

## Intense launch preparations

### Third quarter: 1 July–30 September 2021

- Net sales amounted to SEK 1.1 million (0.0).
- The operating result totalled SEK -50.0 million (-50.0).
- The result for the period amounted to SEK -49.1 million (-48.7).
- Earnings per share before and after dilution amounted to SEK -1.68 (-1.80).
- Cash flow from operating activities totalled SEK -63.0 million (-46.7).

### Period: 1 January–30 September 2021

- Net sales amounted to SEK 5.4 million (0.2).
- The operating result totalled SEK -181.9 million (-164.5).
- The result for the period amounted to SEK -180.3 million (-162.1).
- Earnings per share before and after dilution amounted to SEK -6.46 (-6.55).
- Cash flow from operating activities totalled SEK -164.2 million (-160.6).
- As of 30 September 2021, the Company had access to cash and cash equivalents of SEK 21.6 million (10.1), short-term investments including short-term components of other securities held as non-current assets of SEK 207.5 million (296.7) and long-term listed corporate bonds of SEK 215.4 million (24.4), totalling SEK 444.5 million (331.3) in available funds.

### Significant events

#### *in the third quarter of 2021*

- No significant events took place during the quarter.

#### *after the end of the period*

- Q-linea's partner Thermo Fisher Scientific announced the launch of ASTar for the European market.
- The Company signed the first commercial evaluation contract for ASTar with a Swedish regional hospital.
- The Company has commenced the reproducibility phase of the clinical study for ASTar market approval in the US.

## Intense launch preparations



The third quarter was dominated by preparations ahead of a major launch of ASTar and ongoing US clinical studies.

### ***ASTar launched in Europe***

The commercial evaluation conducted by our partner Thermo Fisher Scientific will form the basis for a major launch of ASTar during the autumn. The start of the next step of the launch for the European market was announced by Thermo Fisher Scientific in a press release on 7 October, and it naturally feels incredibly gratifying to now be able to take the next commercial step with ASTar.

The launch of ASTar is taking place in several stages, the first of which occurred during the summer when selected European customers evaluated the ASTar system to ensure that it delivers a first-rate performance. During the quarter, we received extremely positive feedback from these first commercial users which inspires a great deal of enthusiasm. The aim of our first commercial systems is for customers to see that ASTar provides added value, which is what will drive future sales.

We have also devoted a considerable amount of time and energy to improving the system. Even though ASTar has the market's broadest panel of antibiotics, we have worked hard to broaden it even further during the year. This work continues to progress at a good pace. We want ASTar users to always be able to make decisions based on ASTar. We also want this to be possible in the shortest time possible, and we are therefore working to speed up the time for susceptibility determination and have extremely strong data that we expect will further strengthen the product in the future.

Now that the pandemic has loosened its grip, the Company has returned to a more normal situation. We have worked long-term to scale up the production of instruments and consumables. To date, we have noted a certain impact of the components shortage that has affected many manufacturing companies but have managed to come up with solutions so far and are maintaining a watchful eye on how the situation is progressing. If the components shortage were to be long term, it has the potential to affect production in the coming years.

### ***Blood culture technology heading for production***

When it comes to our portable blood culture technology, we took further development steps and commenced planning to enter the production transfer stage during the quarter. Our market studies in Europe and the US have provided us with valuable insight into how we should adjust the prototype, and we have now begun the process of determining specifications to bring the product into production. If everything proceeds according to plan, we will be able to initiate pivotal studies at the end of next year.

### ***Study and planning progressing as planned***

The analytic part of our US ASTar study commenced back in the second quarter at Q-linea, and shortly after the end of the third quarter we were able to announce that the reproducibility study had been started and that we are now preparing for the prospective part of the study that will be conducted at three US hospitals. Our intention is to conclude the prospective part of the study this year to then be able to submit a 510 (k) application for market approval in 2022.

In terms of the health economics studies, we plan to commence two studies in 2022, one in northern Europe and one in southern Europe, since susceptibility differs to such a great extent between the regions. We expect that the study in southern Europe will commence at the start of 2022 and will be highly useful for the commercialisation of ASTar. The interest among the hospitals to participate in the studies has been substantial, and we are considering increasing the number of participants in the study, which could shorten the length of time it takes to complete.

### ***The future is looking bright***

I am highly confident for the future and what we together with our partner Thermo Fisher Scientific can accomplish for the coming year. The margins will naturally be negative to begin with, but this will change as volumes increase, and we anticipate extremely positive developments in the long term. Q-linea targets an enormous market with substantial requirements and has the opportunity to establish a leading position in the next few years. In summary, I am proud of what we achieved during the quarter and know that the journey ahead of us will remain interesting and intense.

Uppsala, 3 November 2021

Jonas Jarvius, President

# The US clinical study intensifies

## Developments in the third quarter of 2021

Q-linea focuses on supplying the market with automated systems for rapid antibiotic susceptibility testing of bacteria that cause infectious diseases, primarily sepsis.

AS*Tar* will be sold to hospital microbiology laboratories and is a fully automated instrument for measuring bacteria's antibiotic susceptibility using the consumables developed by the Company. The aim of the instrument is to be able to deliver patient-specific treatment prescriptions for the choice of antibiotics more than 24 hours faster than today's traditional technologies.

### *Consumables*

The production and launch of the AS*Tar* kit continued during the quarter. The material produced has mainly been used for regulatory studies for the US market and commercial evaluations in Europe. This is possible because the consumables contain all of the reagents required for both markets.

The programme for the scale-up of consumables production and processes to improve the margins continued. In the third quarter, this work mainly focused on eliminating bottlenecks in the production process, for example by improving specific manufacturing steps.

### *Instruments*

Following the CE marking of the AS*Tar* instrument during the second quarter, an instrument improvement programme has been started. This includes an expansion of instrument functions and improvements to instrument production and service. The results of the programme will be delivered to the market when the coming system software is released.

### *Clinical performance study for the US market*

The regulatory studies for the US market continued during the quarter. The analytical studies have focused on evaluating the analytical performance of the AS*Tar* BC G-kit. Analytical studies for the US market are more comprehensive than those carried out in connection with the CE marking in the spring. The methods and protocol correspond with the FDA's recommendations pursuant to the Company's communication with the FDA before submission.

During the quarter, the final preparations were completed to begin the reproducibility study at three laboratories. In accordance with the recommendations of the FDA, the study aims to demonstrate the platform's reproducibility when used by the designated user with the settings for intended use. The study will be conducted at two hospitals in Sweden and internally at Q-linea.

Planning prior to the start of the prospective part of the clinical study at three US hospitals continued during the quarter. As previously announced, the US clinical study is expected to be somewhat more extensive than the European study and is planned to include up to 150 potential patient samples from each hospital.

