

ASTar installed at two prominent US hospitals

Fourth quarter: 1 October–31 December 2023

- Net sales amounted to SEK 0.1 million (0).
- The operating result totalled SEK -55.4 million (-59.6).
- The result for the period amounted to SEK -54.2 million (-63.7).
- Earnings per share before and after dilution amounted to SEK -0.46 (-2.18).
- Cash flow from operating activities totalled SEK -48.2 million (-79.7).

Full year: 1 January–31 December 2023

- Net sales amounted to SEK 4.4 million (12.8).
- The operating result totalled SEK -230.6 million (-262.2).
- The result for the period amounted to SEK -229.4 million (-268.7).
- Earnings per share before and after dilution amounted to SEK -3.48 (-9.20).
- Cash flow from operating activities totalled SEK -228.5 million (-250.9).
- As of 31 December 2023, the Company had a total of SEK 81.9 million (72.9) in cash and cash equivalents.

Significant events

In the fourth quarter of 2023

- The Company presented strong ASTar results from the first commercial evaluation at a large biomedical congress, IBMS.
- Q-linea entered into two agreements for distribution of ASTar instrument and consumables in Finland/the Baltic states and Benelux.
- Q-linea installed its first two ASTar systems in the US pending market approval.

After the end of the period

- The Company was awarded a public tender for rapid AST instruments and consumables issued by Fondazione PTV in Italy.
- Q-linea successfully concluded the clinical trials required to add the drug Meropenem-Vaborbactam to its existing ASTar-panel.
- The Company announced that Stuart Gander will take over as CEO of Q-linea and that Anders Ljunggren will take office as Managing Director of Q-linea AB in Sweden on 1 March 2024.
- Q-linea initiated a cost-saving programme with the aim of focusing on its commercial operations.
- The Company received its first order from its distribution partner in Finland and the Baltic states and signs agreement with logistic partner for the American market.
- Q-linea creates separate subsidiary for Podler.

Market success in the US and Europe



As we look back on 2023, I am proud to say that after starting the year with no partners, through methodical work we successfully built a strong network in all of our key geographic markets in the EU. By the end of 2023, we were able to add Finland, the Baltic states and Benelux to the list of markets where ASTar is now available through partners. We also established subsidiaries in Italy and the US.

During the year, several evaluation studies confirmed the value of rapid susceptibility testing and improved diagnostics for patients who have access to the technology. An example from the UK showed how ASTar effectively mitigated an outbreak of a highly resistant bacterium by enabling rapid intervention. These results are encouraging to see, especially given the burden faced by hospitals during and after the pandemic. Positive results from this commercial evaluation were presented at the IBMS congress in Birmingham during the quarter.

The largest comparative study of rapid susceptibility testing was carried out in Belgium during the year, with the results expected to be presented in the first half of 2024. I look forward to this and expect that ASTar performed as well in this study as in previous individual evaluations. Studies that highlight the performance of ASTar in real-world settings and its support for treatment optimisation are essential for promoting the uptake of ASTar.

After the end of the period, we also showed that ASTar is highly competitive. In our first tender in Italy, we beat out the competition despite having the highest tender price. We won by scoring significantly higher than our competitors on technical performance.

We can see that our intensive efforts to conduct customer evaluations for ASTar and rapid susceptibility testing are now starting to pay off, with over 15 tenders in the EU either announced or in preparation. Most of these are planned in Italy, which was the first European market we targeted. It is gratifying to see that our dedicated

efforts to establish ourselves in the Italian market are now starting to yield results, and we have noted that also our distributors are quickly establishing themselves in their markets. It is my firm conviction that rapid susceptibility testing will eventually be implemented in all hospitals that carry out blood culture analyses.

To sum up, we made significant progress during the year, despite the market being significantly impacted by the pandemic. Customers have been forced to delay procurement, but rapid susceptibility testing is now becoming a priority in hospital budgets. We are hopeful that sales will increase in 2024 now that we are seeing the first signs of a positive turnaround in the EU. To further enable increased commercial focus, and as communicated earlier, we are now conducting a large restructuring program that will save some 50 MSEK on an annual basis with full effect second half of 2024.

In the US, our dialogue with the FDA has continued and intensified, and I believe that we will soon secure approval for the US market. As soon as ASTar is approved, we will allow hospitals and hospital chains to test the system, and in December – in preparation for launch in the US – we installed the first two ASTar systems for evaluation at two prominent labs. Discussions regarding possible partnerships for the US market are ongoing and are expected to intensify once approval is received.

