

The company

Cline Scientific AB is a public limited company, which is regulated by the Swedish Companies Act (2005: 551). The company was registered with the Swedish Companies Registration Office on September 26, 2011 with corporate registration number 556867-8238. The current company was registered on April 5, 2012. The company complies with Swedish legislation and the Swedish Companies Act (2005: 551).

The object of the company's business, directly or indirectly, is to develop, manufacture, market, buy and sell equipment and consumables based on unique expertise in nanostructures and their application in scientific research and production, and associated operations.

The company has not been a party to any legal or arbitration proceedings (including pending cases or any cases that the company is aware may arise) during the past twelve months, and which have recently had or could have significant effects on the company's financial position or profitability.

The company is affiliated to Euroclear, which means that Euroclear manages the company's share book. The company's registered office is in Västra Götaland county, Mölndal municipality.

The annual report and articles of association can be ordered in paper form from the company or downloaded from the company's website:

CLINE SCIENTIFIC AB

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Exception from prospectus liability

This memorandum has not been reviewed and approved by Finansinspektionen, the Swedish Financial Supervisory Authority. The memorandum regarding the new share issue is exempt from the prospectus obligation in accordance with the "Act on Trading in Financial Instruments - Exceptions regarding Offering to the Public". The reason for the exception is that the total value of the offering of the financial instrument is less than EUR 2.5 million over a twelve-month period.

Definitions

In this memorandum the following definitions apply unless otherwise stated: "Company" or "Cline" means Cline Scientific AB with organization number 556867-8238.

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The Board's Declaration

The memorandum has been prepared by the Board of Directors of Cline Scientific AB in connection with a new share issue in the company. The board of directors of Cline Scientific AB is responsible for the content of the memorandum. It is hereby certified that the Board of Directors has taken all reasonable precautionary measures to ensure that the information contained in the memorandum, as far as the Board is aware, is consistent with actual circumstances and nothing has been omitted which could affect the meaning of the memorandum. The company's auditor has not reviewed the present memorandum.

Möln dal May 8, 2020

CLINE SCIENTIFIC AB

Torleif Möllerström
Chairman

Christopher Steel

Niklas Holmquist

Patrik Sundh



Five reasons for subscribing for shares

Cline Scientific is developing two projects in stem cell therapy and cancer diagnostics that are entering the clinical phase. As a platform technology, Cline's proprietary and patented nanotechnology has become of crucial importance in the development and manufacture of stem cell therapy for osteoarthritis. As a component of cancer diagnostics products, Cline's nanotechnology can enable a whole new type of cell-based diagnostics that open the way for early, personalized and preventative treatment against the spread of tumors, or metastasis.

Cline Scientific has been developing according to plan since the Company was listed on AktieTorget in March, 2015. Since 2018, the Company has achieved the following:

- » Taken the next step in the company's strategy, which involves a major focus on two development projects (CellRACE and StemCART, see below) where Cline's technology has been included for three years. As a result, Cline has taken a step up in the value chain towards clinical products. The company is now running these projects under its own management with the aim of more quickly reaching a phase where a larger player can take over.
- » Acquired the company Liv Diagnostics AB. Liv Diagnostics is developing a brand new cell-based diagnostic application for metastatic breast cancer based on Cline's gradient technology. This product can dramatically improve the possibilities of an earlier and more personalized treatment of breast cancer.
- » Formalized collaboration with stem cell researcher Stina Simonsson at Sahlgrenska University Hospital. The collaboration aims to develop a stem cell therapy to replace damaged cartilage in joints, e.g. osteoarthritis. This market segment for a potential stem cell therapy is very large, about 230 million people suffer from osteoarthritis, for example.
- » Moved its experimentation base to AstraZeneca BioVentureHub in Mölndal and set up both its own cell culture lab and lab for controlled production of gradient technology. The purpose was to streamline development work.
- » Obtained patents in all strategic markets for the gradient technology and continued the IP strategy that the company has had since its inception with further patent applications, now for the respective clinical projects mentioned above. This is necessary for the profitable sale of projects.

Summary of the offer

Record day	The record date was May 6, 2020. The last day for trading in the Company's share, including the right to receive unit rights, was May 4, 2020, and the first day excluding the right to receive unit rights was May 5, 2020.
Preferential rights	Anyone who is registered as a shareholder in Cline Scientific AB on the record day has the right to subscribe to Units. For each existing Class A share, one (1) Class A share right is obtained and for each existing Class B share one (1) Class One rights is obtained. Three (3) Units give entitlement to subscribe for one (1) Unit in each series. Each Unit consists of one (1) share and one (1) subscription warrant. Each issued share has a quotient value of SEK 0.10 per share.
Warrants	One (1) warrant entitles the holder to subscribe for one (1) share in each series during the period March 2 - March 12, 2021 where the price for subscription is set at 80 percent of the weighted average trading price for the company's B share on Spotlight Stock Market during the period February 8 - February 19, 2021, but at least SEK 0.10 per share.
Subscription period	May 11 - May 28, 2020.
Subscription price	Two kronor and fifty øre (SEK 2.50) per unit.
Trading in Unit Rights	Trade in Series B Units will take place on the Spotlight Stock Market during the period May 11 - May 26, 2020.
Trading in paid	Betalda tecknade Units, BTU, kommer att handlas på Spotlight Stock Market från och med den 11 maj 2020 fram till dess att Bolagsverket har registrerat emissionen. Denna registrering beräknas ske i slutet av juni 2020.
Subscribed units (BTU)	Paid subscribed Units, BTU, will be traded on the Spotlight Stock Market from May 11, 2020 until the Swedish Companies Registration Office has registered the issue. This registration is expected to take place at the end of June 2020.
Over-subscription option	In the event of an oversubscribed issue, the Board has the opportunity to exercise an oversubscription option of an additional 1,200,000 Units of Series B.
Number of Units	The maximum number of Units on offer is 166,666 Units of Series A and 3,847,037 Units of Series B, including the over-subscription option.
Issue volume	In the event of full subscription, Cline Scientific will receive SEK 7.0 million before issue costs. The cost of completing the issue is estimated at SEK 0.6 million. If the exercise of the over-subscription option is exercised, the Company may receive an additional SEK 3.0 million.
Valuation of the company	With a subscription price of SEK 2.50, the valuation of Cline Scientific AB becomes SEK 21.1 million before the completed issue. On the basis of the closing price, SEK 2.91, on April 27, 2020, this means a discount of 14 percent.

SUBSCRIPTION COMMITMENTS

Cline Scientific AB has entered into a written agreement for subscription commitments totaling SEK 2,195,000, which corresponds to 31.3 percent of the issue at full subscription. This commitments have been made by persons on the Board of Directors, senior management team and other existing shareholders who have undertaken to subscribe for shares with the support of their own subscription rights. A commitment has also been made by investors who have taken over subscription rights from the major shareholders in the Company. Thereby, they are guaranteed allocation in accordance with the subscription. The commitments is made entirely without compensation.

<i>Subscription undertaking</i>	<i>Commitment in total shares</i>	<i>Commitment in SEK</i>	<i>Date</i>
Stealth Pig AB	300 000	750 000 kr	2020-03-10
Roland Karlsson	180 000	450 000 kr	2020-03-10
Stiftelsen Chalmers Tekniska Högskola	168 000	420 000 kr	2020-03-10
Renate Barenfeld	80 000	200 000 kr	2020-03-10
Rebiella AB (Patrik Sundh)	40 000	100 000 kr	2020-03-10
Företagfinansiering Fyrstad AB	40 000	100 000 kr	2020-03-10
Göran Ofsén	30 000	75 000 kr	2020-03-10
MLP Holding AB (Torleif Möllerström)	20 000	50 000 kr	2020-03-10
Flicker Effect AB (Chris Steele)	20 000	50 000 kr	2020-03-10

Reasons for the offer

TWO PROJECTS ENTERING CLINICAL PHASE

The Board of Directors of Cline Scientific AB has decided to perform a rights issue to finance the next step in the company's strategy. This means a major focus on two development projects:

1. a new cell-based diagnostic application for metastatic breast cancer
2. a stem cell therapy to replace injured cartilage in joints relating to, for example, osteoarthritis.