### *Development of new products*

The development of the portable blood culture technology continued successfully during the quarter and discussions with potential manufacturers progressed. The results have been very strong, indicating an improvement in performance compared with traditional blood culturing chambers and naturally additional time savings by using the transport time for the diagnostic workflow. Customer interactions have been ramped up in order to complete the product requirements before the work of transitioning to manufacturing can begin.

# Financial performance in brief

## Comments on the report

Figures in parentheses refer to the outcome for the corresponding period in the preceding year with respect to earnings and cash flow and to the closing balance in the preceding financial year with respect to the balance sheet. Unless otherwise stated, the amounts are presented in thousands of kronor (SEK thousand). All amounts presented have been rounded, which may mean that certain totals do not tally.

## Income, expenses and earnings

Net sales in the third quarter amounted to SEK 1,122 thousand (0), an increase of SEK 1,122 thousand compared with the corresponding period in the preceding year. Net sales for the January to September period totalled SEK 5,442 thousand (243), up SEK 5,199 thousand. Sales comprised ASTar instruments and associated consumables.

Other operating income amounted to SEK 51 thousand (88) for the third quarter and SEK 98 thousand (258) for the January to September period.

Operating expenses including depreciation, amortisation and impairment totalled SEK 51,191 thousand (50,059) for the third quarter, up SEK 1,132 thousand compared with the corresponding quarter in the preceding year. Operating expenses for the January to September period totalled SEK 187,470 thousand (164,979). The increase in the period amounted to SEK 22,491 thousand and was due to higher personnel costs as a result of an increase in the number of employees.

Costs for raw materials and consumables for the third quarter totalled SEK 5,214 thousand (6,488), down SEK 1,274 thousand compared with the corresponding period in the preceding year. This includes the cost of sold goods of SEK 3,142 thousand (0) for the third quarter. The gross margin for the third quarter was SEK -2,027 thousand (0), corresponding to -182% (0) of net sales. Costs for raw materials and consumables totalled SEK 26,977 thousand (27,157) for the January to September period, including the cost of sold goods of SEK 13,969 thousand (0). The gross margin for the period January to September was SEK -8,534 thousand (0) which corresponded to -157% (0) of net sales. The Company recognised an impairment of finished goods that amounted to SEK -2,711 thousand (0) in the period.

During the launch period for ASTar, the Company's margins will be negative. As volumes increase and the production mix shifts toward a higher share of consumables, the margins will improve. The efficiency-enhancement projects under way in the manufacturing division will also

contribute to improved margins.

Other external costs totalled SEK 20,022 thousand (19,313) for the third quarter, up SEK 709 thousand. External costs for the January to September period totalled SEK 65,750 thousand (66,067), down SEK 857 thousand. This change is largely attributable to a reduction in external consultants and lower purchases of consumables than in the corresponding quarter in the preceding year.

Personnel costs amounted to SEK 24,063 thousand (22,595) for the third quarter, up SEK 1,468 thousand compared with the corresponding quarter in the preceding year. Personnel costs for the January to September period totalled SEK 89,351 thousand (66,677), up SEK 22,674 thousand. The cost increase is attributable to an increase in the average number of employees compared with the corresponding quarter in the preceding year when certain consultants have been offered employment contracts.

Depreciation, amortisation and impairment of tangible and intangible assets totalled SEK 1,808 thousand (1,640) for the third quarter and SEK 5,221 thousand (4,424) for the January to September period. The cost increase in the quarter and the period was attributable to the Company's investments in production equipment and other equipment in the building.

Other operating expenses amounted to SEK 85 thousand (23) for the third quarter and SEK 172 thousand (114) for the January to September period and pertain largely to exchange-rate losses.

The operating result totalled SEK -50,019 thousand (-49,971) for the third quarter and SEK -181,930 thousand (-164,477) for the January to September period. The planned reduction in the operating result, which amounted to SEK 48 thousand for the third quarter and SEK 22,491 thousand for the January to September period, was primarily attributable to increased personnel costs.

The result from financial items totalled SEK 887 thousand (1,315) for the third quarter and SEK 1,676 thousand (2,422) for the January to September period. This positive result from financial items was attributable to coupon rates received, accrued interest on listed corporate bonds and capital gains and losses in conjunction with the divestment of short-term fixed-income funds.

The reported tax for both the third quarter and the January to September period was SEK 0 (0) thousand. The result for the third quarter totalled SEK -49,132 thousand (-48,655) and the result for the January to September period totalled SEK -180,254 thousand (-162,056).

## Financial position

Cash and cash equivalents at the end of the third quarter totalled SEK 21,580 thousand (10,144). Cash and cash equivalents that are not required for daily operations over the coming 12 months have been invested in fixed-income funds and listed corporate bonds.

On the balance sheet date, the Company's short-term investments amounted to SEK 207,541 thousand (296,748), consisting of fixed-income funds and the short-term component of listed corporate bonds. The fixed-income funds consist of low-risk securities and other interest-rate instruments that were recognised at cost in an amount of SEK 181,235 thousand (165,749) at the end of the third quarter. The fair value of the fixed-income funds totalled SEK 181,573 thousand on the balance sheet date (level 1 in the fair value hierarchy).

The Company's short-term component of the listed corporate bonds was recognised at cost in an amount of SEK 26,306 thousand (130,999) on the balance sheet date. The value includes accrued coupon rates of SEK 19 thousand (324). The fair value of the bonds amounted to SEK 26,180 thousand.

Financial assets totalled SEK 218,919 thousand (27,411) on the balance sheet date, an increase of SEK 191,508 thousand. The change is attributable to the Company having invested issue proceeds from the second quarter in listed corporate bonds and having sold bonds amounting to SEK 5,150 thousand (16,013). The remaining amount is attributable to changes in accrued interest and credit reserve.

The Company's financial assets primarily comprise listed corporate bonds in several sectors with a diversified maturity structure with high credit ratings. At the end of the third quarter, the Company's total value of listed corporate bonds amounted to SEK 215,030 thousand (24,364). These are recognised at amortised cost and include a credit reserve of SEK 111 thousand (63). The Company tests for impairment on each recognition date using data from S&P and Moody's. Other long-term financial assets also comprise participations in EMPE Diagnostics AB amounting to SEK 2,997 thousand (2,997) at the end of the quarter.

At the end of the quarter, equity amounted to SEK 487,216 thousand (380,197), the equity/assets ratio to 91% (92) and the debt/equity ratio to -91% (-87).

## Cash flow and investments

Cash flow from operating activities totalled SEK -63,032 thousand (-46,711) for the third quarter and SEK -164,169 thousand (-160,585) for the January to September period. The change in cash flow in the quarter was mainly due to working capital having been impacted by increased supplier payments and reduced current liabilities. The increase in cash flow for the January to

September period was mainly due to a weaker operating result that was partly offset by improvements in the change in working capital.