We are continuing our efforts to obtain a unique New Technology Add-on Payment (NTAP) code for the US market. Our eligibility to apply for an NTAP is based on our breakthrough designation from the FDA. The aim of NTAP is to give new technologies a faster route to market. If we are successful in obtaining an NTAP code, ASTar customers will be able to receive extra reimbursement on top of the regular lump-sum diagnosis-related group (DRG) reimbursement that the hospital receives, which would be very positive.

As this is my last quarterly report, I would like to take this opportunity to thank all of our employees, directors and owners who have supported me over the years. Together, we have successfully built an outstanding company that will play an important role in improving care for patients with serious infections while contributing to the fight against antibiotic resistance.

It has been a pleasure, and I feel grateful to now be able to hand over the reins to Stuart Gander who will continue the work of commercialising ASTar and moving the Company in a positive direction.

Uppsala, 26 February 2024, Jonas Jarvius, CEO

Work with expanded panel in Europe

Developments in the fourth quarter of 2023

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

ASTar is 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

During the quarter, the Company worked on adding the drug Meropenem-Vaborbactam to the CE-marked product for gram-negative bacteria. ***We have had many interactions in which customers have expressed a strong wish to have this antibiotic included in the panel, and we are very happy to be adding it.*** It has been possible to coordinate the clinical trials with the Company's trials in the US, which has enabled an efficient use of resources. Meropenem-Vaborbactam is a combination drug of a Carbapenem and a beta-lactamase inhibitor with enhanced activity against gram-negative organisms. As previously announced, the Company expects the expanded panel to be available in Europe in the second quarter of 2024.

Instruments

As part of Q-linea's ongoing product and customer care programme for the ASTar instrument, the development of future hardware and software updates has continued. The aim of the updates is to ensure compatibility with new hardware components that will need to replace old components that are no longer available on the market. These improvements have also made it possible to simplify and speed up the installation of ASTar at the customer's premises, which is positive since it enables our distributors to perform installations independently without support from Q-linea.

Regulatory studies for the US market

The FDA's review of the Company's 510(k) application for US market approval of the ASTar platform continued during the quarter. Communication with the FDA has intensified, and the questions from the FDA have become increasingly specific and detailed, which the Company interprets to mean that the review process is entering its final stage. However, as previously communicated, it is difficult to assess the exact time it will take from submission to market approval in the US.

Development of new products

During the quarter, the Board evaluated alternatives for the development of Podler and its continued commercialisation within or outside Q-linea in order to capitalise on the value of the technology in the best possible manner. For this reason the decision was made to put Podler in a separate subsidiary.

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.

All of the figures in the comments below refer to the Group and not the Parent Company unless otherwise stated.

Future financing

Q-linea's product, ASTar, has been approved for sales in Europe and expects an FDA approval in the near future. The Company does not yet generate positive cash flow from its operations and is therefore engaged in pursuing other financing options. This process includes holding discussions with potential partners for the licensing of distribution and sales rights, investments linked to strategic partnerships, negotiations with new and existing investors, financiers and lenders. In addition, the Board has approved the placement of Podler into a separate entity to facilitate financing and maximise value for Q-linea's core business.

At 31 December 2023, Q-linea had available cash and cash equivalents of SEK 81.9 million as well as an unutilised loan facility of approximately SEK 41.5 million from the Company's principal owner Nexttobe. The Board considers the available cash and cash equivalents, the unutilised portion of the loan facility as of 31 December not to be sufficient to cover the liquidity needed for the Company to conduct its planned operations for the next 12 months.

In light of the ongoing work of obtaining adequate level of financing and its recently implemented cost savings plan, it is the board's assessment that the group will be able to finance the operations. If the work with the financing is not successful to the extent needed, this may affect the group's ability to implement the current business plan and also constitute a significant factor of uncertainty regarding the group's continued operations.

Income, expenses and earnings

Net sales in the fourth quarter amounted to SEK 61 thousand (0), an increase of SEK 61 thousand compared with the corresponding period in the preceding year. Net sales for the full year totalled SEK 4,440 thousand (12,788), down SEK 8,348 thousand due to the terminated

partnership with Thermo Fischer and the recommencement of commercial preparations in 2023. Sales comprised ASTar instruments and associated consumables.

Other operating income amounted to SEK 141 thousand (521) for the fourth quarter and SEK 2,183 thousand (1,817) for the full year, and pertained primarily to sales of customer-specific prototypes to external customers.

The change in inventories of products in progress, semi-finished goods and finished goods amounted to SEK 2,179 thousand (2,233) for the fourth quarter and SEK 2,341 thousand (-17,017) for the full year.

Costs for raw materials and consumables and goods for resale totalled SEK -1,384 thousand (-6,626) for the fourth quarter and SEK -5,786 thousand (-17,151) for the full year.