Cline's patented nanotechnology is a key component of both of these projects, which can form the basis for the development of additional stem cell therapies and cell-based cancer diagnostics.

BACKGROUND

Cline Scientific is a biotechnology company that manages its own development projects with the vision to create value by placing the Company's technology in pioneering contexts in the Life Science area of cell biology, for example as a key component in cancer diagnostics or cell management for the development and production of stem cell therapies. Cline therefore enters into clinical projects and drives them to a stage where a larger company enters as a partner, joint owner, or completely buys the project.

Cline has chosen to focus most of its operations on the two projects mentioned above that are in the clinical phase. Both the cancer diagnostics project and the stem cell therapy project run in collaboration with a researcher at

the University of Gothenburg have entered phases where it is relevant to start clinical development shortly. Both of these projects will require capital. The present share issue is required to cover expenses for the following:

- » Accelerated laboratory & start of clinical studies, 50 percent of the issue capital
- » Start of regulatory documentation, 10 per cent of the share capital
- » Patent applications and registration for clinical trials, 10 percent of the issue capital.
- » Ethical conditions and handling of patient material, 10 per cent of the share capital
- » Capital to strengthen working capital, 20 percent of the share capital.

Cline moved its operations in the spring of 2018 and became part of Astra-Zeneca BioVentureHub. This move enables Cline to run its own development projects through access to its own cell culture lab and access to better infrastructure as well as closer proximity to an environment that favors Life Science innovations. The rights issue is carried out in order to finance the continued development of the Company.

FUTURE CAPITAL REQUIREMENT

The new share issue is expected, upon full subscription, to provide Cline with working capital for the next year's operations on the basis that the business is conducted in accordance with the current business plan. The exercise of the warrants in March 2021 is expected to secure the capital requirement for 1-2 years of continued operations.



CEO's statement

Our vision to create value in Cline is based on positioning our technology in pioneering contexts in Life Science, be it in cancer diagnostics or cell management for the development and production of stem cell therapies.

Over the past two years we have been involved in two development projects that are now approaching the start of clinical trials & studies. We are managing both of these projects within Cline to be able to more quickly reach a stage where a major player in Life Science becomes interested in taking the projects further. In other words, Cline's exit horizon does not lie in the launch of these projects' products, but is much closer in time than that.

This has been our strategy from the beginning and now we have reached the point where we expect clear results concerning the clinical completion of each project.

By moving our operations to AstraZeneca BioVentureHub a few years ago we are now well equipped to accelerate the parts of each project that are dependent on cell culture studies. In addition, we have excellent support from AstraZeneca in terms of competence that we do not ourselves possess, for example with regard to the connection between diagnostics and medicines, or contacts with clinics.

The work that has been done in previous years continues to form the basis for how we will succeed in the coming years. The two clinical development projects that have led Cline to move its operations a few steps up the value chain will receive major focus in the near future, and we will continue to place Cline's technology in further applications. With limited finance we have to date managed to take Cline onto an international market, found customers and started our own projects. Now the challenge is to fund these promising and exciting projects and obtain clinical results. We are convinced of the value potential of the Company and believe in what we are doing, so 2020-2021 will be a couple of exciting years with Cline!



We hope that you, like us, feel incredible pride in contributing and influencing the development of healthcare with improved cancer diagnostic tools and the opportunity to improve care with stem cell technology. And I hope you would like to join our continued journey by subscribing for the new issue.

Patrik Sundh
CEO

Cline Scientific in summary

Develops advanced cancer diagnostics and stem cell therapies

Cline Scientific develops advanced cancer diagnostics and stem cell therapies. The company implements development projects in these areas through collaborations with pharmaceutical companies and academic research institutions on a global basis. The focus on projects in the field of metastatic cancer diagnostics and the development of stem cell therapies has been chosen because Cline's nanotechnology here offers new solutions to hitherto unresolved difficulties. The company's unique, patented technology is used in cell-based products and processes to drive Life Science projects through and through clinical phase.

CANCER DIAGNOSTICS - CELLRACE

Cline has long been involved in cancer diagnosis through collaborations with researchers and the company Liv Diagnostics. The acquisition of Liv Diagnostics enabled continued development of a unique product to measure the migration behavior of living cells in a cancer tumor. This data gives an indication of how invasive the disease is in each specific case. It is a fact that 90% of all cancer-related deaths occur due to the spread of cancer, and therefore information like this is of great importance.

Initial product development has been focused on developing a prototype for the diagnosis of migration-prone breast cancer cells. The product goes under the working name of CellRACE. Promising results show that we can differentiate the behavioral patterns between different aggressive breast cancer cells.

RESEARCH

The behavior of living cells is not explored in today's cancer diagnosis, but cell migration is a prerequisite for metastases and the fatal outcome of the disease. Here, there is a clear place to fill for Cline's diagnostic tools that quantify cell migration and thus provide important diagnostic information.

Greater accuracy in assessing whether a tumor will metastasize or not can play a crucial role in the choice of treatment strategy and CellRACE therefore has the potential to become a very valuable diagnostic tool in the field of oncology.

THE BASIC IDEA BEHIND THE DIAGNOSTIC METHOD

CellRACE differs from today's diagnostic methods in that it is based on quantification of cell migration, a physical feature shared by all invasive tumors. CellRACE measures tumor invasiveness and thus the risk of metastasis can be evaluated. If it is difficult to determine the risk of tumor migration in cases of breast cancer, it is likely that comprehensive treatment will be performed with aggressive chemotherapy and mastectomy. In cases where the diagnosis interprets a malignant tumor that is benign, the patient is at risk from a serious delay in the necessary treatment and the risk is that the tumor can form metastases, which can

lead to a fatal outcome. Problems such as these, over-treatment and undertreatment, can be managed due to the greater insight into the development of the disease given by CellRACE.

THE PRODUCT

The product is a diagnostic test that will initially be used for diagnosis and follow-up of breast cancer. Potentially, the technique can be used for other types of metastatic cancer. A number of tests can be performed for each patient during the therapeutic phase of the disease.

This means that the CellRACE test should be used when biopsies are taken after the primary tumor is discovered. CellRACE is a "lab-on-a-chip" product, which means that living cells from a biopsy can be analyzed. The information obtained is important in several different steps in the treatment process.

STEM CELL THERAPY FOR BREAST INJURY - STEMCART

Cline collaborates with a team at Sahlgrenska and develops an allogeneic stem cell therapy based on induced pluripotent stem cells (iPS) that can self-heal cartilage. This means that the cells have a human adult origin that provides the opportunity to scale up the amount of cartilage cells without patient-specific limitations.

There are several conditions, such as trauma or osteoarthritis, that degenerate cartilage in the patient. Because cartilage cannot be self-healing or regenerated by the body, it is often necessary to replace the damaged joint to correct the problem, or alternatively, you can remove healthy tissue from the patient, clean and grow the cell count, and put them back in place. However, the latter is both time consuming, requires several interventions and cannot be scaled up. Therefore, there is a great need for a functioning stem cell therapy for the treatment of cartilage damage.

The product goes under the working name of StemCART.

RESEARCH

Organs and tissues such as cartilage and limbs are formed during embryo development by means of gradual changes in large amounts of different growth factors.

In this way, cell processes that control the cells start to develop into specific cell types. In the StemCART project, Cline benefits from this phenomenon by attaching these biomolecules to the gold nanoparticles on Cline's gradient surfaces, thereby creating an environment that mimics nature's own nursery. Thus, the gradients are used during differentiation of iPS cells and cartilage to provide a unique, defined and growth-promoting environment with molecular precision.

BASIC CONCEPT OF STEM CELL THERAPY

The human body cannot reproduce or repair cartilage on its own, often because of the lack of blood flow in the joints. Damaged cartilage must therefore be replaced either with implants or regenerated by supplying healthy cartilage cells. The latter provides an opportunity to remedy the problem at an earlier stage and thus significantly reduce suffering.

With the help of gradient surfaces and nano-surfaces, a homogeneous cell population can be cultivated with optimal conditions for developing into chondrocytes, cartilage cells, after a condensation phase where the cells reach the stage required for the healing of an injury after application in the affected joint.

