

Q-linea updates strategy and is offered updated loan facility

Q-linea AB (publ) (OMX: QLINEA) today announces an updated commercialisation strategy focusing on three key geographies in Europe - UK, Italy and Benelux - through an internal sales force, subsidiaries, and partnerships. For the US, Q-linea's focus will initially be on the east-coast through a subsidiary with a dedicated sales force of some 8-12 people. Q-linea's majority owner Nexttobe fully supports the strategy and is expanding the current loan offering of 100 MSEK to 200 MSEK. Just as for the initial loan offering, any future conversion to shares will be made at the current rate at that point.

Q-linea has planned and started implementing an updated commercialisation strategy since the end of October 2022 when the distribution agreement with Thermo Fischer Scientific was terminated. A key in the updated strategy is to focus initial efforts in regions of strategic interest. The size of the region is of course important, but also the region's interest to adopt new technology and being in the forefront of antimicrobial stewardship.

As communicated earlier, Q-linea will extend its internal sales organisation with subsidiaries in key geographies and work together with distributors to enable a broader reach. The ambition is initially to go deep rather than broad. When a successful sales structure has been realised, it is important to become fully and efficiently implemented in the selected geography to reach expected sales volumes. Thereafter, the same methodology can be applied in parallel with growing sales in additional geographies.

Europe

The selection of geographical focus markets in Europe is based on both UK and Italy being large markets in the forefront of rapid AST and sepsis awareness. Furthermore, Q-linea has received positive feedback from commercial evaluations in these countries.

Q-linea's first health economic study is planned to be conducted in Italy, where several ASTars have been tested during the summer, and therefore the awareness of ASTar is already noticeable. In Italy, Q-linea plans to start a subsidiary since it is a necessity to approach the Italian market. Italy will serve as a base for expansion in other countries in southern Europe.

Benelux is selected due to the region being in the forefront both in research around rapid AST and pharmacokinetic/pharmacodynamic (PK/PD) driven and personalized antibiotic treatment where the demand for MIC values is a cornerstone in the treatment recommendation. Benelux will be addressed both with Q-linea's Swedish commercial team as well as with local personnel.

As previously announced, Pro-Lab Diagnostics has been selected as Q-linea's distribution partner for ASTar in the UK.

The US

In the US, Q-linea will initially use a local sales force and is currently in the process of hiring a US sales manager that will be joining to the team that is already in place. The plan is to set up Q-linea Inc in Boston to have an ideal position to initially serve the east coast. Q-linea will evaluate options to add reach with either distributors, partners or extending its own team to the west coast in 2024.

After participating in several trade shows and having discussions with potential customers, Q-linea's view is that the American market is more mature than the European market. Furthermore, Q-linea has good statistics on which US hospitals to address first. Until FDA clearance of ASTar Instrument and ASTar BC G-Kit (the gram-negative analyze kit) in the US has been achieved, Q-linea will continue to work with research evaluations of ASTar to be able to have a quicker uptake upon FDA clearance.

Extended loan facility

Q-linea's majority owner Nexttobe is fully supporting the strategy and has expanded the earlier communicated initial loan facility from 100 MSEK to 200 MSEK. The loan will be without a time limit and intended to be set-off against shares if the company issues new shares in the future. Nexttobe has a right to a fair market interest for the loan. In the event of a future share issue, any outstanding part of the total 200 MSEK that will not be used for set-off against shares in such transaction will be revoked. In the event of a future share issue, Nexttobe's participation will be on same transactional terms as any other subscriber. Q-linea has not yet made use of the loan facility.

"It feels great to be able to present our updated commercialisation strategy. We have been working hard to reach a solution that we believe will enable Q-linea's sales to grow in a positive way. In 2023, the focus is to demonstrate ASTar sales with our new strategy and to enable expansions, to train and build sales teams and partners for a noticeable ramp-up in 2024. I am also glad to see that our majority owner Nexttobe fully commits to and supports our strategy" says Jonas Jarvius, CEO of Q-linea.

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About Q-linea

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

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 2023-02-16 07:25 CET.

Attachments

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