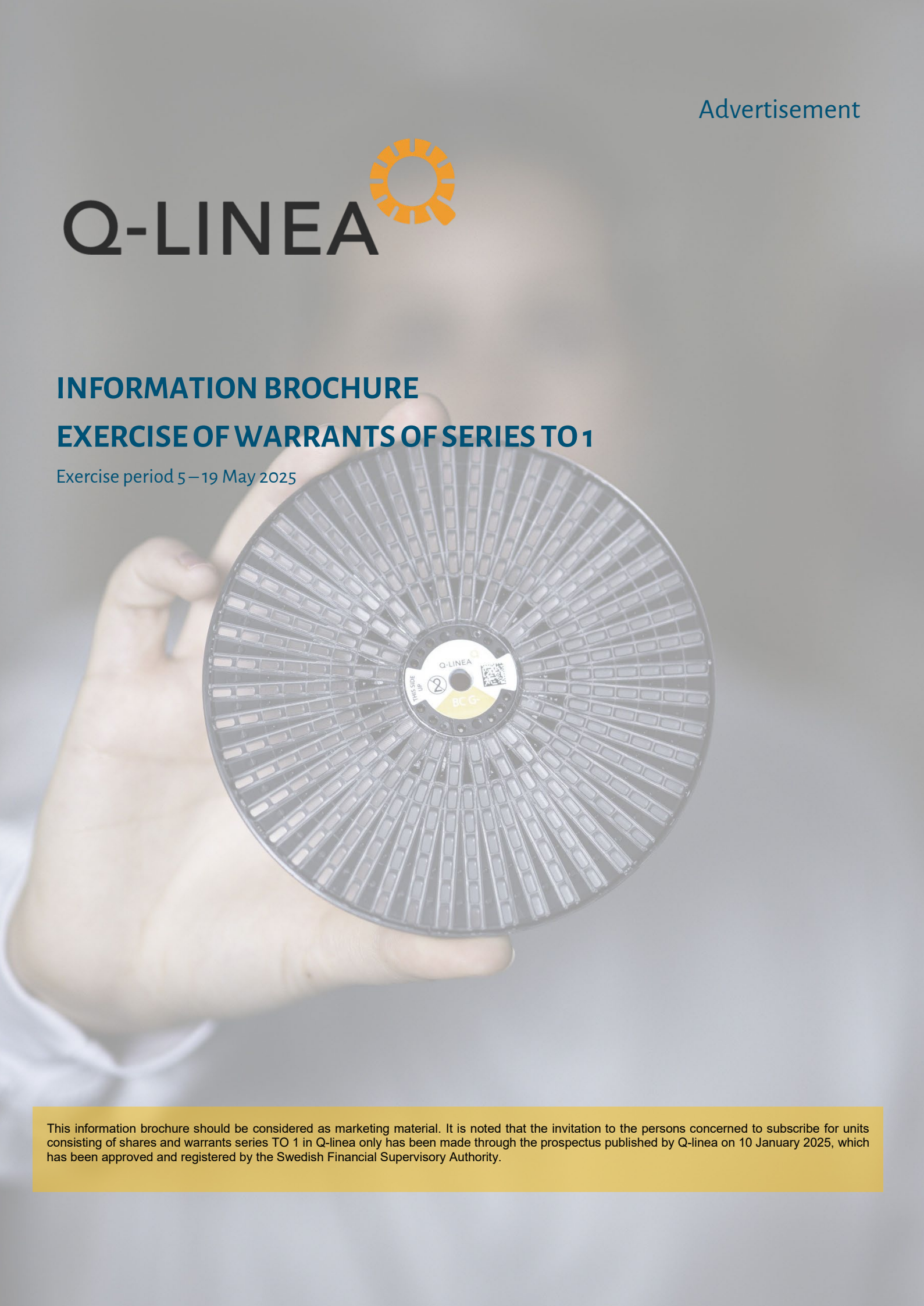
Advertisement

Q-LINEA

INFORMATION BROCHURE
EXERCISE OF WARRANTS OF SERIES TO 1

Exercise period 5 – 19 May 2025



This information brochure should be considered as marketing material. It is noted that the invitation to the persons concerned to subscribe for units consisting of shares and warrants series TO 1 in Q-linea only has been made through the prospectus published by Q-linea on 10 January 2025, which has been approved and registered by the Swedish Financial Supervisory Authority.

Q-linea

Introduction to Q-linea

Q-linea is a commercial company that primarily develops instruments and consumables for improved infection diagnostics (which is part of the broader concept of in vitro diagnostics).