THE PRODUCT

StemCART is a stem cell therapy for cartilage damage based on the very high level of control provided by nanotechnology. The method of forming cartilage from iPS cells in this way is unique and a patent application has been filed to protect the product.

Of course, Cline does not stop looking for new projects with great potential, but the focus in the future will be on the development of the two projects described above. Cline's nanotechnology-based surfaces are currently used in a number of smaller research projects. The future will show whether they are worth investing in for Cline as well.



Business model

PRIMARY CUSTOMER SEGMENT

Cline Scientific is focusing its future efforts on building relationships with major Life Science players to create interest in the two projects described above. The aim is, through continued progress and results in the development work of each project, to attract one or more companies to collaborate. Such cooperation can be initiated with agreements on co-financing of the development work where the ultimate goal is that a partner then acquires the entire project.

SECONDARY CUSTOMER SEGMENT

In order to stay open to new projects and opportunities for gradient technology, Cline continues to sell products to players in whose business Cline's technology can offer new functionality. In the first place, this means former customers in academic research, university hospitals, and pharmaceutical companies. In academic segments, products are marketed as research tools. These products have the advantage that they can be used for several applications, and are usually adapted by or in collaboration with customers.

In cases where customers intend to develop a clinical product, Cline's research tools have great potential to become an essential component, for example in the production

or use of stem cells. The purpose is to either become a development partner to such a customer (company), or to own and run development projects themselves. In this way, new opportunities are created for new projects that can eventually lead to income opportunities for Cline.

FUTURE CASHFLOW

Cline's future cash flows may come from several levels;

- » Sales of projects / joint ventures developed in-house.
- » Sales of projects / joint ventures developed together with customers.
- » Licenses from patent portfolio. Ability to license out application areas outside the company's focus areas, or license out technology for production purposes when the company deems it advantageous.
- » Sales of research products to customers.
- » EU financing of projects, Vinnova contributions, etc.



Markets and application areas

Cline Scientific AB has chosen to focus on applications in two main areas:

- » Stem cell differentiation
- » Cancer cell migration

Without changing Cline's technology and only through minor adaptations, the products can easily be used in many cell-based areas. The company is today focused on developing the following two projects:

STEM CELL THERAPY

STEMCART – STEM CELL THERAPY FOR CARTILAGE INJURY

THE PROBLEM

- Osteoarthritis or trauma causes damage to cartilage
- Cartilage can not self repair
- Complicated operations and long rehabilitation times



OUR SOLUTION

- Cline develops cell therapies that heals cartilage
- Less invasive treatments
- Better access to treatment for patients
- Possibility of earlier treatment
- Less rehabilitation and increased quality of life



WHAT ARE WE DOING?

- We make cartilage cells from human iPS-cells
- Cline's gradient controls the cell behavior
- Specific density gives a homogeneous cell population
- iPS-cells differentiates to cartilage cells

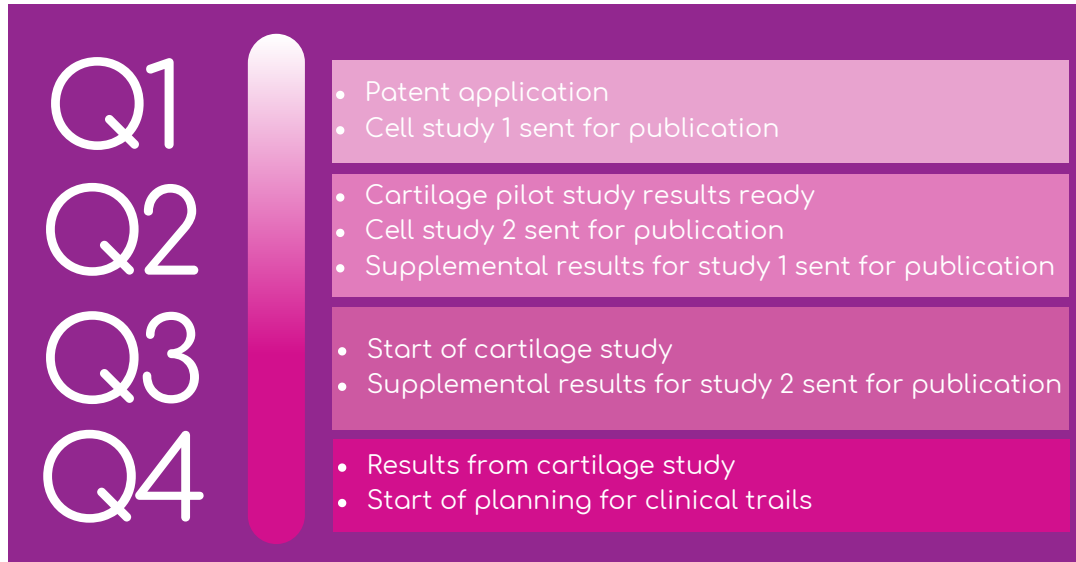


WORLD'S FIRST

- We mimic reality
- The cell behavior is measured only through the correct gradient surface
- The only biomolecules giving this result



StemCart: 2020 Milestones



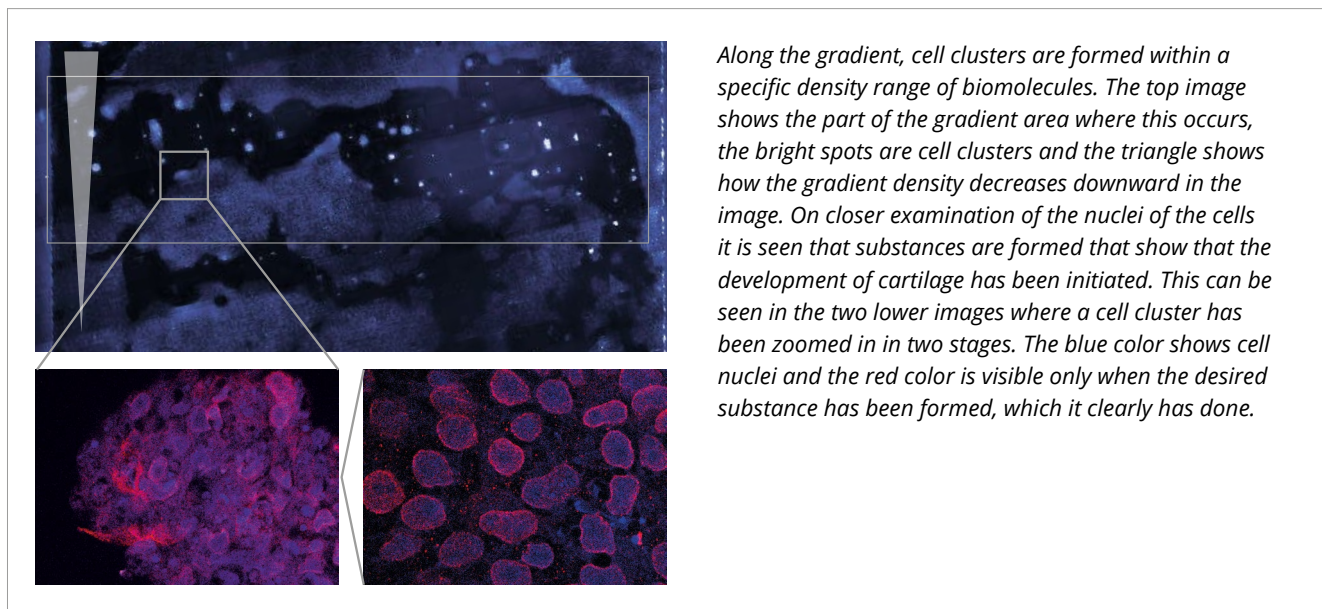
StemCart: Status & Plan



Divestment of StemCart to a large Life Science corporation.

Because surfaces and control at the molecular level are important for managing stem cells, Cline Scientific uses Nanogradient surfaces in development projects. The surfaces have a nanostructure that can mimic human tissue / organs at the nano level, giving completely new possibilities to control stem cells synthetically.

