

Q-linea resolves on the terms for a rights issue of approximately SEK 225 million

Q-linea AB (publ) ("Q-linea" or the "Company") announces that the board of directors today has resolved on the terms for the planned rights issue of units with preferential rights for the Company's existing shareholders (the "Rights Issue").

The Rights Issue was resolved by the board of directors on 5 November 2024 and approved by the extraordinary general meeting on 6 December 2024. Each unit in the Rights Issue consists of two (2) ordinary shares and one (1) warrant of series TO 1 ("**Unit**"). Provided that the Rights Issue is fully subscribed to, the Company will receive approximately SEK 225 million before deduction of transaction costs. In addition, the Company may receive additional capital in May 2025 when the warrants issued through the Rights Issue are exercised for the subscription of shares. In total, the Rights Issue is covered up to approximately 81 percent through subscription and guarantee commitments.

Summary of the Rights Issue

- If fully subscribed, Q-linea will initially receive approximately SEK 225 million through the Rights Issue before deduction of transaction costs. In addition, Q-linea may receive additional capital in May 2025 when the warrants issued through the Rights Issue are exercised for the subscription of shares.
- The Company's existing shareholders have preferential rights to subscribe for Units in the Rights Issue in proportion to the number of shares held on the record date.
- One (1) existing share held on the record date of 14 January 2025 entitles the holder to seventy-seven (77) unit rights. Four (4) unit rights entitle the holder to subscribe for one (1) Unit, where each Unit consists of two (2) ordinary shares and one (1) warrant of series TO 1. In addition, investors are offered the opportunity to apply for subscription of Units without the support of unit rights.
- The subscription price has been set at SEK 0.10 per Unit, which corresponds to a subscription price of SEK 0.05 per share. The warrants are issued free of charge. The subscription price per share is based on a discount to TERP (theoretical share price after separation of unit rights) of approximately 28 percent based on the volume-weighted average share price of the Company's share on Nasdaq Stockholm during the period from and including 9 December 2024 up to and including 3 January 2025.
- The Company intends to admit the warrants to trading on Nasdaq Stockholm in connection with the registration of the Rights Issue with the Swedish Companies Registration Office and subsequent conversion of BTU into shares and warrants. Each warrant entitles the holder to subscribe for one (1) new share in the Company during the period 5 May 2025 up to and including 19 May 2025. The exercise price corresponds to 70 percent of the volume-weighted average price of the Company's share on Nasdaq Stockholm during the period from 14 April 2025 up to and including 29 April 2025, however not lower than the share's quota value. The exercise is thus at a 30 percent discount on the stated average price.
- The Company's largest shareholder, Nexttobe, has expressed support for the Rights Issue and committed to subscribe for Units amounting to SEK 50 million. Nexttobe's payment for Units subscribed to in accordance with the subscription commitment will be made through offset against loans disbursed under the Company's loan facility with Nexttobe. As of 3 January 2025, the loans disbursed under this loan facility amounts to SEK 99.5 million.

- In addition to Nexttobe's subscription commitment in accordance with the above, the Company has received subscription commitments from, among others, Transferator, Ulf Landegren and certain members of the board of directors and senior executives as well as an expression of intent to subscribe from Fjärde AP-fonden, amounting to an additional total of approximately SEK 25 million.
- Guarantee commitments corresponding to a total of approximately SEK 108 million have been provided by a number of external investors and existing shareholders, of which approximately SEK 52 million as a top guarantee commitment from Ulf Landegren and the remaining SEK 56 million as bottom guarantee commitments.
- In total, the Rights Issue is thus covered by subscription and guarantee commitments amounting to approximately SEK 183 million, which corresponds to approximately 81 percent of the Rights Issue.
- The record date for the Rights Issue is 14 January 2025. The subscription period begins on 14 January 2025 and ends on 30 January 2025. The last day of trading in the Company's share including the right to participate in the Rights Issue is 10 January 2025. The first day of trading in the Company's share without the right to receive unit rights is 13 January 2025.
- Trading in unit rights will take place on Nasdaq Stockholm from 16 January 2025 up to and including 27 January 2025.