Its main product, ASTar, is a fully automated analytical system developed to determine which antibiotics are effective against a bacterial infection, known as Antibimicrobial Susceptibility Testing (AST), faster than other available methods.

The ASTar system was launched on the European market in October 2021 and on April 26, 2024, the ASTar system was approved for the US market. The ASTar system consists of several parts; the ASTar instrument and consumables in the form of the sample preparation cassette and the AST disk which are used together with the ASTar instrument to measure the sensitivity of bacteria to antibiotics. The main customer for ASTar is the microbiology laboratory.

Q-linea was founded in 2008 by researchers from the Rudbeck Laboratory at Uppsala University together with Olink AB and Uppsala University's holding company, UUAB. Today, Q-linea consists of an interdisciplinary team with experience and knowledge from several different disciplines and scientific fields that conduct their research, development and marketing activities in Uppsala Science Park. Q-linea manufactures consumables for ASTar in-house in a separate facility located in Fyrislund in Uppsala. Q-linea is certified in accordance with the ISO-13485 standard and also holds certification according to the new stricter regulations for in-vitro diagnostic products ("IVDR") by the Company's notified body TÜV SÜD.

During April 2024, the Company completed a reorganization and cost savings program that reduced the number of employees and contracted consultants from 129 at the end of Q1 2024 to 102 at the end of Q2 2024. The reorganization has reduced costs by approximately SEK 50 million on an annual basis from the third quarter of 2024.

Business model

The Company intends to address the market itself in key geographies and to enter into agreements with distribution partners already established with local sales teams in the markets where the Company's products will be launched. This is the main strategy of the Company's business model for a broad and rapid market penetration. Sales will be of instruments and consumables, with the latter expected to account for the majority of potential revenues.

Strengths and competitive advantages

The Company has several strengths and competitive advantages that, in the Company's opinion, have contributed to its success so far and mean that there are good prospects for the Company to become a player in the next generation of products for improved infection diagnostics. These strengths and competitive advantages include that the Company:

- Operates in a market where the primary application, faster diagnostic response to suspected sepsis, has clinical support as despite improved survival rates over the past 30 years, sepsis remains one of the leading causes of death but where the rise of antibiotic resistance (AMR) makes proper initial treatment difficult and where improved infrastructure to properly diagnose infections is one of five key points to reduce the negative impact of AMR

- Is one of three companies with market authorization in Europe for fully automated rapid quantitative AST analysis directly from positive blood cultures and is one of two companies with market authorization in the US for fully automated rapid quantitative AST analysis directly from positive blood cultures

- Has a product that offers a broad panel of rapid AST assays directly from positive blood cultures currently offered in the European and US markets with respect to the number of antibiotics along with the concentration range tested.

Product description of the ASTar system

The ASTar instrument in combination with the consumables constitutes a fully automated system for antibiotic susceptibility testing, AST analysis, of bacteria from clinical samples. The system is designed to run in microbiology laboratories in relevant safety classes. All protocol steps needed to perform sample processing and AST analysis are fully automated in ASTar. The ASTar instrument handles all consumables and allows samples to be loaded at any time provided

there is free space. It also includes optical detection systems for concentration determination and for data collection as well as computer capability for image analysis. The ASTar instrument can be linked to the two-way Laboratory Information Management System (LIMS) for automatic input of bacterial ID and forwarding of output data. All interaction with the ASTar instrument is via a touchscreen on the front of the instrument, where the user interface guides the user. A light strip on the front provides visual feedback to the user, signalling for example which sample holder is available for use. All the computers needed for the ASTar instrument are integrated, so unlike most of the competing instruments on the market, the instrument does not require an external system or analysis computer.

A word from our CEO

The year has gotten off to a fast start with Q1 revenues exceeding sales for all of 2024. We met our objective for five commercial contracts in Q1 2025 and expect to maintain steady quarter-over-quarter ASTar volume growth. Q1 contracts lift installed or contracted ASTar base to nine units for routine clinical use from four at year-end 2024.

Pipeline and momentum show potential for 10x growth during 2025

We aim to have contracts for 30 – 40 ASTars globally by the end of 2025, with a fleet average of 1,000 clinical patient tests per year per instrument. Growth during the year will be balanced across the US and EMEA regions. Pace during 2025 will continue to increase as projects in the pipeline mature. We anticipate maintaining a high, competitive win rate based on the superior technical and clinical characteristics of ASTar. During the year we will also see the first in-network expansions, with US IDNs adding ASTars to cover their huband-spoke systems. Given industry cycle times of 12 – 15 months to routine clinical use, most of the placements for 2026 are already visible in the pipeline. We expect to see the US market overtake Europe next year and comprise a larger share of the 60 – 90 ASTar placements in plan for 2026.