When the purpose is to develop a cell therapy, Cline Scientific's surfaces can be included in a final product. The final product can then be resold in various ways to reach a healthcare end user. Nano-surfaces provide new opportunities because they offer a cost-effective alternative and there is no need to invest in new expensive equipment. The nano surfaces can also be incorporated into high-volume products, which means that more researchers have the opportunity to utilize the new technology in their research.



FAST FACTS:

- » >\$22 billion is spent annually on hip and knee replacements in the United States
- » 230 million patients suffer from severe joint damage
- » Cline is the first in the world to offer a unique iPS solution

CANCER DIAGNOSTICS

CELLRACE – DIAGNOSING BREAST CANCER

THE PROBLEM

- 90% of cancer patients dies from metastasis
- 2 million new cases every year
- One of the most common forms of cancer
- No diagnostics tool can measure the risk
- Risk of not detecting aggressive cancer
- Unnecessary cases of patients being over/under treated



OUR SOLUTION

- Cline develops a diagnostics tool to determine the risk of a tumor metastasizing
- More accurate cancer diagnostics
- Helps in selecting the most efficient treatment early
- Minimize over/under treatment of cancer patients
- Saves lives

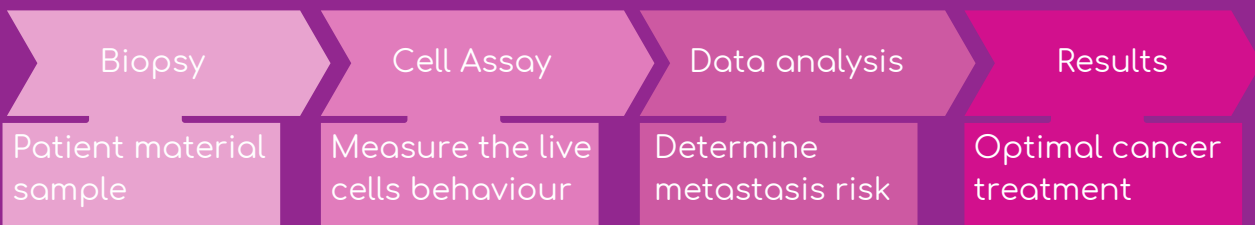


WHAT ARE WE DOING?

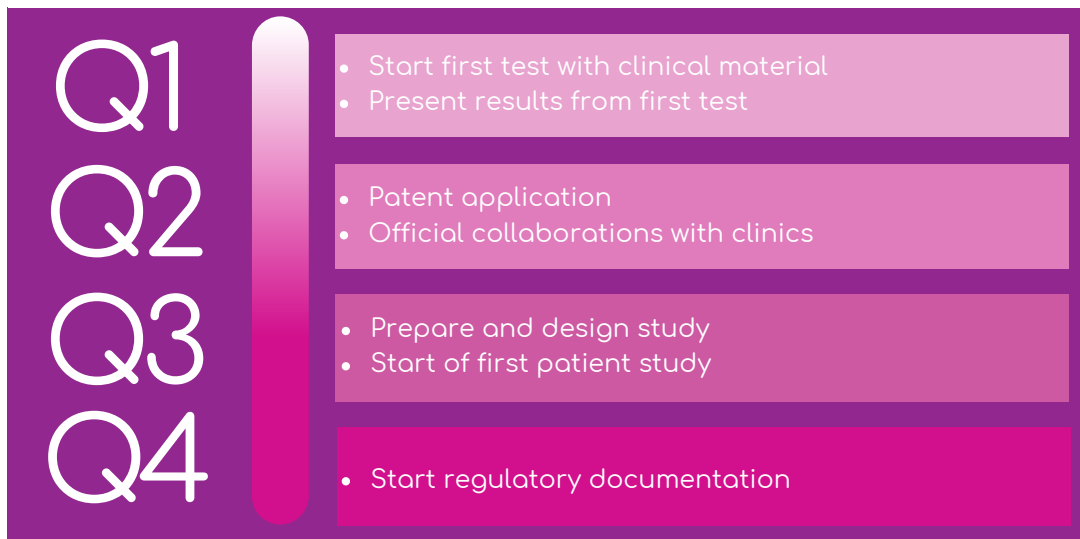
- We measure the ability of cells to move
- The movement pattern will reveal the risk of metastasizing
- Measure the movement of cells instead of indirect parameters



HOW ARE WE DOING IT?



CellRace: 2020 Milestones



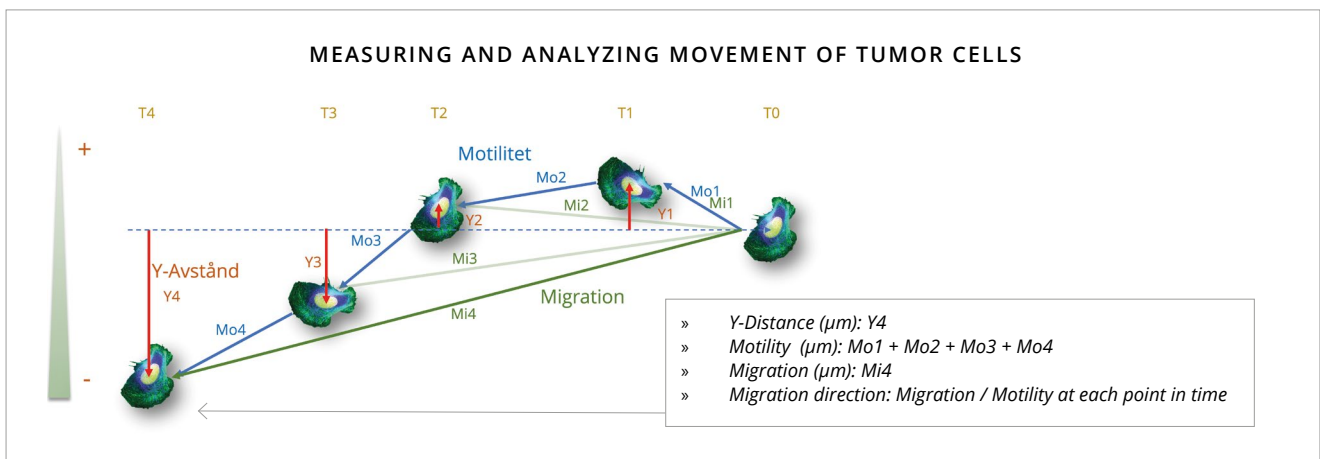
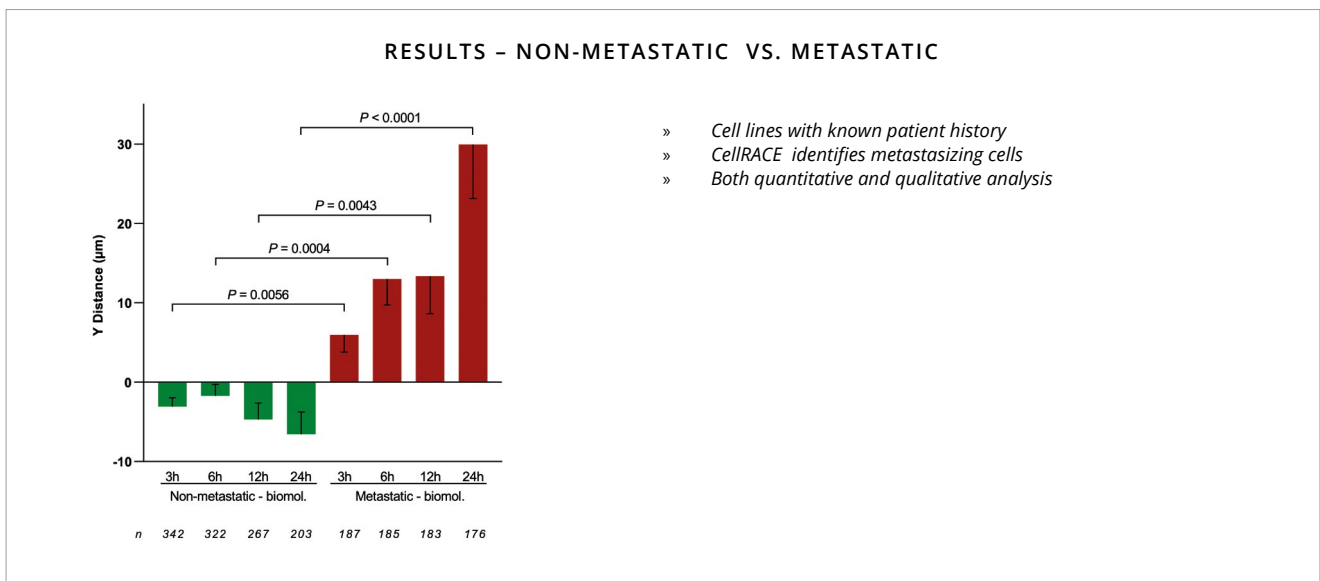
CellRace: Status & Plan



Divestment of CellRace to a large Life Science corporation.