The sales margins will gradually improve as volumes increase and the product mix shifts toward a higher share of consumables. The efficiency-enhancement projects under way in the manufacturing division will also contribute to improved margins.

Other external costs totalled SEK -13,033 thousand (-16,301) for the fourth quarter, down SEK 3,268 thousand. Costs for the full year totalled SEK -64,083 thousand (-80,695), down SEK 16,612 thousand. The changes were mainly attributable to a decrease in the number of consultants during the quarter and the period.

Personnel costs amounted to SEK -38,728 thousand (-35,136) for the quarter, up SEK 3,592 thousand compared with the corresponding quarter in the preceding year despite a lower number of employees. This was due to non-recurring effects linked to the Company's long-term incentive programmes (LTIP) and an accrual effect from the implemented cost-saving programme. Personnel costs for the full year totalled SEK -150,643 thousand (-145,639), up SEK 5,004 thousand.

Depreciation, amortisation and impairment of tangible and intangible assets totalled SEK -4,390 thousand (-3,979) for the fourth quarter and SEK -17,521 thousand (-15,286) for the full year. This cost increase was attributable to the Company's investments in production improvements and ASTar instruments used in clinical studies, which are now being depreciated.

Other operating expenses amounted to SEK -295 thousand (-282) for the fourth quarter and SEK -1,519 thousand (-1,064) for the full year, and pertained primarily to exchange-rate losses.

The operating result totalled SEK -55,449 thousand (-59,570) for the fourth quarter and SEK -230,587 thousand (-262,247) for the full year. The earnings improvement of

SEK 31,660 thousand was primarily attributable to the reduction of consultant costs as well as improved gross profit.

The result from financial items amounted to SEK 1,226 thousand (-4,121) for the fourth quarter and SEK 1,221 thousand (-6,447) for the full year.

The reported tax in the fourth quarter and for the full year amounted to SEK 0 thousand (0).

The result for the fourth quarter totalled SEK -54,222 thousand (-63,692), and the result for the full year was SEK -229,366 thousand (-268,694).

Financial position

Cash and cash equivalents at the end of the year totalled SEK 81,895 thousand (72,878).

Financial assets totalled SEK 4,146 thousand (3,047) on the balance sheet date, an increase of SEK 1,099 thousand compared with the end of 2022. The change is attributable to the revaluation of participations in associated companies.

The Company's financial assets primarily comprise participations in EMPE Diagnostics AB amounting to SEK 4,095 thousand (2,997) at the end of the quarter. Q-linea AB's holding comprises 23,400 shares, corresponding to 4.97% of the capital and votes.

At the end of the year, equity amounted to SEK 189,636 thousand (163,190), the equity/assets ratio to 82% (71) and the debt/equity ratio to -43% (-45).

Cash flow and investments

Cash flow from operating activities totalled SEK -48,190 thousand (-79,692) for the fourth quarter and SEK -228,522 thousand (-250,863) for the full year. The improvement in the quarter was primarily attributable to the development of working capital, while the improvement for the full year was mainly due to the improvement in earnings.

Cash flow from investing activities amounted to SEK 77,264 thousand (125,388) for the fourth quarter and SEK -7,766 thousand (315,254) for the full year, of which investments in tangible assets totalled SEK -2,736 thousand (-3,309) for the fourth quarter and SEK -7,766 thousand (-17,249) for the full year. The positive cash flow is attributable to the sale of short-term investments (see below).

The Company divested short-term investments amounting to SEK 80,000 thousand (65,182) during the fourth quarter and SEK 0 thousand (331,957) during the full year. During the full year, the Company invested SEK 0 thousand (70,000) in short-term investments, of which SEK 0 thousand (70,000) was invested in interest-bearing funds.

The Company did not divest any financial assets in the quarter (0) or during the full year (SEK 12,000 thousand).

Cash flow from financing activities totalled SEK -1,899 thousand (-1,675) for the fourth quarter and SEK 245,408 thousand (-6,604) for the full year. During the year, the Company carried out a directed issue that raised gross proceeds of SEK 262,885 thousand. Issue costs totalled SEK 10,111 thousand.

Financing

As of 31 December 2023, the Company had access to cash and cash equivalents of SEK 81,895 thousand (72,878) and an unutilised loan facility of SEK 41,547 thousand (0) from the Company's principal owner Nexttobe, corresponding to a total of SEK 123,442 thousand (72,878).

Other information

Nomination Committee

Q-linea's Nomination Committee ahead of the 2024 Annual General Meeting has been appointed and comprises: Öystein Engebretsen, Chairman of the Nomination Committee (Investment AB Öresund), Erika Kjellberg Eriksson, Chairperson of Q-linea AB (Nexttobe AB) and Ulf Landegren (Landegren Gene Technology AB).