Cash flow from investing activities amounted to SEK 36,527 thousand (27,233) for the third quarter and SEK -108,249 thousand (-101,443) for the January to September period. Investments in production equipment and other equipment in the building amounted to SEK 2,748 thousand (2,660) for the third quarter and SEK 5,934 thousand (12,214) for the January to September period. The decrease of SEK -6,280 thousand was partly due to purchases of new production premises, which were mainly completed in 2020, having been charged to the comparative period.

The Company invested SEK 6,056 thousand (0) in short-term investments in the third quarter and SEK 176,135 thousand (185,000) in the January to September period, of which SEK 160,000 thousand (185,000) was invested in interest-bearing funds and SEK 16,135 thousand (0) in short-term listed bonds.

In addition, the Company divested short-term investments totalling SEK 79,997 thousand (29,894) in the third quarter and SEK 268,182 thousand (129,885) in the January to September period. Of this amount, short-term fixed-income funds comprised SEK 144,515 thousand (129,885) and short-term bonds comprised SEK 123,667 thousand (0). Sales of fixed-income funds are continuously carried out on a monthly basis to cover overhead expenses since the Company does not generate a positive cash flow.

The Company invested SEK 34,667 thousand (0) in financial assets in the third quarter and SEK 199,511 thousand (50,127) in the January to September period. The Company only invests in listed bonds that have the highest rating from S&P and Moody's. In addition, the Company divested financial assets valued at SEK 0 thousand (0) in the third quarter and SEK 5,150 thousand (16,013) in the January to September period.

Cash flow from financing activities amounted to SEK -53 thousand (-708) for the third quarter and SEK 283,853 thousand (253,857) for the January to September period. The positive cash flow from financing activities in 2021 is attributable to the directed issue that was completed in June, raising gross proceeds for the Company of SEK 301,400 thousand (270,000). Issue costs totalled SEK -17,335 thousand (-15,845).

Repayments to credit institutions amounted to SEK -53 thousand (-88) in the third quarter and SEK -212 thousand (-298) in the January to September period. The remaining loans have repayment plans that are shorter than 12 months.

## Financing

To provide the Company with sufficient liquidity to continue operating and developing according to its strategic plan, the Company carried out a directed issue during the



second quarter of 2021. This issue raised gross proceeds for the Company of SEK 301,400 thousand. As of 30 September 2021, the Company had access to cash and cash equivalents of SEK 21,580 thousand (10,144), short-term investments including short-term components of other securities held as non-current assets of SEK 207,541 thousand (296,748) and long-term listed corporate bonds of SEK 215,455 thousand (24,364), totalling SEK 444,576 thousand (331,256).

### Future financing

Q-linea now has the first ASTar product approved for sales in Europe. During the period, the Company registered the first customer order from, and sale to, its sales partner Thermo Fisher Scientific. However, the Company is yet to generate any positive cash flow. During the second quarter, the Company carried out a directed issue amounting to SEK 301.4 million (270) before issue costs, which is described under "Financing" above. Based on the proceeds generated for the Company, the Board deems the existing working capital, as of 30 September 2021, to be sufficient to cover the Company's needs over the next 12 months.

### Other information

#### *Nomination Committee*

Q-linea's Nomination Committee ahead of the 2022 Annual General Meeting has been appointed and comprises: Öystein Engebretsen, Chairman of the Nomination Committee (Investment AB Öresund), Ulrik Grönvall (Swedbank Robur Fonder) and Erika Kjellberg Eriksson, Chairperson Q-linea AB (Nexttobe AB).

#### *Employees*

Calculated on the basis of full-time equivalents, Q-linea had 124 (100) employees at the end of the third quarter, 54 (41) of whom were women. The number of consultants at the end of the third quarter was 36 (34), 11 (7) of whom were women.

#### *Covid-19*

Q-linea has taken action to protect its employees, assume its responsibility in society and at the same time minimise the negative impact of the ongoing pandemic on the Company's operations. We have now begun to see light in the tunnel in the wake of the pandemic, and many of Q-linea's employees began to return to working at the office during the quarter. At the same time, we are analysing which positive aspects of working from home we can take with us as we create a new way of working in the future.

It is not currently possible to estimate the extent to which Q-linea's operations could be affected given that certain areas are under constant change. We have noted positive effects, but also have a certain degree of uncertainty in the following significant areas, which could be subject to the effects of any outbreak:

- The timeframe of the planned clinical study, if hospitals are tied up with activities related to SARS-CoV-2 and Covid-19. The possibility to visit hospitals during the study, given that this could be limited during certain periods and in certain regions.
- Expense levels and financing strategy.
- Shortage of components that are necessary for the ASTar instrument, which could also apply for consumables.

Q-linea is monitoring the ongoing situation very closely and will implement further measures as required and keep the markets informed if the assessment of the potential impact changes significantly. It is currently impossible to estimate the ultimate impact on the Company.

#### *Information about risks and uncertainties*

Q-linea's management makes assumptions, assessments and estimates that impact the contents of the Company's financial statements. As stated in the Company's accounting policies, actual outcomes may differ from these assessments and estimates.

The goal of the Company's risk management is to identify, measure, control and limit the risks associated with its operations. Risks can be divided into financial risks and operational and business environment risks. Q-linea's operational and business environment risks mainly comprise risks related to research and development, production risks, clinical trials, market risks, risks associated with product approval and the dependence on key individuals. A detailed description of the Company's risk exposure and risk management is presented on pages 32–72 of the 2020 Annual Report.

## Definition of performance measures

In this financial report, Q-linea presents certain alternative performance measures that are not defined in accordance with IFRS. These performance measures are generic and are often used for the purpose of analysing and comparing different companies. Accordingly, the Company believes that these alternative performance measures serve as an important supplement to enable readers to conduct a quick overview and assessment of Q-linea's financial situation.

These financial performance measures are not to be considered independent and are not deemed to replace the performance measures calculated in accordance with IFRS. Moreover, such performance measures, as defined by Q-linea, are not to be compared with other performance measures with similar names used by other companies. This is because the above performance measures have not always been defined in the same way and because other companies may not calculate them in the same way as Q-linea.

The performance measures "Net sales", "Result for the period", "Earnings per share" and "Cash flow from operating activities" are defined in accordance with IFRS.

