

INTERIM REPORT 1 JANUARY – 30 JUNE 2020

Strong study results and virtual presentation of ASTar

Second quarter, 1 April –30 June 2020

- Net sales amounted to SEK 0.1 million (0.5).
- The operating result totalled SEK -58.6 million (-44.5).
- The result for the period amounted to SEK -57.4 million (-44.0).
- Earnings per share before and after dilution amounted to SEK -2.37 (-1.92).
- Cash flow from operating activities totalled SEK -54.8 million (-40.9).

Period, 1 January–30 June 2020

- Net sales amounted to SEK 0.2 million (1.0).
- The operating result totalled SEK -114.5 million (-81.2).
- The result for the period amounted to SEK -113.4 million (-80.3).
- Earnings per share before and after dilution amounted to SEK -4.81 (-3.50).
- Cash flow from operating activities totalled SEK -113.9 million (-81.9).
- At 30 June 2020, cash and cash equivalents totalled SEK 38.0 million (26.0). Short-term investments in fixed-income funds amounted to SEK 235.4 million (150.4), short-term components of listed corporate bonds to SEK 95.1 million (30.1) and long-term investments in listed corporate bonds to SEK 90.4 million (121.0).

Significant events

in the second quarter of 2020

- Q-linea carried out a directed issue of four million shares in June 2020, raising gross proceeds of SEK 270 million.
- Q-linea announced positive results from prospective study with ASTar.
- The Annual General Meeting was held on 26 May. Refer to “Other information” for information about the resolutions passed at the Annual General Meeting.

after the end of the period

- No significant events took place after the end of the period.

Comments by the CEO

Strong study results and virtual presentation of ASTar

After an intense quarter – during a year marked by the coronavirus pandemic – I am pleased to present Q-linea's progress in its efforts to bring its key product, ASTar, to market.

The pandemic has naturally affected the mood at Q-linea, but we have thankfully been spared most of its direct and indirect effects. While the situation could certainly change as more countries relax their travel and social distancing restrictions, we remain cautiously positive.

Despite the challenges of the pandemic, such as the need to conduct digital meetings rather than in-person meetings, our collaboration with Thermo Fisher Scientific is progressing very well and according to plan. We have held frequent meetings, during which our collaboration has been intensified and expanded. Those who follow Thermo Fisher Scientific's work in microbiology know that the company is doing exciting things in the field, and we see clear synergies with ASTar.

During the quarter, we held our first market presentation of ASTar, during which we shared a little more information about the underlying technology. Our aim is to show how well-thought-out ASTar is in order to convincingly demonstrate the major benefits it will offer. The presentation is still available on our website, and the overall response has been highly positive.

In May, we announced excellent results from a prospective patient study conducted together with the laboratory for clinical microbiology at Uppsala University Hospital. We are pleased that the study could be carried out despite these challenging times for healthcare.

In the study, ASTar analysed samples from 17 patients and the antibiotic panel consisted of 29 antibiotic preparations, covering both fastidious¹ and non-fastidious bacteria. The results (Essential Agreement: 94.5%, Categorical Agreement: 97.3%) were well above the regulatory requirements for the EU and the US (at least 90% in both categories).

These strong results and our positive collaboration bode well for the major prospective performance study involving 80 to 100 patients to be carried out in the autumn. In addition, we can also announce that we have signed a contract with Uppsala University Hospital to be the first hospital involved in the study. This study will form part of the documentation in the ongoing process for CE-IVD approval and submission to the FDA. We have numerous ASTar units in operation at our laboratory and a number of other activities under way ahead of the clinical studies. We plan to begin analytical and clinical validation during the second half of the year.

The prospective clinical part of the study is expected to take approximately three months and will initially start in Europe, since US sites are still closed. We are currently reviewing the design of the US study. A portion of the study may be carried out internally following a response by the FDA, and Thermo Fisher Scientific may be able to help us gain access to US laboratories, but all of this naturally depends on the development of the coronavirus pandemic.

At the Annual General Meeting in May, Mario Gualano was elected as a new director of the company. Mario has an extremely impressive background. With over 25 years of experience in the microbiology and diagnostics industry – the last 15 of which he spent at Thermo Fisher Scientific – he is an enormous asset for Q-linea. I feel humbled and thankful that we have succeeded in attracting such a leading expert and see this as an important step for us as a company.

In summary, I am proud of what we achieved during the quarter and know that we still have an interesting and intense journey ahead of us. During the quarter, we carried out a directed issue that raised gross proceeds of SEK 270 million for the company. This money will primarily be used for the commercialisation of ASTar. I would like to take this opportunity to thank our owners – both old and new – for the confidence you have shown in us and I look forward to continuing this journey with you all.

Uppsala, July 2020,

Jonas Jarvius, President

¹ Bacteria that require richer growth media to perform AST analyses

This 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, 16 July, at 1:00 to 2:00 p.m. (CET). President Jonas Jarvius and CFO Anders Lundin will present Q-linea, comment on the interim report for the January to June 2020 period and respond to questions.

Webcast: <https://tv.streamfabriken.com/q-linea-q2-2020>

Telephone number for the teleconference: SE: +46851999383 UK: +443333009269 US: +18446251570

Upcoming reporting dates

5 November 2020	Interim report, Q3	January to September 2020
18 February 2021	Year-end report	January to December 2020
Week of April 12 th	Annual Report 2020	
6 May 2021	Interim report, Q1	January to March 2021
25 May 2021	Annual General Meeting	
15 July 2021	Interim report, Q2	January to June 2021
4 November 2021	Interim report, Q3	January to September 2021

About the company

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This information is information that Q-linea AB 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, on 16 July 2020 at 7:30 a.m. (CET).

About Q-linea

Q-linea is an innovative infection diagnostics company that primarily develops instruments and disposables for rapid and reliable infection diagnostics. Q-linea's 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.