A continuing dilemma for healthcare professionals is the early and specific diagnosis of whether a diagnosed tumor will spread. Although a number of new tools, including a number of different biomarkers, are available, it continues to be difficult to predict spread and metastasis.

For four years, Cline's gradient technology has been used in the development of a cell-based product that analyzes movement, targeted migration, on living tumor cells. Observing the behavior of living cells from tumors, calculating the net result of this behavior and then, via a proprietary algorithm, relating the behavior to the current risk of metastasis must take into account all the factors that affect the tumor cell. In addition, Cline's Nanogradient technology provides an opportunity for molecular level analysis over time.



FAST FACTS:

- » 2+ million new biopsies annually
- » The market for cancer diagnosis products is estimated to be USD 33.7 billion by 2025.
- » Annual sales potential for CellRACE in the US & EU is estimated at USD 1.5 billion.



Board of Directors and CEO



TORLEIF MÖLLERSTRÖM

BORN 1953. CHAIRMAN OF THE BOARD, ELECTED 2018.

Torleif Möllerström is a trained business economist. During his career he has focused on leadership development and business management, with broad experience from international companies involved in both manufacturing and services. He has previously been the CEO of Medical Log Point AB, OneMed Homecare AB, Tamro Healthcare AB and Tamro Lab AB. Also deputy CEO of Bulten AB. Currently principal owner and CEO of AST Medical AB.

Shareholding: 0 shares.



CHRISTOPHER STEELE

BORN 1982. BOARD MEMBER, ELECTED 2018.

Christopher Steele holds a bachelor's degree from Indiana University, USA, and a master's degree from the University of Gothenburg in intellectual capital management (business creation and entrepreneurship). Christopher has previously worked with business development and sales in several young growth companies that built their business on innovative products and services, including Klarna and Heliospectra. Today Christopher is head of commercial operations at Luxbright, a company that is developing an innovation in the X-ray industry based on nanotechnology.

Shareholding: 4 205 B-shares through companies.



NIKLAS HOLMQUIST

BORN 1986, ELECTED 2019. INDEPENDENT BOARD MEMBER.

Niklas Holmquist studied at Chalmers University of Technology and is a civil engineer in biotechnology and in industrial economics. In his education and career, Niklas has focused on innovation and entrepreneurship in high technology areas where he has held various roles, including being a co-founder, promoter, consultant and investor in a number of innovation companies.

Shareholding: 250 000 A-shares and 1 990 473 B-shares through companies.



PATRIK SUNDH

BORN 1965. BOARD MEMBER AND CEO, ELECTED 2012.

Patrik Sundh has a background as a biochemist and researcher in the cardiovascular field, but has spent the last 20 years in senior positions in the Life Science industry. Among other posts, Patrik has been product manager at AB Labassco, and market manager and Nordic market manager at Tamro Oy. Patrik was business area manager at NovAseptic AB and NovAseptic America, and was for three years Director North America at Millipore Corporation. Patrik is the owner of Rebiella AB.

Shareholding: 250 000 A-shares and 2 050 756 B-shares privately and through companies.

THE BOARD OF DIRECTORS CAN BE CONTACTED THROUGH THE COMPANY:

Cline Scientific AB
Argongatan 2 C
431 53 MÖLNDAL

Tel 031-387 55 55

AUDITORS

STEFAN KYLEBÄCK
Authorised public accountant

Göteborgs Revision AB
Teknologgatan 6
411 32 Göteborg

Tel 0705 92 04 99

Member of FAR
(Swedish accountancy institute)

Deputy auditors:

MARKUS HELLSTEN
Authorised public accountant

Ernst & Young AB
Parkgatan 49
411 38 GÖTEBORG

Tel 031-63 77 00

Key personnel



HANNE EVENBRATT

BORN 1980. DEVELOPMENT AND PRODUCTION MANAGER EMPLOYED SINCE 2014.

Hanne is a Doctor of Pharmaceutical Technology from Chalmers University of Technology. With a background in skin research at the Dermatologist unit, Sahlgrenska University Hospital. Hanna has worked at AstraZeneca, and her focus has always been on pharmaceuticals and life Fiction. Hanne is responsible for products and production development at Cline Scientific AB. She also runs her own consulting company, Formu Consulting AB.

Shareholding: 250 500 B-shares through companies.



LINNEA ANDREASSON

BORN 1990. LABORATORY TECHNICIAN, EMPLOYED SINCE 2018.

Linnea studied at Chalmers University of Technology to be a civil engineer in biotechnology. At Cline, Linnea works with production and product development. In recent years, she has worked with Cline's products in several projects in collaboration with academic institutions in environments involving cell culture and the development of stem cell therapy.



REZA MOBINI

BORN 1965. MANAGER OF PRODUCT DEVELOPEMNT DIAGNOSTICS, EMPLOYED SINCE 2017.

Reza Mobini, associate professor, is responsible for the product development of CellRACE and the laboratory development work in our facilities at AstraZeneca Bio-VentureHub in Gothenburg. Reza has a broad scientific experience in biotechnology research and development from the Scripps Research Institute in San Diego and at the University of Gothenburg.

Other information about the organization

POTENTIAL CONFLICT OF INTEREST

Patrik Sundh, Hanne Evenbratt AND Christopher Steele have minority ownership interests in Vaka Förvaltning AB, which company has the right to receive 20 percent of any future profits in the sale of Liv Diagnostics and/or projects.

None of the directors, senior executives or auditors of Cline Scientific AB have or, in addition to the above, had any direct or indirect involvement in any business transactions that are unusual in nature or in their contractual terms with the Company.

OTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS AND KEY PERSONNEL

None of the directors or senior executives of Cline Scientific have been involved in bankruptcy, liquidation or the like during the past five years. Neither has any Board member or senior executive been convicted in fraud-related cases in the past five years, had a business ban or been subjected to charges or sanctions by government or industry association.

SIGNIFICANT AGREEMENTS

In November 2019, Cline Scientific signed an agreement to acquire Liv Diagnostics AB and its development project CellRACE. The agreement gives Cline the right to 80% of a future profit on the divestment of the company and / or the project.

The company's CEO operates through a consultancy agreement, which for 2019 amounts to SEK 800,000, and which includes social costs and other benefits.

PATENTS PROTECTION OF INTELLECTUAL PROPERTY

The current patent portfolio consists of patents that are approved in a number of markets as stated below. The patents protect the method of creating the unique nanogradient and the results of the procedure. New patents can

be applied for that cover the uses and therapies that result from the use of Cline's nanogradients.

Most of the costs for the patent portfolio are already covered by the Company.

Swedish patent, SE535087C2, valid for Sweden, from April 10, 2012. The patent applies to the method of making a surface with a controlled coverage of nanoparticles. The patent is valid until 2030.

The company's patent application with the same content regarding China, CN103180055A, was approved on December 31, 2014. The patent is valid until 2031.

US Patent US20130180326A1 with the same content as above was approved on February 21, 2017. The patent is valid until 2035.

On March 14, 2017, Cline received notice that the above patent was also approved in Japan with patent number JP6114192. The patent is valid until 2031.

Cline Scientific has also filed a PTC application in 2011, PCT / EP / 064582, regarding the same content.

On August 16, 2017, Cline received approval of the patent application for Europe, EP2608896A1, regarding the same content as above.

In India, Cline has obtained a patent in accordance with the above on November 28, 2018, patent number IN 303,660

In Japan, in Patent No. JP 6462746, Cline received a patent on January 11, 2019 and in the United States, Patent No. US 10,274,415 B2 on April 30, 2019 regarding the formation of the gradient surfaces.