Background and motive

Q-linea is an innovative infection diagnostics company that develops instruments and disposables for rapid and reliable infection diagnostics. Q-linea's first product, ASTar, has in completed studies shown to be able to determine which antibiotics are effective against an infection, so-called AST analysis, significantly faster than other methods. ASTar was launched on the European market in the autumn of 2021 and after the Company received market approval for the US market on April 26, 2024, ASTar has also been launched in the US. In the coming years, Q-linea plans to improve existing test panels and widen the product offering for ASTar with expanded test panels for indications other than blood. The analyses that are primarily focused on isolates. Q-linea also has the ambition to broaden the geographical availability of ASTar.

The Rights Issue will, if fully subscribed, provide the Company with approximately SEK 225 million (of which SEK 50 million will be provided through set-off against loans) before deduction of transaction costs. The transaction costs are estimated to amount to approximately SEK 22 million. The net proceeds thus amount to a maximum of approximately SEK 203 million (of which SEK 50 million will be provided through set-off against loans) and are intended to be used for the following activities:

- Supporting commercial activities in key markets with an emphasis on the US market following FDA approval.
- Expansion of the ASTar test menu® (additional drug.bug combinations, new offerings e.g. in isolate testing, Gram+ bacteria, and additional sample types).
- Maintain organization and capacity through the next phase of commercialization.
- Working capital to support the distribution of instruments.
- Set-off and repayment of debt.

In addition, Q-linea may receive additional capital in May 2025 in connection with the exercise of the warrants issued through the Rights Issue, which is intended to be used for the same activities as above.

Terms of the Rights Issue

One (1) existing share held on the record date of 14 January 2025 entitles the holder to seventy-seven (77) unit rights. Four (4) unit rights entitle the holder to subscribe for one (1) Units, where each Unit consists of two (2) ordinary shares and one (1) warrant of series TO 1. In addition, investors are offered the opportunity to apply for subscription of Units without the support of unit rights.

The subscription price is SEK 0.10 per Unit, which corresponds to a subscription price of SEK 0.05 per share. The warrants will be issued free of charge. The subscription price is based on a discount to TERP (theoretical share price after separation of unit rights) of approximately 28 percent based on the volume-weighted average share price of the Company's share on Nasdaq Stockholm during the period from and including 9 December 2024 up to and including 3 January 2025.

The record date for participation in the Rights Issue is 14 January 2025. The subscription period begins on 16 January 2025 and ends on 30 January 2025. The last day for trading in the Company's share including the right to participate in the Rights Issue is 10 January 2025. The first day for trading in the Company's share without the right to receive unit rights is 13 January 2025. Trading with BTU on Nasdaq Stockholm is expected to take place from 16 January 2025 to 19 February 2025.

In the event that not all Units are subscribed for with unit rights, the board of directors will, within the maximum amount of the issue, resolve on allotment of Units (subscribed for without the exercise of unit rights), according to the following distribution principles:

- i. • in the first instance, allotment shall be made to those who have also subscribed for Units by virtue of unit rights, regardless of whether they were shareholders on the record date or not, which shall be made pro rata in relation to the number of Units subscribed for by virtue of unit rights, and to the extent that this cannot be done, by drawing of lots, and
- ii. • secondly, allotment shall be made to others who have only applied for subscription without the support of unit rights, and in the event of oversubscription, allotment shall be made pro rata in relation to the number of new Units that each person has applied for subscription, and to the extent that this cannot be done, by drawing lots, and
- iii. • thirdly, allotment shall be made to those who have provided guarantee commitments, in proportion to such guarantee commitment (in relation to the other guarantee commitments provided).