Performance measure	Definition	Purpose
<b>EBITDA</b>	Operating result before depreciation/amortisation and impairment.	This performance measure provides an overall view of profit for the operating activities.
<b>Adjusted equity</b>	Equity recognised in the balance sheet plus untaxed reserves less the tax portion of untaxed reserves.	The equity measure is used to calculate all performance measures that include equity, for example, equity/assets ratio and equity per share.
<b>Operating result</b>	Result before financial items according to the income statement.	This earnings measurement is used for external comparisons.
<b>Equity/assets ratio, %</b>	Adjusted equity in relation to total assets.	This performance measure shows the amount of the Company's equity that can be attributed to a share.
<b>Debt/equity ratio</b>	Net debt divided by recognised equity according to the balance sheet. Net debt is defined as total borrowing (comprising the items short-term borrowing and long-term borrowing in the balance sheet, including borrowing from related parties/Group companies and provisions, less cash and cash equivalents and short and long-term investments).	This performance measure is a measure of capital strength and is used to determine the relationship between adjusted liabilities and adjusted equity. In the case of positive equity, a negative debt/equity ratio means that available cash and cash equivalents and short-term investments exceed total borrowing.
<b>Equity per share before and after dilution</b>	Adjusted equity attributable to the Company's shareholders in relation to the number of shares outstanding, excluding treasury shares, at the end of the period.	This performance measure shows the amount of the Company's equity that can be attributed to a share.

## Reconciliation of alternative performance measures

The following is a reconciliation of certain alternative performance measures showing the various performance measure components that make up the alternative performance measures. Treasury shares refer to the Company's own holding to ensure the delivery of performance shares under LTIP 2018 and LTIP 2019. The Company's holding of treasury shares has been excluded from the calculation of per-share performance measures.

### EBITDA

SEK thousand (unless otherwise stated)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Operating result	-50,019	-49,971	-181,930	-164,477	-221,543
Depreciation, amortisation and impairment	1,808	1,640	5,221	4,424	6,101
<b>EBITDA</b>	<b>-48,211</b>	<b>-48,331</b>	<b>-176,709</b>	<b>-160,053</b>	<b>-215,442</b>

### Equity/assets ratio

SEK thousand (unless otherwise stated)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Total assets	533,727	471,819	412,233
Equity	487,216	435,715	380,197
<b>Equity/assets ratio (%)</b>	<b>91%</b>	<b>92%</b>	<b>92%</b>

### Debt/equity ratio

SEK thousand (unless otherwise stated)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Long-term liabilities to credit institutions (a)	0	118	79
Current liabilities to credit institutions (b)	119	292	252
<b>Total borrowing (c=a+b)</b>	<b>119</b>	<b>410</b>	<b>331</b>
- Less cash and cash equivalents (d)	-21,580	-17,796	-10,144
- Less short-term investments (e)	-207,541	-356,891	-296,748
- Less long-term investments (f)	-215,455	-34,479	-24,364
<b>Net debt (g=c+d+e+f)</b>	<b>-444,457</b>	<b>-408,756</b>	<b>-330,925</b>
<b>Equity (h)</b>	<b>487,216</b>	<b>435,348</b>	<b>380,197</b>
<b>Debt/equity ratio (g/h) (%)</b>	<b>-91%</b>	<b>-94%</b>	<b>-87%</b>

### Equity per share

SEK thousand (unless otherwise stated)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Equity (a)	487,216	435,715	380,197
Total number of shares outstanding (b)	29,537,947	27,337,947	27,337,947
- Less holding of treasury shares (c)	-328,472	-328,472	-328,472
<b>Equity per share, (a/(b-c)), SEK</b>	<b>16.68</b>	<b>16.13</b>	<b>14.08</b>



## Performance measures and other information

SEK thousand (unless otherwise stated)	2021 Jul–Sep	2020 Jul–Sep	2021 Jan–Sep	2020 Jan–Sep	2020 Jan–Dec
<b>Earnings</b>					
Net sales	1,122	-	5,442	243	243
EBITDA	-48,211	-48,331	-176,709	-160,053	-215,442
Operating result	-50,019	-49,971	-181,930	-164,477	-221,543
Result for the period	-49,132	-48,655	-180,254	-162,056	-218,655
<b>Per share</b>					
Equity per share, SEK	16.68	16.13	16.68	16.13	14.08
Earnings per share before and after dilution, SEK	-1.68	-1.80	-6.46	-6.55	-8.64
Total number of shares outstanding	29,537,947	27,337,947	29,537,947	27,337,947	27,337,947
- of which, treasury shares	328,472	328,472	328,472	328,472	328,472
Number of shares outstanding excl. treasury shares	29,209,475	27,009,475	29,209,475	27,009,475	27,009,475
Total average number of shares	29,537,947	27,337,947	28,240,511	25,066,564	25,637,513
- of which, average number of treasury shares	328,472	328,472	328,472	328,472	328,472
Average number of shares excl. treasury shares	29,209,475	27,009,475	27,912,039	24,738,092	25,309,041
<b>Cash flow</b>					
Cash flow from operating activities	-63,032	-46,711	-164,169	-160,585	-237,305
Cash flow from investing activities	36,527	27,233	-108,249	-101,443	-32,295
Cash flow from financing activities	-53	-708	283,853	253,857	253,777

SEK thousand (unless otherwise stated)	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Financial position</b>			
Total assets	533,727	471,819	412,233
Cash and cash equivalents	21,580	17,796	10,144
Short-term investments and non-current securities	422,996	391,370	321,112
Equity	487,216	435,715	380,197
Equity/assets ratio, %	91	92	92
Debt/equity ratio, %	-91	-94	-87

## CERTIFICATION AND UPCOMING REPORT DATES

The Board of Directors and the President hereby certify that this interim report provides a fair and true overview of the Company's operations, financial position and earnings and describes the material risks and uncertainties facing the Company.

Uppsala, 3 November 2021

Jonas Jarvius  
*President*

Erika Kjellberg Eriksson  
*Chairperson*

Mats Nilsson  
*Director*

Mario Gualano  
*Director*

Marcus Storch  
*Director*

Marianne Hansson  
*Director*

Per-Olof Wallström  
*Director*

Hans Johansson  
*Director*

This report has been reviewed by the Company's auditors. 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.

### Upcoming reporting dates

17 February 2022	Year-end report	January to December 2021
week of 12 April 2021	2021 Annual Report	
5 May 2022	Interim report, Q1	January to March 2022
24 May 2022	Annual General Meeting	
14 July 2022	Interim report, Q2	January to June 2022
3 November 2022	Interim report, Q3	January to September 2022

### About the Company

#### Q-linea AB (publ)

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#### For questions about the report, contact:

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*This information is information that Q-linea AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on 4 November 2021 at 7:30 a.m. (CET).*

### Presentation

Q-linea invites investors, analysts and the media to an audiocast and teleconference (in English) today, 4 November, 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 September 2021 period and respond to questions.