First contracts for clinical use in US market

Our first contract with a major US integrated delivery network (IDN) was signed early January and was followed during the quarter with two further contracts in the US. In March 2025, Q-linea signed a Master Service Agreement (MSA) with one of the top national reference lab networks in the US. We are now building a plan with their clinical and operations teams to deploy ASTar into labs across the network. We expect to install the first instrument by early May. The network has potential to adopt 12+ instruments annually with high-testing volumes at each site, and we anticipate installations in at least a half-dozen sites during 2025. Evaluations continue at multiple sites in the US. ASTar is maintaining a high evaluation-conversion rate, as anticipated. In addition, the US pipeline continues to expand quickly with over 100 ASTar-potential sites identified and working through the sales cycle.

Further wins in EMEA region

Q1 saw continued progress in Europe with new contracts in Italy and Belgium. Installations during 2024 are now in routine clinical use, saving lives and improving hospital budgets. We estimate that ASTar saved over 100 lives during 2024. ASTar was also approved for use in several Gulf-region countries, and we have already shipped the first unit to Abu Dhabi for clinical evaluation after which we expect it to move into routine use. Further shipments are expected during Q2 with regulatory approval in Saudi Arabia and continued pipeline expansion with our partner, AMICO.

Maintaining scientific leadership

Q-linea continues our out-sized role in leading industry research into the benefits of rapid AST. We closed the LIFETIMES study in Q1 2025 and are now analysing the data with our four investigator sites in Italy to present further evidence on the health economic benefits of ASTar use. The Early Access Programs in the US are also completing the research phase and will be publishing results throughout 2025, complementing data already released during 2024. We have a busy calendar of planned podium presentations and posters at global and regional conferences with further journal publications expected across 2025. The scientific evidence will increasingly be supported by realworld testimony on the merits of ASTar and patient and hospital benefits from rapid AST in general.

Improving financial position

The ASTar installed base is starting to generate recurring sales which will grow as contracted units are installed and go live. Growing production volumes will also contribute to lower per-unit cost-of-goods, along

with production efficiency activities already underway. The cost-reduction program in 2024 has resulted in a 20% year-on-year reduction in OPEX, net of reinvestments in key capabilities, especially in strengthening the commercial organisation. We were pleased to see subscription to the rights issue was above 90 percent and hope to maintain strong participation for the warrant program during May. We continue to seek alternate non-dilutive financing in e.g., grants through 2025. Overall, we are on-track commercially and operationally to meet our planned breakeven during 2027. The macroeconomic environment has been turbulent during Q1 2025, but we have not yet seen any impact on the commercial pipeline. We have made initial mitigations, and have planned further activities, should US tariff policy changes negatively affect our gross margin outlook.

Stuart Gander

CEO & President

Summary information on the warrants

Terms and conditions

One (1) warrant series TO 1 entitles the right to subscribe for one (1) new share in the Company to a subscription price corresponding to seventy (70) per cent of the volume-weighted average price of the Company's share on Nasdaq Stockholm during the period from and including 14 April 2025 up to and including 29 April 2025. The volume-weighted average price of the Company's share during the above period amounted to SEK 0.04, which is why the exercise price has been set at SEK 0.03 per share. Subscription of shares by exercise of warrants shall be made during the period from and including 5 May 2025 up to and including 19 May 2025. Warrants of series TO 1 that are not sold on or before 15 May 2025 or exercised on 19 May 2025 will expire without value.

Announcement of outcome

The outcome of the TO 1 will be announced via a press release around 21 May 2025.

Use of proceeds

If the warrants of series TO 1 are fully exercised, the Company will receive gross proceeds of approximately SEK 65 million before issue costs. The net proceeds will be used as follows (in the following order of priority):

- Approximately 55% - Supporting commercial activity in key markets with an emphasis on the US market
- Approximately 20% - Expansion of the ASTar test menu for additional drug-bug combinations, new offerings in e.g. isolate testing, Gram-positive bacteria and additional test types
- Approximately 15% - Maintaining organization and capacity through the next phase of commercialization
- Approximately 10% - Working capital to support instrument distribution

Shares, share capital and dilution

If all warrants of series TO 1 are fully exercised, the Company's share capital will increase by approx. SEK 21,655,608.62 to a total of approx. SEK 66,138,489.58. The number of shares in the Company will increase by 2,165,560,862 shares to a total of 6,613,848,958. This entails a dilution effect of approx. 32.7 percent.