Employees

Q-linea had 127 (151) employees at year-end, 53 (65) of whom were women. The number of consultants at the end of the year was 3 (18), 1 (5) of whom were women.

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 in the 2022 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 alternative 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
EBITDA	Operating result before depreciation/amortisation and impairment.	This performance measure provides an overall view of profit for the operating activities.
Operating result (EBIT)	Result before financial items according to the income statement.	This earnings measurement is used for external comparisons.
Equity/assets ratio, %	Equity in relation to total assets.	This performance measure shows the amount of the balance sheet that has been financed by equity and is used to measure the Company's financial position.
Debt/equity ratio	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 liabilities and 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.
Equity per share before and after dilution	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 refers to the Company's own holding to ensure the delivery of performance shares. In the event that share options are exercised, shares will be primarily allotted from treasury shares and secondarily through a new issue.

The Company's holding of treasury shares has been excluded from the calculation of per-share performance measures.

EBITDA

SEK thousand	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Operating result (EBIT)	-55,449	-59,570	-230,587	-262,247
Depreciation, amortisation and impairment	4,390	3,979	17,521	15,286
EBITDA	-51,059	-55,591	-213,066	-246,961

Equity/assets ratio

SEK thousand (unless otherwise stated)	31 Dec 2023	31 Dec 2022
Total assets	231,976	229,916
Equity	189,636	163,190
Equity/assets ratio (%)	82%	71%

Debt/equity ratio

SEK thousand (unless otherwise stated)	31 Dec 2023	31 Dec 2022
Current liabilities to credit institutions	-	-
Current liabilities to owners	-	-
Total borrowing (a)	0	0
- Less cash and cash equivalents (b)	-81,895	-72,878
- Less short-term investments (c)	-	-
- Less long-term investments (d)	-	-
Net debt (e=a+b+c+d)	-81,895	-72,878
Equity (f)	189,636	163,190
Debt/equity ratio (e/f) (%)	-43%	-45%

Equity per share

SEK thousand (unless otherwise stated)	31 Dec 2023	31 Dec 2022
Equity (a)	189,636	163,190
Total number of shares outstanding (b)	117,166,372	29,537,947
- Less holding of treasury shares (c)	-328,472	-328,472
Equity per share (a/(b-c)), SEK	1.62	5.59

Performance measures and other information

SEK thousand (unless otherwise stated)	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Earnings				
Net sales	61	0	4,440	12,788
EBITDA	-51,059	-55,591	-213,066	-246,961
Operating result (EBIT)	-55,449	-59,570	-230,587	-262,247
Result for the period	-54,222	-63,692	-229,366	-268,694
Per share				
Equity per share, SEK	1.62	5.59	1.62	5.59
Earnings per share before and after dilution, SEK	-0.46	-2.18	-3.48	-9.20
Total number of shares outstanding	117,166,372	29,537,947	117,166,372	29,537,947
- of which, treasury shares	328,472	328,472	328,472	328,472
Number of shares outstanding excl. treasury shares	116,837,900	29,209,475	116,837,900	29,209,475
Total average number of shares	117,166,372	29,537,947	66,269,862	29,537,947
- of which, average number of treasury shares	328,472	328,472	328,472	328,472
Average number of shares excl. treasury shares	116,837,900	29,209,475	65,941,390	29,209,475
Cash flow				
Cash flow from operating activities	-48,190	-79,692	-228,522	-250,863
Cash flow from investing activities	77,264	125,388	-7,766	315,254
Cash flow from financing activities	-1,899	-1,675	245,408	-6,604

SEK thousand (unless otherwise stated)	31 Dec 2023	31 Dec 2022
Financial position		
Total assets	231,976	229,916
Cash and cash equivalents	81,895	72,878
Short-term and long-term investments	-	-
Equity	189,636	163,190
Equity/assets ratio, %	82	71
Debt/equity ratio, %	neg	neg

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, 26 February 2024

Jonas Jarvius
President

Erika Kjellberg Eriksson
Chairperson

Mats Nilsson
Director

Mario Gualano
Director

Nina Korfu-Pedersen
Director

Karin Fischer
Director

Finn Sander Albrechtsen
Director

Hans Johansson
Director

This report has not been reviewed by the auditor of the Company. 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

12 April 2024	2023 Annual Report	
3 May 2024	Interim report, Q1	January to March 2024
24 May 2024	2024 Annual General Meeting	
11 July 2024	Interim report, Q2	January to June 2024
31 October 2024	Interim report, Q3	January to September 2024

About the Company

Q-linea AB (publ)

Corporate Registration Number:	556729-0217	
Registered office:	Uppsala	
Contact:	Dag Hammarskjölds väg 52 A, SE-752 37 Uppsala, Sweden Tel: +46 18 444 3610	www.qlinea.com E-mail: contact@qlinea.com

For questions about the report, contact:

Jonas Jarvius, President	Tel: +46 70 323 7760	E-mail: jonas.jarvius@qlinea.com
Christer Samuelsson, CFO & IR	Tel: +46 70 600 1520	E-mail: christer.samuelsson@qlinea.com

This information is information that Q-linea AB (publ) 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 27 February 2024 at 7:30 a.m. (CET).