Webcast: <https://tv.streamfabriken.com/q-linea-q3-2021>

Telephone numbers for the teleconference: SE: +46 856 642 692 UK: +44 333 300 92 67 US: +1 631 913 1422 (PIN US:10379906#)

# Income statement

Amounts in SEK thousand	Note	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
<b>Operating income</b>						
Net sales	1	1,122	0	5,442	243	243
Other operating income		51	88	99	258	911
<b>Total operating income</b>		<b>1,173</b>	<b>88</b>	<b>5,541</b>	<b>502</b>	<b>1,155</b>
<b>Operating expenses</b>						
Raw materials and consumables		-5,214	-6,488	-26,977	-27,157	-32,263
Other external costs		-20,022	-19,313	-65,750	-66,607	-89,409
Personnel costs		-24,063	-22,595	-89,351	-66,677	-94,576
Depreciation/amortisation of tangible and intangible assets		-1,808	-1,640	-5,221	-4,424	-6,101
Other operating expenses		-85	-23	-172	-114	-349
<b>Total operating expenses</b>		<b>-51,191</b>	<b>-50,059</b>	<b>-187,470</b>	<b>-164,979</b>	<b>-222,697</b>
<b>Operating result</b>		<b>-50,019</b>	<b>-49,971</b>	<b>-181,930</b>	<b>-164,477</b>	<b>-221,543</b>
Other interest income and similar profit items		978	1,226	3,280	3,423	4,423
Interest expenses and similar loss items		-91	89	-1,604	-1,001	-1,536
<b>Result from financial items</b>		<b>887</b>	<b>1,315</b>	<b>1,676</b>	<b>2,422</b>	<b>2,887</b>
<b>Result before tax</b>		<b>-49,132</b>	<b>-48,655</b>	<b>-180,254</b>	<b>-162,056</b>	<b>-218,655</b>
Tax on result for the period		-	-	-	-	-
<b>Result for the period</b>		<b>-49,132</b>	<b>-48,655</b>	<b>-180,254</b>	<b>-162,056</b>	<b>-218,655</b>
Earnings per share before and after dilution, SEK	7	-1.68	-1.80	-6.46	-6.55	-8.64
Average number of shares excl. treasury shares		29,209,475	27,009,475	27,912,039	24,738,092	25,309,041

## Statement of comprehensive income

Amounts in SEK thousand	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
<b>Result for the period</b>	<b>-49,132</b>	<b>-48,655</b>	<b>-180,254</b>	<b>-162,056</b>	<b>-218,655</b>
Other comprehensive income, net after tax	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-49,132</b>	<b>-48,655</b>	<b>-180,254</b>	<b>-162,056</b>	<b>-218,655</b>

# Balance sheet

Amounts in SEK thousand	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
<i>Intangible assets</i>				
Licences		113	185	167
Technology and customer relationships		316	462	420
Goodwill		4,074	5,160	4,889
<b>Total intangible assets</b>		<b>4,503</b>	<b>5,806</b>	<b>5,475</b>
<i>Tangible assets</i>				
Equipment, tools, fixtures and fittings		23,506	22,353	21,821
<b>Total tangible assets</b>		<b>23,506</b>	<b>22,353</b>	<b>21,821</b>
<i>Financial assets</i>				
Other securities held as non-current assets	6	218,452	37,476	27,361
Other long-term receivables		466	50	50
<b>Total financial assets</b>		<b>218,919</b>	<b>37,526</b>	<b>27,411</b>
<b>Total non-current assets</b>		<b>246,928</b>	<b>65,685</b>	<b>54,707</b>
<b>Current assets</b>				
Inventories	4	23,358	-	12,433
<i>Current receivables</i>				
Accounts receivable		139	93	43
Other receivables		31,757	28,838	35,198
Prepaid expenses and accrued income		2,425	2,516	2,958
<b>Total current receivables</b>		<b>34,321</b>	<b>31,447</b>	<b>38,200</b>
Short-term investments	5	207,541	356,891	296,748
Cash and bank balances		21,580	17,796	10,144
<b>Total current assets</b>		<b>286,799</b>	<b>406,134</b>	<b>357,525</b>
<b>TOTAL ASSETS</b>		<b>533,727</b>	<b>471,819</b>	<b>412,233</b>

# Balance sheet

Amounts in SEK thousand	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>EQUITY AND LIABILITIES</b>				
<b>Restricted equity</b>				
Share capital		1,477	1,367	1,367
<b>Total restricted equity</b>		<b>1,477</b>	<b>1,367</b>	<b>1,367</b>
<b>Unrestricted equity</b>				
Share premium reserve		1,234,972	951,017	951,017
Retained earnings		-568,978	-354,613	-353,531
Result for the year		-180,254	-162,056	-218,655
<b>Total unrestricted equity</b>		<b>485,740</b>	<b>434,348</b>	<b>378,830</b>
<b>Total equity</b>		<b>487,216</b>	<b>435,715</b>	<b>380,197</b>
<b>Liabilities</b>				
<i>Long-term liabilities</i>				
Loans from credit institutions		0	119	79
<b>Total long-term liabilities</b>		<b>0</b>	<b>119</b>	<b>79</b>
<i>Current liabilities</i>				
Loans from credit institutions		119	292	252
Accounts payable		17,245	13,960	8,068
Current tax liabilities		1,927	1,598	1,932
Other liabilities		5,497	2,731	3,463
Accrued expenses and deferred income		21,723	17,405	18,241
<b>Total current liabilities</b>		<b>46,510</b>	<b>35,986</b>	<b>31,956</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>533,727</b>	<b>471,819</b>	<b>412,233</b>