Selected financial information

CLINE SCIENTIFIC AB – INCOME STATEMENT

<i>All amounts in SEK thousand unless otherwise stated</i>	2020	2019	2019	2018	2017
	1/1-31/3	1/1-31/3	1/1-31/12	1/1-31/12	1/1-31/12
Net sales	55 196	51 379	282 819	820 255	457 231
Activated work for own account	-	-	2 450 000	900 000	-
Other operating income	-	-	-	3 497	41 421
Total operating income	55 196	51 379	2 732 819	1 723 752	498 652
Operating expenses					
Raw materials and consumables	-6 324	-46 127	-182 590	-118 379	-114 680
Other external expenses	-766 484	-424 321	-3 276 069	-3 134 195	-3 093 351
Personnel expenses	-286 722	-235 209	-1 034 497	-885 694	-577 515
Depreciation of tangible fixed assets	-5 056	-5 058	-20 231	-20 230	-22 281
Other external expenses	-	-	-55	-106	-4 923
Total operating expenses	-1 064 586	-710 715	-4 513 442	-4 158 604	-3 812 750
Operating profit/loss	-1 009 390	-659 336	-1 780 623	-2 434 852	-3 314 098
Profit from financial items					
Interest income and similar items	-	-	-	-	-
Interest expenses and similar items	0	0	-316 364	-79 925	-20 481
	0	0	-316 364	-79 925	-20 481
Profit/loss after financial items	-1 009 390	-659 336	-2 096 987	-2 514 777	-3 334 579
Tax on year's profit	-	-	-	-	-
Profit/loss for the year	-1 009 390	-659 336	-2 096 987	-2 514 777	-3 334 579



CLINE SCIENTIFIC – BALANCE SHEETS

	2020	2019	2019	2018	2017
Assets	31/3	31/3	31/12	31/12	31/12
Intangible fixed assets					
Balanced expenditure on development work	4 127 620	1 677 620	4 127 620	1 677 620	777 620
Patents	1 022 081	917 897	927 661	881 697	765 664
Total intangible fixed assets	5 149 701	2 595 517	5 055 281	2 559 317	1 543 284
Tangible fixed assets					
Inventory and tools	14 331	34 560	19 387	39 618	59 848
Total tangible fixed assets	14 331	34 560	19 387	39 618	59 848
Financial assets					
Shares in subsidiaries	50 000	-	-	-	-
Total financial fixed assets	50 000	0	0	0	0
Total fixed assets	5 214 032	2 630 077	5 074 668	2 598 935	1 603 132
Current assets					
Current receivables					
Accounts receivable	729 249	96 613	729 249	142 611	14 205
Other current receivables	468	-	211 763	122 964	120 524
Accrued income & prepaid expenses	49 795	557 075	112 641	605 614	87 448
Total current receivables	779 512	653 688	1 053 653	871 189	222 177
Cash and bank balances	2 627 704	1 761 238	3 362 461	2 313 929	4 373 648
Total current assets	3 407 216	2 414 926	4 416 114	3 185 118	4 595 825
TOTAL ASSETS	8 621 248	5 045 003	9 490 782	5 784 053	6 198 957
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Restricted equity					
Share capital	844 111	844 111	844 111	844 111	750 000
Development expenditure fund	4 127 620	-	4 127 620	1 677 620	-
Total restricted capital	4 971 731	844 111	4 971 731	2 521 731	750 000
Unrestricted equity					
Profit/loss brought forward	-7 909 543	-1 684 937	-5 812 556	-847 779	4 164 419
Share premium fund	5 461 946	5 461 946	5 461 946	5 461 946	-
Profit/loss for the year	-1 009 390	-659 336	-2 096 987	-2 514 777	-3 334 579
Total unrestricted equity	-3 456 987	3 117 673	-2 447 597	2 099 390	829 840
Total shareholders' equity	1 514 744	3 961 784	2 524 134	4 621 121	1 579 840
Long-term liabilities					
Other long-term liabilities	814 928	827 028	814 928	827 028	827 028
Total long-term liabilities	814 928	827 028	814 928	827 028	827 028
Current liabilities					
Accounts payable	656 969	222 407	385 102	302 467	479 913
Other current liabilities	-87 476	33 784	44 535	33 437	3 019 926
Short-term loan liabilities	5 500 000	-	5 500 000	-	-
Accrued expenses and prepaid revenues	222 083	-	222 083	-	292 250
Total current liabilities	6 291 576	256 191	6 151 720	335 904	3 792 089
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	8 621 248	5 045 003	9 490 782	5 784 053	6 198 957

CLINE SCIENTIFIC – CASH FLOW STATEMENT

	2020 1/1-31/3	2019 1/1-31/3	2019 1/1-31/12	2018 1/1-31/12	2017 1/1-31/12
Ongoing business					
Operating profit	-1 009 390	-659 336	-1 780 623	-2 434 852	-3 314 098
Adjustments for items not included in cash flow					
Depreciation	5 056	5 058	20 231	20 230	22 281
Cash flow from operating activities before interest paid and income taxes	-1 004 334	-654 278	-1 760 392	-2 414 622	-3 291 817
Received interest	-	-	-	-	-
Paid interest	0	0	-316 364	-79 925	-20 481
Cash flow from operating activities before changes in working capital	-1 004 334	-654 278	-2 076 756	-2 494 547	-3 312 298
Cash flow from changes in working capital					
Increase in operating receivables	-	-	-182 464	-649 011	-
Decrease in operating receivables	274 141	217 501	-	-	-
Increase in operating liabilities	139 856	-	315 816	-	540 538
Decrease in operating liabilities	-	-79 714	-	-456 185	486 611
Cashflow from operating activities	-590 337	-516 491	-1 943 404	-3 599 743	-2 285 149
Investing activities					
Acquisition of intangible fixed assets	-94 420	-36 200	-2 495 964	-1 016 033	-181 870
Acquisition of shares in subsidiaries	-50 000	-	-	-	-
Cash flow from investing activities	-144 420	-36 200	-2 495 964	-1 016 033	-181 870
Financing activities					
New share issue	-	-	-	5 556 057	-
Raised loans	-	-	5 500 000	-	3 000 000
Amortization of debt	-	-	-12 100	-3 000 000	-
Cash flow from financing activities	0	0	5 487 900	2 556 057	3 000 000
Cash flow for the year	-734 757	-552 691	1 048 532	-2 059 719	532 981
Liquid funds at start of year	<u>3 362 461</u>	<u>2 313 929</u>	<u>2 313 929</u>	<u>4 373 648</u>	<u>3 840 667</u>
Liquid funds at end of year	2 627 704	1 761 238	3 362 461	2 313 929	4 373 648

Cline Scientific – KEY INDICATORS

Equity/assets ratio, %	17,6	78,5	27,2	79,9	25,5
Cash liquidity, %	54,2	942,6	71,8	948,2	121,2
Average number of employees	2	2	2	2	1

COMMENTS ON FINANCIAL DEVELOPMENT

GROUP STRUCTURE

On November 7, 2019, the Board of Directors of Cline Scientific AB announced that the company had acquired all shares in Liv Diagnostics AB, corporate registration number 559208-7034, which thus became a subsidiary of Cline Scientific AB. In the annual report for Cline Scientific AB, no consolidated financial statements have been prepared as the operations have been held for a limited time and the holding is of a smaller size.

INCOME

Cline Scientific is a medical technology development company that has limited products for sale. During the period 2017 to 2019, net sales increased from SEK 457,231 in 2017, to SEK 820,255 in 2018, where the largest customer at that time was Liv Diagnostics which was acquired by Cline in 2019. In 2019, net sales fell to SEK 282 819. In the first quarter of 2020, net sales amounted to SEK 55,196, compared with SEK 51,379 during the corresponding period in 2019.

The company's development costs have been capitalized over the years and thus recognized as revenue. In 2017, no activations were made of the development costs, but in 2018 SEK 900,000 was activated as capitalized work for own account. In 2019, this item increased to SEK 2,450,000.