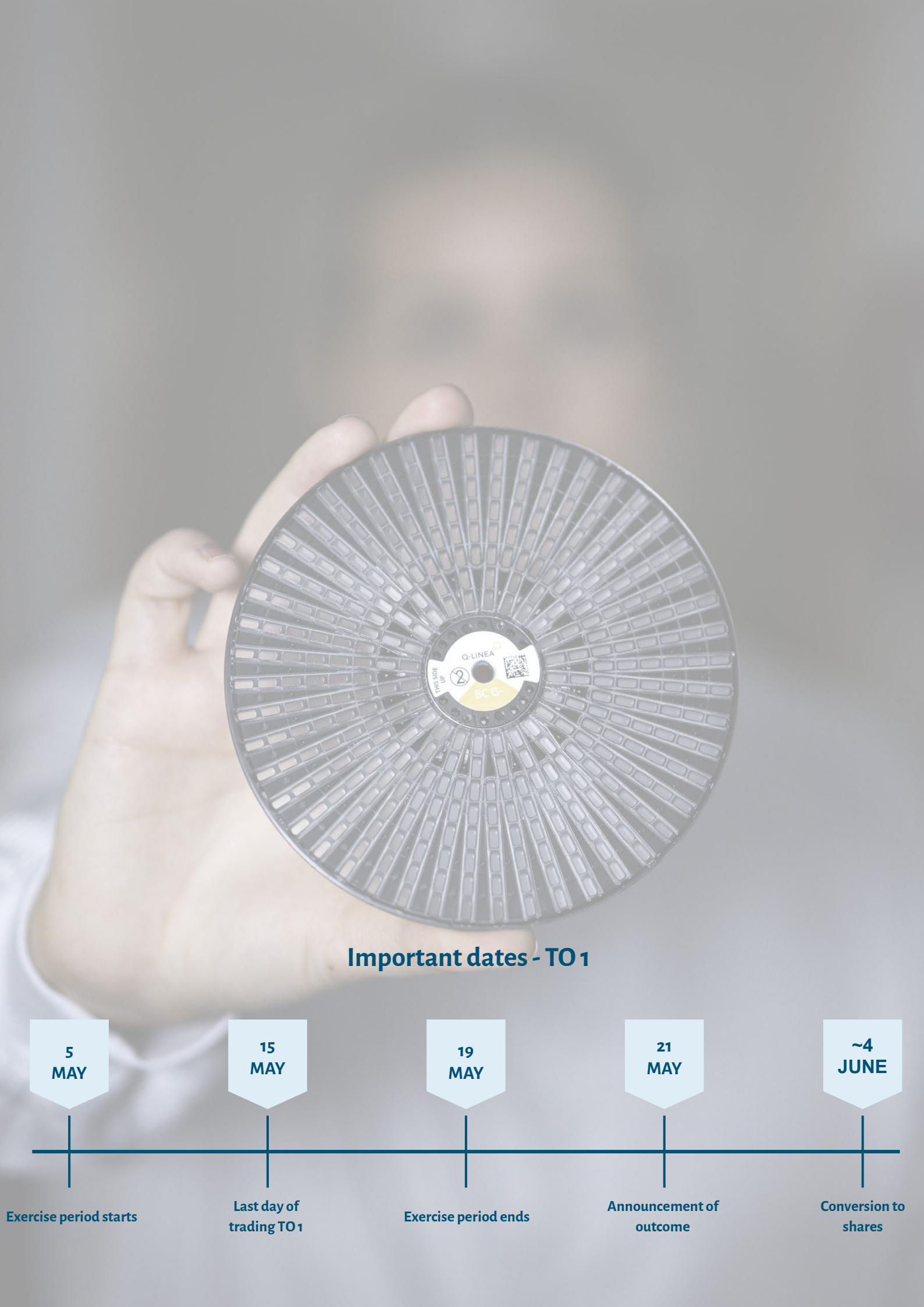
Exercise of warrants

Nominee-registered - (Custody account)

Subscription and payment by the exercise of warrants shall be made in accordance with instructions from each nominee. Please contact your nominee for additional information. This should be done well in advance, as different nominees have different processing times.

Directly registered - (Securities account)

No issue report nor any instructions regarding payments will be sent out. Application is made via an application form available on Vator Securities' and Q-linea's websites. Payment is made according to the instructions on the application form. Both the application form and payment must be received by Vator Securities no later than 15.00 on 19 May 2025.



Important dates - TO 1

5 MAY
Exercise period starts

15 MAY
Last day of trading TO 1

19 MAY
Exercise period ends

21 MAY
Announcement of outcome

~4 JUNE
Conversion to shares