# Changes in equity

Amounts in SEK thousand	Note	Restricted equity		Unrestricted equity			Total equity
		Share capital	Unregistered share capital	Share premium reserve	Retained earnings	Result earnings	
<b>Opening balance, 1 January 2020</b>		<b>1,162</b>	<b>5</b>	<b>697,062</b>	<b>-179,930</b>	<b>-177,354</b>	<b>340,944</b>
<b>Comprehensive income</b>							
Result for the period		-	-	-	-	-162,056	-162,056
Appropriation of profits		-	-	-	-177,354	177,354	0
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-177,354</b>	<b>15,299</b>	<b>-162,056</b>
<b>Transactions with shareholders</b>							
New share issue		205	-5	269,800	-	-	270,000
Issue costs		-	-	-15,845	-	-	-15,845
Share-based remuneration programmes	3	-	-	-	2,672	-	2,672
<b>Total transactions with shareholders</b>		<b>205</b>	<b>-5</b>	<b>253,955</b>	<b>2,672</b>	<b>-</b>	<b>256,827</b>
<b>Closing balance, 30 September 2020</b>		<b>1,367</b>	<b>0</b>	<b>951,637</b>	<b>-354,613</b>	<b>-162,056</b>	<b>435,715</b>
<b>Opening balance, 1 January 2020</b>		<b>1,162</b>	<b>5</b>	<b>697,062</b>	<b>-179,930</b>	<b>-177,354</b>	<b>340,944</b>
<b>Comprehensive income</b>							
Result for the year		-	-	-	-	-218,655	-218,655
Appropriation of profits in accordance with AGM decision							
- Carried forward to unrestricted equity		-	-	-	-177,354	177,354	0
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-177,354</b>	<b>-41,301</b>	<b>-218,655</b>
<b>Transactions with shareholders</b>							
New share issue		205	-5	269,800	-	-	270,000
Issue costs		-	-	-15,845	-	-	-15,845
Share-based remuneration programmes	3	-	-	-	3,754	-	3,754
<b>Total transactions with shareholders</b>		<b>205</b>	<b>-5</b>	<b>253,955</b>	<b>3,754</b>	<b>-</b>	<b>257,909</b>
<b>Closing balance, 31 December 2020</b>		<b>1,367</b>	<b>0</b>	<b>951,017</b>	<b>-353,531</b>	<b>-218,655</b>	<b>380,197</b>
<b>Opening balance, 1 January 2021</b>		<b>1,367</b>	<b>0</b>	<b>951,017</b>	<b>-353,531</b>	<b>-218,655</b>	<b>380,197</b>
Result for the period		-	-	-	-	-180,254	-180,254
Appropriation of profits		-	-	-	-218,655	218,655	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-218,655</b>	<b>38,401</b>	<b>-180,254</b>
<b>Transactions with shareholders</b>							
New share issue	2	110	-	301,290	-	-	301,400
Issue costs		-	-	-17,335	-	-	-17,335
Share-based remuneration programmes	3	-	-	-	3,208	-	3,208
<b>Total transactions with shareholders</b>		<b>110</b>	<b>-</b>	<b>283,955</b>	<b>3,208</b>	<b>-</b>	<b>287,273</b>
<b>Closing balance, 30 September 2021</b>		<b>1,477</b>	<b>-</b>	<b>1,234,972</b>	<b>-568,978</b>	<b>-180,254</b>	<b>487,216</b>



# Cash flow statement

Amounts in SEK thousand	Note	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
<b>Cash flow from operating activities</b>						
Operating result		-50,019	-49,971	-181,930	-164,477	-221,543
Adjustments for non-cash items						
- Depreciation reversal		1,808	1,640	5,221	4,424	6,101
- Scrapping of inventory		-	-	-	-	201
- Change in guarantee reserve		35	-	210	-	-
- Share-based remuneration programmes	3	1,360	1,085	3,208	2,672	3,754
Interest received		964	915	2,835	1,866	2,764
Interest paid		-85	-22	-1,144	-97	-434
Tax paid		259	299	-5	440	774
<b>Cash flow from operating activities before changes in working capital</b>		<b>-45,677</b>	<b>-46,053</b>	<b>-171,605</b>	<b>-155,172</b>	<b>-208,383</b>
<i>Changes in working capital</i>						
Increase/decrease in inventories	4	-762	-	-10,925	-	-12,433
Increase/decrease in accounts receivable		4,612	134	-95	-76	-27
Increase/decrease in other current receivables		-2,236	-3,847	3,974	-7,837	-14,638
Increase/decrease in other current liabilities		-11,156	1,245	5,306	-2,279	-711
Increase/decrease in accounts payable		-7,813	1,809	9,177	4,779	-1,113
<i>Changes in working capital</i>		<i>-17,355</i>	<i>-659</i>	<i>7,437</i>	<i>-5,413</i>	<i>-28,922</i>
<b>Cash flow from operating activities</b>		<b>-63,032</b>	<b>-46,711</b>	<b>-164,169</b>	<b>-160,585</b>	<b>-237,305</b>
<b>Cash flow from investing activities</b>						
Investments in tangible assets		-2,748	-2,660	-5,934	-12,214	-13,228
Short-term investments	5	-6,056	-	-176,135	-185,000	-185,000
Divestment of short-term investments	5	79,997	29,894	268,182	129,885	200,046
Investments in financial assets	6	-34,667	-	-199,511	-50,127	-50,127
Sales of financial assets	6	-	-	5,150	16,013	16,013
<b>Cash flow from investing activities</b>		<b>36,527</b>	<b>27,233</b>	<b>-108,249</b>	<b>-101,443</b>	<b>-32,295</b>
<b>Cash flow from financing activities</b>						
New share issue	2	-	-	301,400	270,000	270,000
Issue costs		-	-620	-17,335	-15,845	-15,845
Repayment of loans		-53	-88	-212	-298	-378
<b>Cash flow from financing activities</b>		<b>-53</b>	<b>-708</b>	<b>283,853</b>	<b>253,857</b>	<b>253,777</b>
<b>Cash flow for the period</b>		<b>-26,558</b>	<b>-20,186</b>	<b>11,436</b>	<b>-8,172</b>	<b>-15,823</b>
Cash and cash equivalents at the beginning of the period		48,137	37,983	10,144	25,968	25,968
<b>Cash and cash equivalents at the end of the period</b>		<b>21,580</b>	<b>17,796</b>	<b>21,580</b>	<b>17,796</b>	<b>10,144</b>

# Accounting policies and notes

## Compliance with IFRS

Q-linea AB has prepared its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. RFR 2 entails that Q-linea applies all of the EU-endorsed International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU and statements, with the limitations that follow the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

## Financial assets

Financial assets such as shares in Swedish companies are recognised at cost. Financial assets such as bonds in listed companies are recognised at amortised cost. The Company tests for impairment on each listed bond on a quarterly basis. Assets in Swedish companies are recognised at cost.

The carrying amount of the short-term component of financial assets corresponds to the amortised cost. Interest-bearing securities correspond to the lower of fair value and cost. Other current receivables and liabilities are measured at fair value since these items are current by nature. For a more detailed description of the accounting policies applied in this interim report, refer to Note 2 on pages 57–61 of the Annual Report for the 2020 financial year.

The interim report comprises pages 1–20, and pages 1–10 thus comprise an integrated component of this financial report.

## Revenue recognition

Revenue includes the value that Q-linea has the right to receive for goods and services sold in the Company's operating activities, excluding VAT and volume discounts. Contracted volume discounts reduce revenue and are recognised at expected fair value.

### *Sales of goods*

The Company develops, manufactures and sells instruments, consumables and spare parts on a global basis to both a global retailer and directly to Swedish end users. Revenue from sales to retailers and end users is recognised when control of the goods has passed from Q-linea to the customer.