Presentation

Q-linea invites investors, analysts and the media to an audiocast and teleconference (in English) today, 27 February 2024 at 1:00 to 2:00 p.m. (CET). CEO Jonas Jarvius and CFO Christer Samuelsson will present Q-linea, comment on the interim report for the January to December 2023 period and respond to questions.

To participate via webcast, please visit the following link: <https://ir.financialhearings.com/q-linea-q4-report-2023>
There will be an opportunity to ask questions in writing at the webcast.

If you would like to ask questions verbally via conference call, please register at the following link:
<https://conference.financialhearings.com/teleconference/?id=50048290>

You will receive a telephone number and a meeting ID to log into the conference call after registering. There will be an opportunity to ask questions verbally during the conference call.

Consolidated statement of profit and loss

Amounts in SEK thousand	Note	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Net sales	2	61	0	4,440	12,788
Other operating income		141	521	2,183	1,817
Changes in inventories of products in progress, semi-finished goods and finished goods		2,179	2,233	2,341	-17,017
Raw materials and consumables, and goods for re- sale		-1,384	-6,626	-5,786	-17,151
Other external costs		-13,033	-16,301	-64,083	-80,695
Personnel costs	4	-38,728	-35,136	-150,643	-145,639
Depreciation/amortisation of tangible-/intangible non-current assets		-4,390	-3,979	-17,521	-15,286
Other operating expenses		-295	-282	-1,519	-1,064
Operating result		-55,449	-59,570	-230,587	-262,247
Financial income		1,432	396	2,790	2,174
Financial expenses		-206	-4,518	-1,569	-8,621
Result from financial items		1,226	-4,121	1,221	-6,447
Result before tax		-54,222	-63,692	-229,366	-268,694
Income tax		-	-	-	-
Result for the period		-54,222	-63,692	-229,366	-268,694
Result attributable to:					
Parent Company shareholders	7	-54,222	-63,692	-229,366	-268,694
Non-controlling interests		-	-	-	-
Earnings per share before and after dilution		-0.82	-2.18	-3.48	-9.20

Consolidated statement of comprehensive income

Amounts in SEK thousand	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Result for the period	-54,222	-63,692	-229,366	-268,694
Other comprehensive income, net after tax				
Items that may be subsequently reversed in profit or loss				
Change in fair value of financial instruments	-	4,300	-	1,138
Translation differences	-757	-4	-160	-4
Total comprehensive income	-54,979	-59,395	-229,526	-267,559
Comprehensive income attributable to:				
Parent Company shareholders	-54,979	-59,395	-229,526	-267,559
Non-controlling interests	-	-	-	-

Consolidated statement of financial position

Amounts in SEK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Tangible assets		34,060	36,362
Right-of-use assets		21,528	21,957
Goodwill		4,889	4,889
Other intangible assets		126	235
Financial assets	6	4,146	3,047
Total non-current assets		64,749	66,489
Current assets			
Inventories	5	46,527	42,281
Accounts receivable		60	-
Other receivables		35,711	45,798
Prepaid expenses and accrued income		3,034	2,469
Short-term investments	6	-	-
Cash and cash equivalents		81,895	72,878
Total current assets		167,227	163,426
TOTAL ASSETS		231,976	229,916

Consolidated statement of financial position

Amounts in SEK thousand	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders			
Share capital		5,858	1,477
Reserves		-163	-4
<i>Other contributed capital</i>		1,483,364	1,234,972
Retained earnings, including result for the year		-1,299,424	-1,073,255
Total equity attributable to Parent Company shareholders		189,636	163,190
Equity attributable to non-controlling interests		-	-
Total equity		189,636	163,190
Liabilities			
Non-current liabilities			
Non-current lease liabilities		12,905	14,813
Total non-current liabilities		12,905	14,813
Current liabilities			
Loan from principal owner	3	-	-
Accounts payable		5,305	21,555
Current lease liabilities		7,659	6,117
Current tax liabilities		-	-
Other liabilities		6,805	11,613
Accrued expenses and deferred income		9,665	12,629
Total current liabilities		29,435	51,914
Total liabilities		42,340	66,726
TOTAL EQUITY AND LIABILITIES		231,976	229,916

