to 2:00 p.m. (CET). President Jonas Jarvius and CFO Christer Samuelsson will present Q-linea, comment on the interim report for the January to March 2023 period and respond to questions.

To participate via webcast, please visit the following link: <https://ir.financialhearings.com/q-linea-q1-2023>
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=200726>

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. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-05-04 07:30 CEST.

Attachments

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