

## **Q&A: proposals for a reverse share split and reduction of the share capital**

23 May 2025 | Q-linea AB |

**The board of directors of Q-linea AB (publ) ("Q-linea" or the "Company") (Nasdaq Stockholm: QLINEA) proposes that the annual general meeting on 26 June 2025 resolves on a reverse share split where 1,000 shares will be combined into 1 share. Furthermore, the board of directors proposes that the annual general meeting resolves on a reduction of the share capital by a maximum of SEK 63,725,042.70. The proposals have been presented in the notice for the annual general meeting published on 23 May 2025.**

The board of directors of Q-linea proposes a reverse share split and a reduction of the share capital. The complete proposals are presented in the notice for the annual general meeting, which was published on 23 May 2025 and is available on the Company's website, [www.qlinea.com](http://www.qlinea.com). Below is a Q&A (questions and answers) with clarifications regarding the practical implementation and meaning of the proposals.

### **Questions and answers: Reverse share split**

*What are the reasons for the board of directors' proposal for a reverse share split?*

The reasons for the board of directors' proposal for a reverse share split are that the Company currently has a very high number of shares in combination with a relatively low share price. The board of directors believes that a reverse share split is appropriate to achieve a more appropriate number of shares and a more stable share price.

*Does the reverse share split mean that I, as a shareholder, will lose anything?*

No. The reverse share split does not change the total value of your holding or your ownership stake in the Company. The Company currently has approximately 6.43 billion shares, and after the reverse split, there will be approximately 6.43 million shares. Although you as a shareholder will hold a smaller number of shares, your proportional ownership in the Company will remain unchanged.

*Do I need to take any action as a shareholder, or will the reverse share split happen automatically?*

No, as a shareholder you do not need to take any action. The reverse share split will be carried out automatically, and your holding will be adjusted in proportion to the number of shares you own on the record date for the split. The new, reduced number of shares will be booked into your account without any action required on your part.

*What is the so-called record date?*

This is the date on which an extract is made from Euroclear's share register in order to determine how the various shareholdings will change through the reverse share split. The record date will be determined by the board of directors after the annual general meeting and will be announced.

*My shareholding is not evenly divisible by 1,000. How will this be handled in connection with the reverse share split?*

Shareholders whose holdings are not evenly divisible by 1,000 will, free of charge, be allocated the number of shares needed to reach a holding divisible by 1,000. This is done to prevent shareholders from losing shares or having to purchase additional shares. The allocation will take place automatically in connection with the reverse share split and requires no action from the shareholder.

A shareholder holding 76,976 shares on the record date will be allocated 24 additional shares free of charge, bringing the total holding to 77,000 shares. After the reverse share split (1:1,000) has been completed, the shareholder will hold 77 shares.

*What is the timeline for the reverse share split?*

The time required for the completion of the reverse share split depends on lead times for registrations with the Swedish Companies Registration Office, etc. The complete timetable for the implementation of the reverse share split will be published as soon as the board has a good idea of the time required for each item.

### **Questions and answers: Share capital reduction**

*What are the reasons for the board of directors' proposal to reduce the share capital?*

Since the Company's most recent rights issue, the share capital has remained at a level which, in the board of directors' assessment, cannot be considered appropriate given the Company's actual size and capital requirements. An excessively high share capital in relation to the Company's operations may lead to inefficiencies and restrict the Company's flexibility in future financial decisions. The purpose of the currently proposed reduction of share capital is to further streamline the Company's capital structure and to achieve a share capital that better reflects the Company's needs and is customary for other companies of similar size and commercial positioning.

*What does the board of directors' proposal to reduce the share capital entail?*

The proposed reduction does not involve any payment of funds/assets and does not affect the Company's total equity/assets. The reduction will be implemented through a reallocation within equity, whereby an amount of up to SEK 63,725,042.70 will be reallocated from restricted equity (share capital) to unrestricted equity. The final amount of the reduction will be determined and announced after the reverse share split has been registered and completed. The Company's intention is that, following the reduction, the share capital shall amount to a sum that, when divided by the number of shares in the Company, corresponds to a quota value of SEK 0.10.

*How does the share capital reduction affect me as a shareholder?*

The reduction has no impact on your holding or your ownership share. The share you own in the Company remains unchanged (which applies to both the reverse share split and the reduction), and the value of the Company is not affected by the measure itself.

*The Company has already carried out a share capital reduction this spring. Why is an additional reduction now being proposed?*

At the extraordinary general meeting held on April 3, 2025, a share capital reduction was resolved which, at that time, constituted the largest possible reduction. A larger reduction would have resulted in a quota value per share below SEK 0.01, which is not permitted for companies registered with Euroclear Sweden AB. Since the currently proposed reverse share split will first increase the quota value per share, this creates room for an additional reduction of the share capital.

### **Other questions and answers**

*In what order will the reverse share split and the share capital reduction be carried out?*

The reverse share split will first be registered and completed. After that, the Company will carry out the share capital reduction.

*How will the board of directors' proposal affect the quota value of the shares?*

The quota value per share will initially increase temporarily to SEK 10 per share as a result of the reverse share split. When the subsequent share capital reduction is carried out, the quota value per share will then decrease. The Company intends for the quota value per share, after the reverse share split and share capital reduction have been completed, to amount to SEK 0.10 (10 öre) per share. This change will have no direct impact on the market value of the shares, but is a technical consequence of the proposed decisions.