Consolidated statement of changes in equity

Amounts in SEK thousand	Note	Equity attributable to Parent Company shareholders ¹⁾				Total equity
		Share capital	Other contrib- uted capital	Reserves	Retained earnings, including result for the year	
Opening balance, 1 Jan 2022		1,477	1,234,972	-1,138	-804,858	430,454
Result for the period		-	-	-	-268,694	-268,694
Other comprehensive income		-	-	1,134	-	1,134
Comprehensive income for the pe- riod		0	0	1,134	-268,694	-267,560
Share-based remuneration pro- grammes	4	-	-	-	295	295
Transactions with shareholders		0	0	0	295	295
Closing balance, 31 Dec 2022		1,477	1,234,972	-4	-1,073,255	163,190
Opening balance, 1 Jan 2023		1,477	1,234,972	-4	-1,073,255	163,190
Result for the period		-	-	-	-229,366	-229,366
Other comprehensive income		-	-	-742	582	-160
Comprehensive income for the pe- riod		-	-	-742	-228,784	-229,526
New share issue		4,381	258,504	-	-	262,885
Issue costs		-	-10,111	-	-	-10,111
Share-based remuneration pro- grammes	4	-	-	-	3,198	3,198
Transactions with shareholders		4,381	248,393	-	3,198	255,972
Closing balance, 31 Dec 2023		5,858	1,483,364	-745	-1,298,842	189,636

¹⁾ There are no non-controlling interests.

Consolidated statement of cash flows

Amounts in SEK thousand	Note	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Cash flow from operating activities					
Operating result		-55,449	-59,570	-230,587	-262,247
Adjustments for non-cash items		4,609	1,977	20,879	15,261
Interest received		1,680	946	1,691	2,599
Interest paid		-191	-5,549	-1,562	-8,825
Tax paid					
Cash flow from operating activities before changes in working capital					
		-49,350	-62,197	-209,580	-253,212
Changes in working capital					
Change in inventories	5	-3,195	-19,990	-4,265	-13,635
Change in accounts receivable		1,173	1,541	-61	3,481
Change in other current receivables		383	-1,246	9,485	2,147
Change in other current liabilities		2,755	-10,339	-7,874	-3,096
Change in accounts payable		45	12,538	-16,227	13,451
Changes in working capital					
		1,160	-17,496	-18,941	2,349
Cash flow from operating activities					
		-48,190	-79,692	-228,521	-250,863
Cash flow from investing activities					
Investments in tangible assets		-2,736	-3,309	-7,766	-17,249
Short-term investments				-	-70,000
Divestment of short-term investments		80,000	65,182		331,958
Investments in financial assets	6				-12,000
Divestment of financial assets	6		63,515		82,545
Cash flow from investing activities					
		77,264	125,388	-7,766	315,254
Cash flow from financing activities					
New share issue		-	-	262,885	-
Issue costs		-	-	-10,111	-
Loans raised from principal owner	3	-	-	87,000	-
Repayment of lease liabilities		-1,899	-1,675	-7,367	-6,525
Repayment of loans				-87,000	-79
Cash flow from financing activities					
		-1,899	-1,675	245,407	-6,604
Cash flow for the period					
		27,175	44,021	9,120	57,787
Cash and cash equivalents at the beginning of the period					
		54,945	28,855	72,878	15,089
Exchange rate difference in cash and cash equivalents					
		-225	2	-103	2
Cash and cash equivalents at the end of the period					
		81,895	72,878	81,895	72,878

Parent Company income statement

Amounts in SEK thousand	Note	2023	2022	2023	2022
		Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Net sales	2	3,012	-	7,391	12,788
Other operating income		141	521	2,183	1,817
Changes in inventories of products in progress, semi-finished goods and finished goods		-642	2,233	-480	-17,017
Raw materials and consumables, and goods for resale		-1,384	-6,626	-5,786	-17,151
Other external costs		-14,450	-18,124	-70,191	-87,815
Personnel costs	4	-34,444	-35,136	-142,352	-145,639
Depreciation/amortisation of tangible and intangible					
Non-current assets		-2,714	-2,526	-11,093	-9,693
Other operating expenses		-292	-282	-1,516	-1,064
Operating result		-50,772	-59,939	-221,844	-263,774
Revenue from holdings of listed corporate bonds that are non-current assets		-	581	-	1,348
Other interest income and similar profit items		1,432	-185	2,790	826
Interest expenses and similar loss items		-	-4,315	-710	-7,903
Result from financial items		1,432	581	2,080	-5,729
Result before tax		-49,340	-63,857	-219,764	-269,503
Tax on result for the period		-	-	-	-
Result for the period		-49,340	-63,857	-219,764	-269,503