The time at which control passes from Q-linea to the customer is typically upon delivery. The delivery time to the retailer is when the goods are transported from Q-linea's production premises. The delivery time to the end user is normally when the goods have been transported to the specific location designated by the end user and the installation has been carried out. In these cases, revenue from sales is recognised at a point in time. Freight is normally paid by the customer.

### *Sales of services*

The Company offers services, mainly in the form of maintenance of instruments. Service agreements can be signed directly between Q-linea and the end user and are typically invoiced one year in advance. Q-linea's efforts to meet its performance obligation in service agreements is assessed to be evenly distributed during the contract period. This is because the customer can take advantage of the service at any time during the entire contract period and the degree of usage is unknown. Revenue is thus recognised in a linear manner across the entire contract period.

Services can also be offered to retailers, in which a suborder is made according to a contracted price list. The contract is typically on current account based on a price per hour. The Company's efforts to meet its performance obligation to the retailer take place upon completion, and revenue is recognised during the period in which the service is carried out.

Q-linea applies an average credit period of 30–60 days for the sale of instruments and 30–45 days for the sale of consumables and spare parts. Q-linea receives partial payments for instruments in advance and recognises the advance received as a contract liability until the time of delivery.

## Cost of goods sold

The cost of goods sold is included in the earnings line "Raw materials and consumables" and consists of design costs, raw materials, direct salaries, other direct costs, classifiable indirect manufacturing costs, provisions to guarantee reserves, impairment of inventories and costs for purchased ASTar instruments from contract manufacturers.

## Provisions

### Guarantees

The Company sells instruments with guarantees in accordance with industry practice. The guarantee period is normally 12 months from the date of the approved installation. The right of return is only valid upon technical errors. Provisions for these guarantee commitments are calculated for each individual instrument based on applicable guarantee conditions and assessed product quality and are recognised as a liability until the guarantee period is complete or the guarantee has been utilised.

### Significant judgements

#### *Significant estimates and judgements of the size of the guarantee reserve.*

Assumptions about the size of the guarantee reserve are based on estimates and judgements since data on actual historic guarantee costs is not available.

### Holding of treasury shares

At the end of the third quarter of 2021, Q-linea had a holding of 328,472 treasury shares. The shares are valued at SEK 0.05 per share, which is also the quotient value of the share. The aim of these shares is to ensure the delivery of performance shares under the long-term incentive programmes LTIP 2018 and LTIP 2019. The holding of treasury shares has been excluded from the calculation of per-share performance measures.

## Note 1 Specification of net sales

Net sales specified by geographic market:

SEK thousand (unless otherwise stated)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Sweden	-	-	-	243	243
UK	1,122	-	5,442	-	-
<b>Total net sales by geographic market</b>	<b>1,122</b>	<b>-</b>	<b>5,442</b>	<b>243</b>	<b>243</b>

Net sales specified by type of income

SEK thousand (unless otherwise stated)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Instruments and consumables	1,122	-	5,442	-	-
Prototype development	-	-	-	243	243
<b>Total net sales by type of income</b>	<b>1,122</b>	<b>-</b>	<b>5,442</b>	<b>243</b>	<b>243</b>

Instruments and consumables pertain to ASTar instruments with associated consumables. Prototype development pertains to the development of customer-specific prototypes for external customers. Prototype development is recognised as revenue on the date when the control is transferred to the customer.

## Note 2 Related-party transactions

Related parties are defined as owners with a significant or controlling influence, senior executives in the Company, meaning directors and members of the management team, and their close family members. Disclosures concerning transactions between the Company and other related parties are presented below. Related-party transactions are performed on an arm's length basis.

One of EMPE Diagnostics AB's co-founders, shareholders and directors is Mats Nilsson, who is also a co-founder, shareholder and director of Q-linea AB. One of Q-linea's senior executives, Mats Gullberg, remains a director of EMPE Diagnostics AB.

In conjunction with the Company's directed issue in June 2021, Jonas Jarvius, President of Q-linea, divested 95,000 shares in the Company to the Company's largest shareholder Nexttobe AB. Jonas Jarvius remains highly committed to Q-linea, where he will retain approximately 75% of his existing fully diluted holding. Jonas Jarvius co-founded Q-linea in 2008 and has been President from the start. Jonas Jarvius has agreed to not sell any shares in Q-linea for a period of 365 days after the completion of the directed issue.

## Note 3 Share-based remuneration programmes

At the end of the third quarter, Q-linea had four ongoing share-based remuneration programmes: LTIP 2018, LTIP 2019, Employee share option programme 2020/2023 and Employee share option programme 2021/2024.

### *Performance share-based programme LTIP 2018*

The rights to receive performance shares were allotted free of charge in March 2019. As of the Annual General Meeting on 22 May 2019, when the programme was closed to new participants, 142,720 performance share rights had been allotted to participants of the programme. The performance targets are linked to product development, product approval and commercialisation. The performance share rights are earned as the performance targets are met. The value of each performance share right is SEK 55.54 and is based on the closing price on the allotment date (1 March 2019). The cost recognised, including social security contributions, amounted to SEK 707 thousand (2,838) for the third quarter and SEK 1,874 thousand (4,775) for the January to September period.

### *Performance share-based programme LTIP 2019*

The rights to receive performance shares were allotted free of charge in December 2019. As of 31 December 2019, when the programme was closed to new participants, 40,990 performance share rights had been allotted to participants of the programme. The performance targets are linked to product development, product approval and commercialisation.

The performance share rights are earned as the performance targets are met. The value of each performance share right is SEK 56.00 and is based on the closing price on the allotment date (20 December 2019). The cost recognised, including social security contributions, amounted to SEK 248 thousand (533) for the third quarter and SEK 738 thousand (1,030) for the January to September period.

### *Employee share option programme 2020/2023*

Employee share options were allotted free of charge on 30 June 2020 following a resolution by the Annual General Meeting on 26 May 2020. The programme measures the fulfilment of certain strategic and operational targets established by the Board, and employees may acquire one ordinary share in the Company after a vesting period of three years. When the programme was closed to new participants, a total of 345,850 employee share options had been allotted. The volume-weighted average price for the Company's share according to Nasdaq Stockholm's price list during the period from 11–25 May, meaning the ten (10) trading days prior to 26 May 2020, was SEK 79.19, and the exercise price was thus set at SEK 98.98 per share.

The option value on the allotment date was based on the average price on the allotment date and was calculated at SEK 11.38 per option. At the end of the third quarter, there were 324,430 (345,850) employee share options outstanding and 21,420 (0) employee share options had expired. The option value on the balance sheet date was SEK 43.44 per option, according to the Black & Scholes model. The cost recognised, including social security contributions, amounted to SEK 284 thousand (832) for the third quarter and SEK 1,087 thousand (832) for the January to September period.