OPERATING EXPENSES

Cline's operating expenses are modest and in 2017 amounted to SEK 3,812,750. In 2019 they increased to SEK 4,513,442. The increase is mainly due to increased staff costs, which have risen from SEK 577,515 in 2017 to SEK 1,034,497 in 2019. The Company's CEO does not receive salary from the company but is compensated through consultancy fees invoiced from his associated company.

In the first quarter of 2020, operating expenses amounted to SEK 1,064,586, which was an increase from SEK 710,715 in 2019. Personnel costs increased from SEK 424,321 during the first quarter of 2019 to SEK 766,484 during the corresponding quarter of 2020.

OPERATING PROFIT/LOSS

The operating loss for 2017 was SEK -3,314,098. In the following years, the operating loss decreased to SEK -2,434,852 for 2018 and SEK -1,780,623 in 2019.

The decrease is a consequence of the Company's increasing revenue items on capitalized work on its own account, which has a positive impact on earnings. Operating loss for the first quarter of 2020 amounted to SEK -1,009,390, compared with SEK -659,715 in the first quarter of 2019.

LIQUIDITY

The company has had good liquidity over the years. At the end of 2017, it amounted to 121.2 per cent, and increased to 948.2 per cent in 2018. The increase was due a new share issue during 2018 that raised SEK 5,556,057 for the Company. During 2019, cash liquidity fell to 71.8 percent as the Company borrowed SEK 5,500,000 in the short term to finance the deficits in the operations. At the end of 2019, the Company had SEK 3,362,461 in cash available. After the first quarter of 2020, cash and cash equivalents amounted to SEK 2,627,704.

EQUITY/ASSETS RATIO

The company's equity / assets ratio is relatively low. In the 2017 financial statements, the equity / assets ratio was 25.5 percent. Thanks to the new share issue in 2018, it increased to 79.9 percent, to fall back to 27.2 percent in 2019. At the end of the first quarter of 2020, the equity / assets ratio was 17.6 percent.

STATEMENTS INCLUDED THROUGH REFERENCE

The full history of financial information, including accounting principles and other supplementary information and audit reports, has been incorporated into the memorandum through reference to annual reports for the 2017, 2018 and 2019 financial years. The historical financial information in the form of annual reports has been audited by Cline Scientific's auditor Stefan Kylebäck at Ernst & Young AB. The annual reports have been prepared in accordance with the Swedish Annual Accounts Act and by application of the Accounting Board's general advice BFNAR 2012: 1 Annual Report and Consolidated Accounts (K3). The two quarterly reports for the first quarter of 2020 and 2019, respectively, have not been audited by the Company's auditor.

The latest three annual reports, as well as the auditors' report and the quarterly reports and articles of association are available at www.clinescientific.com

Shareholders

SHAERHOLDERS CLINE SCIENTIFIC AB 31 DECEMBER 2019

Shareholder	Total A-shares	Total B-shares	Share of capital, %	Share of votes, %
Patrik Sundh through companies	250 000	2 050 756	27,26 %	35,17 %
Niklas Holmquist through companies	250 000	1 990 473	26,54 %	34,70 %
Stiftelsen Chalmers Tekniska		517 846	6,13 %	4,00 %
Försäkringsaktiebolaget Avanza Pension		316 413	3,75 %	2,45 %
Formu Consulting AB, Hanne Evenbratt		251 700	2,98 %	1,94 %
Stealth Pig AB		184 000	2,18 %	1,42 %
Danica Pension		127 351	1,51 %	0,98 %
Nordnet Pensionsförsäkring AB		111 740	1,32 %	0,86 %
Åke Holmquist		86 750	1,03 %	0,67 %
Magnus Ekerby		45 000	0,53 %	0,35 %
Christian Lentz		43 241	0,51 %	0,33 %
Remaining approx. 900 shareholders		2 215 842	26,26 %	17,13 %
TOTAL	500 000	7 941 112	100,00 %	100,00 %

Development of share capital

Year	Event	Increase in shares	Total no. of shares	Increase in share capital	Total share capital	Nominal value
2011	Formation of company	50 000	50 000	50 000	50 000	1,00
2011	New share issue	50 000	100 000	50 000	100 000	1,00
2014	New share issue	16 000	116 000	16 000	116 000	1,00
2015	Bonus issue	464 000	580 000	464 000	580 000	1,00
2015	Split (10:1)	5 220 000	5 800 000	0	580 000	0,10
2015	New share issue	1 700 000	7 500 000	170 000	750 000	0,10
2018	New share issue	941 112	8 441 112	94 111,20	844 111,20	0,10
2020	Current new share issue	2 813 703	11 254 815	281 370,30	1 125 481,50	0,10

In all new issues, the issued shares have been paid in full with cash.

OVERSUBSCRIPTION OPTION

The rights issue comprises a maximum of 2,813,703 units. In addition, there is an oversubscription option that the Board can exercise in whole or in part in the event of an over-subscribed issue. The oversubscription option amounts to 1,200,000 units and is offered first and foremost to those who subscribe for shares with the support of unit rights, regardless of whether they are former shareholders.

Information about the shares on offer

The share capital of Cline Scientific AB amounts to SEK 844,222.20 before the rights issue, divided among 8,441,112 shares, of which 500,000 shares are series A shares and 7,941,112 shares are series B shares. Following the new share issue, the share capital will amount to a maximum of SEK 1,125,481.50, divided among 666,666 shares of series A and 10,588,149 shares of series B if the issue is fully subscribed.

Each share carries equal rights to a share in Cline Scientific AB's assets and earnings. Series A shares give entitlement to ten votes and Series B shares to one vote. Shareholders in the company have preferential rights in connection with the issue, in proportion and kind, to existing holdings. In order to change the shareholders' rights in the company, a resolution is required by a qualified majority at a general meeting of shareholders.

The shares are established under Swedish law and denominated in Swedish kronor.

SHARE REGISTER

The company's share register is managed by Euroclear Sweden AB, Box 7822, 103 97 STOCKHOLM, (formerly VPC), which registers the shares of the person holding the shares.

All transactions in the Company's shares are carried out electronically through competent banks and securities nominees. Shares that are newly issued will be registered in person in electronic form.

TRADING DENOMINATION

The trading name for the Company's B shares is CLINE B. The ISIN code for the share is SE0006758231. The CFI code is ESVUFR and FISN code is CLINESCIEN / SH.

For Unit rights with the trade name CLINE UR, traded between 11 May and 26 May 2020, the ISIN code is SE0014400859. CFI code is RSIXXR and FISN code is CLINESCIEN / SUBS RTS NL PD.

Paid Subscribed Units with the trade name CLINE BTU, which are traded from 11 May 2020 until the issue is registered with the Swedish Companies Registration Office, which is expected to take place at the end of June 2020,

have the ISIN code SE0014400867. CFI code is MCMUXR and FISN code is CLINESCIEN / UT 1 AK + 1 TO.

The warrants that will be traded on the Spotlight Stock Market after being registered with the Swedish Companies Registration Office, which is expected to be completed at the end of June 2020, will have the trade designation CLINE TO1 B. The ISIN code for the warrants will be SE0013914512. The CFI code becomes RSSXXR and the FISIN code CLINESCIEN / OPT RTS 20210312.

SHARE DIVIDEND

All shares have equal rights to dividends. The new shares give entitlement to receive dividends as of the 2020 financial year. Anyone who is entered on the record date in the share register or in the list in accordance with Chapter 5, Section 11 of the Swedish Companies Act (2005: 551) shall be deemed to be entitled to receive a dividend, and in the event of a bonus issue to receive new shares accruing to shareholders, and to exercise the shareholder's preferential right to participate in the issue.

In the event that any shareholder cannot be reached through Euroclear (VPC), her or his claim on the dividend amount remains in place and is limited only by statute of limitations. Upon expiry of the limitation, the dividend is accrued to the company.

There are no restrictions on dividends or special procedures for shareholders residing outside Sweden and payment is made via Euroclear (VPC) in the same way as for shareholders residing in Sweden. However, for shareholders who are not tax resident in Sweden, normal Swedish coupon tax is payable.