Parent Company statement of comprehensive income

Amounts in SEK thousand	Note	2023	2022	2023	2022
		Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Result for the period		-49,340	-63,857	-219,764	-269,503
Other comprehensive income, net after tax					
Items that may be subsequently reversed in profit or loss		-	-	-	-
Changes in fair value of financial instruments		-	4,300	-	1,138
Total comprehensive income		-49,340	-59,557	-219,764	-268,365

Parent Company balance sheet

Amounts in SEK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Licences		-	24
Technology and customer relationships		126	211
Goodwill		1,630	2,716
Total intangible assets		1,756	2,950
<i>Tangible assets</i>			
Equipment, tools, fixtures and fittings		31,838	36,362
Total tangible assets		31,838	36,362
<i>Financial assets</i>			
Participations in Group companies		12,966	264
Other securities held as non-current assets	6	4,095	2,997
Other non-current receivables		51	50
Total financial assets		17,112	3,312
Total non-current assets		50,706	42,624
Current assets			
Inventories	5	46,225	42,281
<i>Current receivables</i>			
Accounts receivable		1,558	-
Other receivables		35,367	45,798
Prepaid expenses and accrued income		4,299	4,065
Total current receivables		41,224	49,863
Short-term investments		-	-
Cash and bank balances		79,712	72,617
Total current assets		167,161	164,762
TOTAL ASSETS		217,867	207,386

Parent Company balance sheet

Amounts in SEK thousand	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	5,858	1,477
Total restricted equity	5,858	1,477
Unrestricted equity		
Share premium reserve	1,483,364	1,234,972
Fair value reserve	-	-
Retained earnings	-1,071,622	-805,316
Result for the period	-219,764	-269,503
Total unrestricted equity	191,979	160,153
Total equity	197,837	161,630
Liabilities		
<i>Current liabilities</i>		
Loan from principal owner	3	-
Accounts payable	4,762	21,515
Current tax liabilities	-	-
Other liabilities	6,356	11,613
Accrued expenses and deferred income	8,912	12,629
Total current liabilities	20,030	45,757
Total liabilities	20,030	45,757
TOTAL LIABILITIES AND EQUITY	217,867	207,386

Parent Company statement of changes in equity

Amounts in SEK thousand	Note	Restricted	Unrestricted				Total equity
		Share-based capital	Share premium reserve	Fair value reserve	Retained earnings	Result for the period	
Opening balance, 1 Jan 2022		1,477	1,234,972	-1,138	-573,423	-232,188	429,699
Comprehensive income							
Result for the period		-	-	-	-	-269,503	-269,503
Other comprehensive income		-	-	1,138	-	-	1,138
Appropriation of profits in accordance with AGM decision:							
- Carried forward to unrestricted equity		-	-	-	-232,188	232,188	0
Total comprehensive income		0	0	-1,138	-232,188	-37,315	-269,503
Transactions with shareholders							
Share-based remuneration programmes	4	-	-	-	295	-	295
Transactions with shareholders		0	0	0	295	0	295
Closing balance, 31 Dec 2022		1,477	1,234,972	0	-805,316	-269,503	161,630
Opening balance, 1 Jan 2023		1,477	1,234,972	0	-805,316	-269,503	161,630
Comprehensive income							
Result for the period		-	-	-	-	-219,764	-219,764
Appropriation of profits in accordance with AGM decision:		-	-	-	-269,503	269,503	0
- Carried forward to unrestricted equity		-	-	-	-	-	0
Total comprehensive income		0	0	0	-269,503	49,739	-219,764
Transactions with shareholders							
New share issue		4,381	258,504	-	-	-	262,885
Issue costs		-	-10,111	-	-	-	-10,111
Share-based remuneration programmes	4	-	-	-	3,198	-	3,198
Transactions with shareholders		4,381	248,393	-	3,198	-	255,972
Closing balance, 31 Dec 2023		5,858	1,483,364	0	-1,071,622	-219,764	197,837

Accounting policies and notes

Note 1 Accounting policies

Q-linea has prepared consolidated financial statements in accordance with the IFRS issued by the International Accounting Standards Board (IASB) as adopted by the EU.

The accounting policies applied in this interim report are the same as the policies applied and described in the 2022 Annual Report. Nor have the significant estimates and judgements described in the aforementioned Annual Report changed significantly during the period.

Parent Company accounting policies

The Parent Company's financial statements have been prepared 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 means that IFRS is applied with certain limitations.

Note 2 Specification of net sales

Net sales comprise sales of ASTar instruments and associated consumables, and are distributed by geographic markets as follows:

SEK thousand	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Sweden	-	-	61	-
UK	60	-	1,522	12,788
France	-	-	2,857	-
Total net sales by geographic market	60	0	4,440	12,788

Note 3 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. In addition to the groups mentioned, Q-linea AB's subsidiaries Q-linea Inc. and Q-linea S.r.l. are also related parties.