**Employee share option programme 2021/2024**

The Company's Annual General Meeting on 25 May 2021 resolved to introduce an employee share option programme for the Company's employees. Employee share option programme 2021/2024 is to comprise a maximum of 160,650 employee share options. Employee share options are to be offered free of charge to individuals employed by the Company as of 15 June 2021 who are not covered by any of the previous share-based incentive programmes in the Company.

Each employee share option shall entitle the holder, on the achievement of certain strategic and operational goals set by the Board in advance and connected to significant events in the Company's development, such as advances in product development, product approval and commercialisation, and after a three-year vesting period, to acquire one (1) new common share in the Company at an exercise price corresponding to 125% of the volume-weighted average price of the Company's share according to Nasdaq Stockholm's price list during the period ten (10) trading days before 25 May 2021. However, the subscription price may not under any circumstances be less than the quotient value.

Employees who have the right to participate in the employee share option programme 2021/2024 may be allotted 3,570 employee share options each at the most.

To enable the Company's delivery of shares under the programme and to cover the cash flow effects as a result of any social security contributions arising under the programme, the Annual General Meeting resolved to carry out a directed issue of a maximum of 211,126 warrants to the Company, of which a maximum of 50,476 warrants were issued to cover any cash flow effects as a result of social security contributions arising under the employee share option programme 2021/2024.

As of 30 June 2021, when the programme was closed to new participants, a total of 128,520 employee share options had been allotted to the 36 participants who had registered for the programme.

The volume-weighted average price for the Company's share according to Nasdaq Stockholm's price list during the period 10–24 May, meaning the ten (10) trading days prior to 25 May 2021, was SEK 153.45, and the exercise price was thus set at SEK 191.81 per share. The option value on the balance sheet date was SEK 18.38 per option, according to the Black & Scholes model. The cost recognised, including social security contributions, amounted to SEK 395 thousand (0) for the third quarter and for the January to September period.

**Note 4 Inventories**

At the end of the third quarter of 2021, the Company had an inventory value of SEK 23,358 thousand (12,433).

SEK thousand (unless otherwise stated)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Raw materials and consumables	3,683	-	713
Products in progress	0	-	1,051
Semi-finished goods	2,461	-	1,164
Completed goods	19,925	-	9,505
Impairment of completed goods	- 2,711	-	-
<b>Total</b>	<b>23,358</b>	<b>-</b>	<b>12,433</b>

During the January to September period, the Company impaired completed goods in an amount of SEK 2,711 thousand.

**Note 5 Short-term investments**

Cash and cash equivalents not used in the daily operations have been placed in fixed-income funds that invest in low-risk interest-bearing securities and other interest-rate instruments. Since most of the securities in these funds have a remaining term of more than three months, the securities have been recognised and measured at the lower of cost and fair value in the balance sheet. Short-term investments also include the short-term component of the Company's listed corporate bonds with a maturity of less than 12 months. The short-term component of the Company's financial assets was recognised at amortised cost.

At the end of the third quarter, the Company's short-term investments totalled SEK 207,541 thousand (296,748), of which SEK 26,306 thousand (130,999) represents the short-term component of the Company's listed corporate bonds.

The fair value of the fixed-income funds amounted to SEK 181,573 thousand (166,745) and the fair value of the bonds amounted to SEK 26,180 thousand (130,659). Accrued interest on the listed bonds amounted to SEK 18 thousand (324).

### Note 6 Other securities held as non-current assets

Other securities held as non-current assets primarily comprise low-risk listed corporate bonds that were measured at an amortised cost of SEK 215,455 thousand (24,364) on the balance sheet date, of which the accrued interest amounted to SEK 535 thousand (170) and the credit reserve to SEK -111 thousand (-63). The Company carries out impairment tests on a quarterly basis on each recognition date. The Company invests exclusively in bonds belonging to level 1 of the fair value hierarchy, and the impairment test is based on information from S&P and Moody's. The bond coupon rates carry both variable and fixed interest with periodic payments. Coupon rates received amounted to SEK 696 thousand (487) for the third quarter and SEK 1,636 thousand (952) for the January to September period. In the January to September period, the Company received SEK 5,150 thousand (16,013) from bonds that expired. In the same period, the Company purchased bonds for SEK 199,511 thousand (50,127).

Other securities held as non-current assets pertain to participations in EMPE Diagnostics AB acquired at the end of 2017. Participations were recognised at cost in the balance sheet in an amount of SEK 2,997 thousand (2,997). As of 30 September 2021, the company deemed that there was no impairment requirement for the participations in EMPE Diagnostics AB since the share price in the latest directed issue exceeded the price paid by Q-linea. Q-linea's holding comprises 23,400 shares, corresponding to 5.84% of the capital and votes.

### Note 7 Earnings per share

Earnings per share are calculated by dividing the result for the period by a weighted average of the number of ordinary shares outstanding, excluding holdings of treasury shares, during the period:

SEK thousand (unless otherwise stated)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Result for the period	-49,132	-48,655	-180,254	-162,056	-218,655
Weighted average number of shares outstanding	29,537,947	27,337,947	28,240,511	25,066,564	25,637,513
- Less average holding of treasury shares	-328,472	-328,472	-328,472	-328,472	-328,472
<b>Earnings per share before and after dilution (SEK)</b>	<b>-1.68</b>	<b>-1.80</b>	<b>-6.46</b>	<b>-6.55</b>	<b>-8.64</b>

### Note 8 Risk management

The Company is exposed to various types of risks during the course of its operations. By creating an awareness of the risks associated with the operations, such risks can be limited, controlled and managed while allowing business opportunities to be utilised in order to increase the Company's earnings.

At the end of third quarter, the Company had a credit reserve of SEK 111 thousand (63). The material risks associated with Q-linea's operations are presented in the Annual Report for the 1 January to 31 December 2020 financial year and in the prospectus prepared prior to the listing on Nasdaq Stockholm.

### Note 9 Future financing

Q-linea now has now received approval for sales of the first ASTar product in Europe. During the second quarter, the Company registered the first customer order from, and sale to, its sales partner Thermo Fisher Scientific. However, the Company is yet to generate any positive cash flow. During the second quarter, the Company carried out a directed issue amounting to SEK 301.4 million before issue costs. Based on the proceeds generated for the Company, the Board deems the existing working capital, as of 30 September 2021, to be sufficient to cover the Company's needs over the next 12 months.

### Note 10 Significant events after the end of the period

The Company has commenced the reproducibility phase of the clinical study for ASTar market approval in the US. In addition, Q-linea's partner Thermo Fisher Scientific announced the launch of ASTar for the European market. Lastly, the Company signed the first commercial evaluation contract for ASTar with a Swedish regional hospital.