Number of shares, share capital and dilution

Through the Rights Issue, the share capital will increase by up to SEK 224,912,957.50, from SEK 5,858,318.60 to SEK 230,771,276.10. The number of shares will increase by up to 4,498,259,150 shares, from 117,166,372 shares to 4,615,425,522 shares.[1] For existing shareholders who do not participate in the Rights Issue, this entails a dilution of a maximum of approximately 97 percent, with the possibility to be financially compensated for the dilution effect by selling their unit rights. Assuming full subscription in the Rights Issue and full exercise of the warrants issued within the Rights Issue, the share capital will increase by an additional SEK 112,456,478.75 and the number of shares will increase by up to 2,249,129,575 shares, corresponding to an additional dilution of a maximum of approximately 33 percent. Maximum number of issued shares and warrants, upon full subscription in the Rights Issue and full exercise of the warrants issued within the Rights Issue, thus result in a total dilution of up to approximately 98 percent.

Subscription and guarantee commitments

The Company's largest shareholder, Nexttobe, has expressed support for the Rights Issue and committed to subscribe for Units amounting to SEK 50 million. Nexttobe's payment for Units subscribed to in accordance with the subscription commitment will be made through offset against loans disbursed under the Company's loan facility with Nexttobe. As of 3 January 2025, the loans disbursed under this loan facility amounts to SEK 99.5 million. In addition, the Company has received subscription commitments from, among others, Transferator, Ulf Landegren and certain members of the board of directors and senior executives as well as an expression of intent to subscribe from Fjärde AP-fonden, amounting to an additional total of approximately SEK 25 million.

Guarantee commitments corresponding to a total of approximately SEK 108 million have been provided by a number of external investors and existing shareholders, of which approximately SEK 52 million as a top guarantee commitment from Ulf Landegren and the remaining SEK 56 million as bottom guarantee commitments. In total, the Rights Issue is thus covered by subscription and guarantee commitments totaling approximately SEK 183 million, which corresponds to approximately 81 percent of the Rights Issue. No compensation will be paid for subscription commitments. For guarantors, a remuneration of 10 percent of the guaranteed amount in cash or 12 percent of the guaranteed amount in Units, with the same terms and conditions as for Units in the Rights Issue. The subscription and guarantee commitments are not secured by bank guarantees, escrow funds, pledging or similar arrangements. Further information regarding the parties that have entered into subscription and guarantee undertakings will be available in the prospectus that is expected to be published on or about 10 January 2025.

Subscription of Units in the Rights Issue (otherwise than by virtue of preferential rights), which results in an investor acquiring a shareholding equal to or exceeding a threshold of ten percent or more of the total number of votes in the Company after completion of the Rights Issue, shall be notified to the Swedish Inspectorate for Strategic Products prior to the investment. To the extent that a guarantor's fulfilment of its guarantee commitment means that the investment must be approved by the Inspectorate for Strategic Products in accordance with the Act (2023:560) on the Examination of Foreign Direct Investments, such part of the guarantee commitment is conditional on notification that the application for the investment to be left without action or that approval has been obtained from the Inspectorate for Strategic Products.

Bridge loan facility

On 5 November 2024, the Company announced that it had entered into an agreement for a bridge loan facility of SEK 40 million to ensure the Company's liquidity needs until the Rights Issue is completed. The set-up fee for the loan facility amounted to 2.5 percent (on the total amount of SEK 40 million). As of 3 January 2025, no loans have been disbursed under this loan facility, whereby the Company's liquidity needs have been handled through other actions.

Terms and conditions for the warrants of series TO 1

Subscribers of Units in the Rights Issue will receive warrants of series TO 1 free of charge. Each warrant of series TO 1 entitles the holder to subscribe for one (1) new ordinary share in Q-linea.

The exercise price for the warrants corresponds to 70 percent of the volume-weighted average price of the Company's share on Nasdaq Stockholm during the period from 14 April 2025 up to and including 29 April 2025, however not lower than the share's quota value. The warrants can be exercised during the period from 5 May 2025 up to and including 19 May 2025. Usage is thus at a 30 percent discount to the stated average price.

Lock-up commitments

In connection with the Rights Issue, all members of the board of directors and senior executives with shareholdings in Q-linea have by agreement committed to Vator Securities AB to, with customary exceptions, not sell or carry out other transactions with equivalent effect as a sale without first having obtained written approval from Vator Securities AB which will make an assessment for each individual case. Granted consent may be due to both individual and business reasons. The lock-up undertakings only apply to the shares held prior to the Rights Issue and the lock-up period lasts for 180 days after the announcement of the Rights Issue.