Disclosures concerning transactions between the Company and other related parties are presented below. Related-party transactions are performed on an arm's length basis.

The previous loan from the Company's principal owner was set off against shares in the 2023 rights issue. As of 31 December, Q-linea AB therefore had no loans from the Company's principal owner Nexttobe AB.

Note 4 Share-based remuneration programmes

The Board resolved to not introduce the employee share option programme that was resolved on at the general meeting on 13 June (LTIP 2023/26). The primary reason is that the rights issue carried out after the general meeting entailed a significant dilution of the programme, which was then deemed unable to fulfil its purpose of rewarding and retaining key individuals in the Company.

Note 5 Inventories

At the end of the fourth quarter of 2023, the Company had an inventory value of SEK 46,225 thousand (42,281).

SEK thousand (unless otherwise stated)	31 Dec 2023	31 Dec 2022
Raw materials and consumables	8,531	8,180
Goods for resale	27,346	29,450
Products in progress	5,856	510
Semi-finished goods	2,361	3,317
Finished goods	2,131	824
Total inventories	46,225	42,281

Note 6 Financial instruments

Cash and cash equivalents not used in daily operations are invested in low-risk listed corporate bonds as well as in fixed-income funds that invest in low-risk interest-bearing securities and other interest-rate instruments.

Since most of the securities in these fixed-income funds have a remaining term of more than three months, they have been recognised as short-term investments rather than cash and cash equivalents. The fixed-income funds are measured at fair value. Changes in fair value are recognised in profit or loss. They are traded in an active market with quoted market prices comprising their fair value. The Company had no holdings in fixed-income funds at 31 December 2023.

The corporate bonds in which Q-linea invests some of its positive cash flow are also traded in an active market with quoted market prices, which comprise their fair value, which is also the amount at which they are measured. Changes in the bonds' fair value are recognised in other comprehensive income. The Company had no bond holdings at 31 December 2023.

Other securities held as non-current assets primarily comprise participations in EMPE Diagnostics AB amounting to SEK 4,095 thousand (2,997) at the end of the year. Q-linea AB's holding comprises 23,400 shares, corresponding to 4.97% 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)	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Result for the period	-54,222	-63,692	-229,366	-268,694
Weighted average number of shares outstanding	117,166,372	29,537,947	66,269,862	29,537,947
- Less average holding of treasury shares	-328,472	-328,472	-328,472	-328,472
Earnings per share before and after dilution (SEK)	-0.46	-2.18	-3.48	-9.20

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 fourth quarter, the Company had a credit reserve of SEK 0 thousand (461). Material risks associated with Q-linea's operations are presented in the Annual Report for the 1 January to 31 December 2022 financial year.

Note 9 Future financing

Q-linea's product, ASTar, has been approved for sales in Europe and expects an FDA approval in the near future. The Company does not yet generate positive cash flow from its operations and is therefore engaged in pursuing other financing options. This process includes holding discussions with potential partners for the licensing of distribution and sales rights, investments linked to strategic partnerships, negotiations with new and existing investors, financiers and lenders. In addition, the Board has approved the placement of Podler into a separate entity to facilitate financing and maximise value for Q-linea's core business.

On 31 December 2023, Q-linea had available cash and cash equivalents of SEK 81.9 million as well as an unutilised loan facility of approximately SEK 41.5 million from the Company's principal owner Nexttobe. The Board considers the available cash and cash equivalents, the unutilised portion of the loan facility as of 31 December not to be sufficient to cover the liquidity needed for the Company to conduct its planned operations for the next 12 months.

In light of the ongoing work of obtaining adequate level of financing and its recently implemented cost savings plan, it is the board's assessment that the group will be able to finance the operations. If the work with the financing is not successful to the extent needed, this may affect the group's ability to implement the current business plan and also constitute a significant factor of uncertainty regarding the group's continued operations.

Note 10 Significant events after the end of the period

The Company was awarded a public tender for rapid AST instruments and consumables issued by Fondazione PTV in Italy.

Q-linea successfully concluded the clinical trials required to add the drug Meropenem-Vaborbactam to its existing ASTar-panel.

The Company announced that Stuart Gander will take over as CEO of Q-linea and that Anders Ljunggren will take office as Managing Director of Q-linea AB in Sweden on 1 March 2024.

Q-linea initiated a cost-saving programme with the aim of focusing on its commercial operations.

The Company received its first order from its distribution partner in Finland and the Baltic states and signs agreement with logistic partner for the American market and Q-linea creates separate subsidiary for Podler.