Preliminary timetable for the Rights Issue

Last day of trading in the share, including the right to receive unit rights	10 January 2025
Prospectus published	10 January 2025
First day of trading in the share, excluding the right to receive unit rights	13 January 2025
Record date for the Rights Issue	14 January 2025
Trading in unit rights	16 January – 27 January 2025
Subscription period	16 January – 30 January 2025
Announcement of outcome	Around 3 February 2025

Prospectus

Complete information regarding the Rights Issue and information about the Company will be provided in the prospectus that is expected to be published on or about 10 January 2025.

Advisers

Vator Securities AB is acting as financial advisor in connection with the Rights Issue. Advokatfirman Lindahl is acting as legal advisor to the Company in connection with the Rights Issue.

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe for or otherwise trade in units, shares, subscription rights, unit rights or other securities in Q-linea AB (publ). The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

This announcement is not a prospectus for the purpose of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the “Prospectus Regulation”). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in a prospectus. Any invitation to those entitled to subscribe for units in Q-linea AB (publ) is made solely through the prospectus which Q-linea AB (publ) estimates to publish on or about 10 January 2025.

This press release or information herein may not, in whole or partly, be released, published or distributed, directly or indirectly, in or into Australia, Hong Kong, Japan, Canada, New Zealand, South Africa, Switzerland, Singapore, the United States or any other jurisdiction where such action is wholly or partially subject to legal restrictions or where such action would require additional prospectuses, registrations or other actions in addition to what is required pursuant to Swedish law. Nor may the information in this press release be forwarded, reproduced or disclosed in a manner that contravenes such restrictions or would entail such requirements. Failure to comply with this instruction may result in a violation of applicable securities laws.

No unit rights, paid subscribed units (BTU) or new units have or will be registered under the United States Securities Act of 1933 (the "Securities Act") or securities legislation in any state or other jurisdiction in the United States and may not be offered, subscribed, used, pledged, sold, resold, allotted, delivered or transferred, directly or indirectly, into or within the United States, other than pursuant to an exemption from, or in a transaction that is subject to, the registration requirements of the Securities Act. Furthermore, the securities mentioned in this press release have not been registered and will not be registered under any applicable securities law in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa, Switzerland or Singapore and may, with certain exceptions, not be offered or sold within, or on behalf of a person or for the benefit of a person who is registered in, these countries. The Company has not made an offer to the public in to subscribe for or acquire the securities mentioned in this press release other than in Sweden.

In the EEA Member States, with the exception of Sweden, (each such EEA Member State, a "Relevant State"), this press release and the information contained herein are intended only for and directed to qualified investors as defined in the Prospectus Regulation. The securities mentioned in this press release are not intended to be offered to the public in any Relevant State and are only available to qualified investors except in accordance with exceptions in the Prospectus Regulation. Persons in any Relevant State who are not qualified investors should not take any actions based on this press release, nor rely on it.

In the United Kingdom, this announcement and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who (i) have professional experience in matters relating to investments which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should”, and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

[1] As of 3 January 2025, Q-linea holds 328,472 own shares which do not entitle to participation in the rights issue.

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About Q-linea

Q-linea’s rapid AST system, ASTar®, accelerates and simplifies the time-sensitive workflows faced during the treatment of patients with bloodstream infections and sepsis. Hospitals use ASTar to vastly reduce the time to optimal antimicrobial therapies and ensure that patients receive the correct treatments sooner — when time matters most. We are helping to create sustainable healthcare, now and in the future, and safeguard the effectiveness of antibiotics for generations to come.

Q-linea is headquartered in Uppsala, Sweden and has regional offices in Italy and the USA, with partnerships worldwide.

ASTar Instrument and ASTar BC G- Consumable kit are CE-IVD marked and FDA 510(k) cleared. 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 2025-01-03 22:58 CET.

Attachments

Q-linea resolves on the terms for a rights issue of approximately SEK 225 million