DILUTION EFFECTS

Existing shareholders have the right to subscribe for the same number of shares as they hold on the record day in the rights issue. For those shareholders who abstain from subscribing for their relative share of the issue, such abstention will have a dilution effect. The original number of shares in Cline Scientific is 8,441,112. If the new issue is fully subscribed for, 2,813,703 shares will be added, after which there will be 11,254,815 shares, which corresponds to an increase in the number of shares by 33.3 percent.

For those shareholders who abstain from subscribing for shares in the present share issue, a dilution effect corresponding to 25 percent of the share capital in Cline Scientific arises after the new share issue.

OTHER INFORMATION ABOUT THE SHARES

The company's shares may be freely transferred to another party. The shares are not subject to an offer made as a result of a mandatory bid, redemption right or redemption obligation. Nor has the company's share been subject to a public takeover offer during the current or previous financial year.

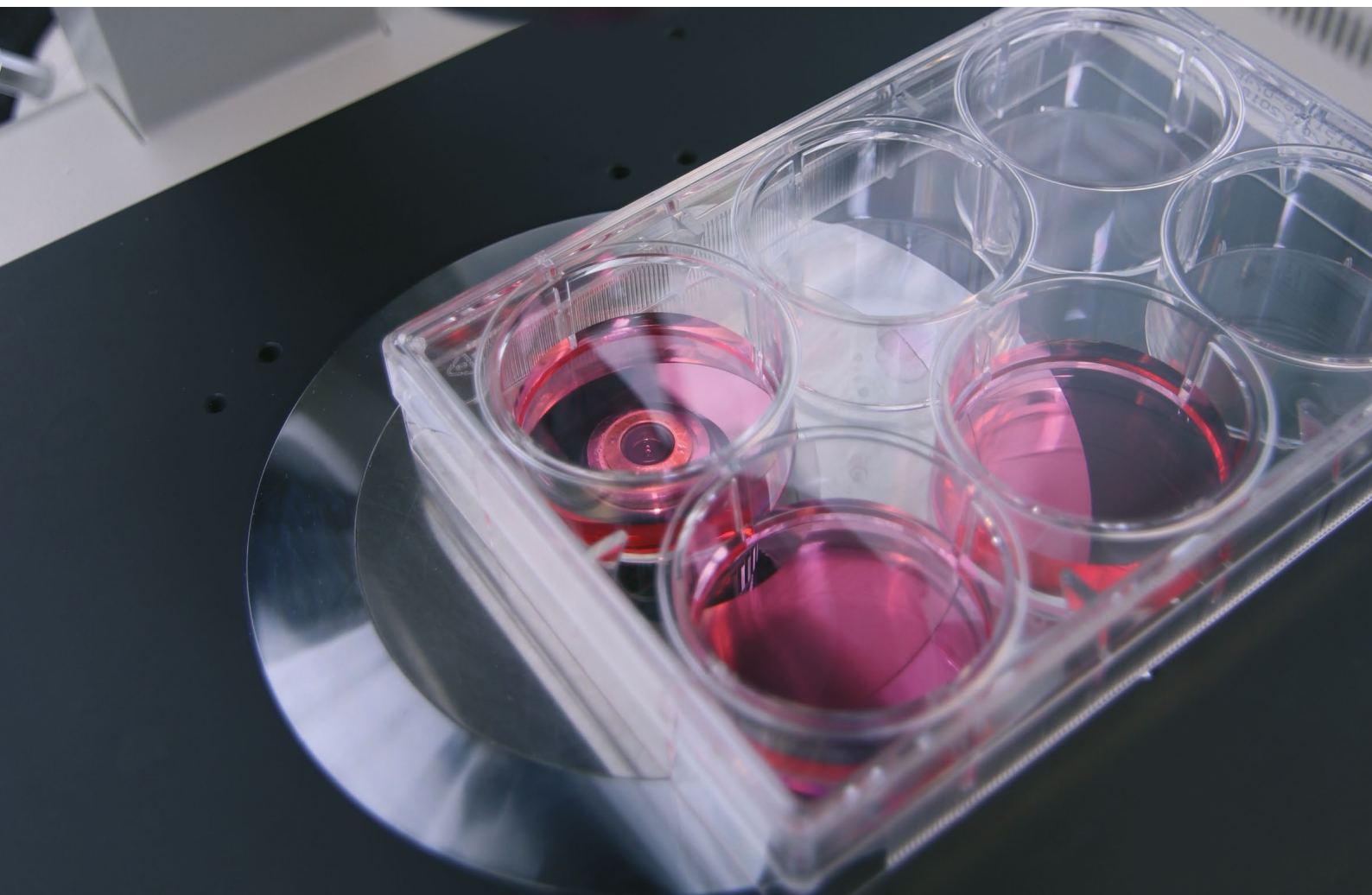
APPROVAL BY SHAREHOLDERS OF THE NEW SHARE ISSUE

The Board's decision to carry out the new share issue is made on the basis of the decision authorizing the Board to carry out a new share issue that was taken at the Annual

General Meeting on February 26, 2020. The authorization included 8,000,000 shares and is valid until the next Annual General Meeting.

EXPENSES RELATING TO THE NEW SHARE ISSUE

Upon full subscription, the new issue raises MSEK 7.0, before costs, for Cline Scientific. The costs for the completion of the issue are estimated at SEK 0.6 million.



Terms and conditions

PREFERENTIAL RIGHTS TO SUBSCRIPTION

Anyone who, on the record date, May 6, 2020, owns shares in Cline Scientific AB has the right to subscribe for units in Cline Scientific AB based on existing shareholdings in the Company. A unit consists of one (1) share of either series A or series B and one (1) warrant for shares of the same type as the unit included in the series.

UNIT RIGHTS (UR)

Shareholders in Cline Scientific AB receive one (1) unit right for each existing share. Three (3) unit rights are required to subscribe for one (1) new unit. Holding of A-share gives unit rights for A-shares and holding of B-shares gives unit rights for B-shares.

SUBSCRIPTION PRICE

The subscription price is SEK 2.50 per unit. Brokerage is not payable.

OVERSUBSCRIPTION OPTION

The rights issue comprises a maximum of 2,813,703 units. In addition, there is an oversubscription option that the Board can exercise in whole or in part in the event of an oversubscribed issue. The oversubscription option amounts to 1,200,000 units and is offered first and foremost to those who have subscribed to unit rights, regardless of whether they were previously shareholders or not.

RECORD DAY

The record day at Euroclear Sweden AB (VPC) for the right to participate in the issue is May 6, 2020. The last day for trading in the Cline Scientific AB share with the right to participate in the issue is May 4, 2020. The first day for trading in Cline Scientific AB shares without the right to participate in the issue is May 5, 2020.

SUBSCRIPTION PERIOD

Subscription of new units shall take place during the period from May 11 to May 28, 2020. After the expiry of the subscription period, unused unit rights will become invalid and will subsequently lose their value. After the subscription period, unused unit rights, will be booked from the shareholders' VP accounts without notice from Euroclear (VPC).

TRADE WITH UNIT RIGHTS (UR)

Trading in unit B series units will take place on Spotlight Stock Market during the period from May 11 to May 26,

2020. Securities institutions with the necessary permits handle the brokerage of purchases and sales of unit rights. Anyone wishing to buy or sell unit rights should therefore contact their bank or fund commissioner. Unit rights not used for subscription in the rights issue must be sold by May 26, 2020, or used for subscription of units by May 28, 2020 in order not to become invalid and lose their value.

ACCOUNTING AND NOTIFICATION

DIRECTLY-REGISTERED SHAREHOLDERS

The shareholders or representatives of shareholders who are registered in the share register kept by Euroclear (VPC) on behalf of the Company on the above mentioned record date will receive pre-printed share issue accounting forms, special registration forms 1 and 2 and an information brochure. The pre-printed share issue accounting forms show, among other things, unit rights received. Anyone who is included in the list of deed holders, etc. specially kept in connection with the share register will not receive any share issue accounting forms but will be notified separately. VP certificates, which report the registration of unit rights in the shareholder's VP account, will not be distributed.

NOMINEE SHAREHOLDERS

Shareholders whose holdings of shares in Cline Scientific AB are nominee-registered with a bank or other nominee will receive an information brochure. Subscription and payment with or without preferential rights shall be made in accordance with instructions from the respective trustee.

SUBSCRIPTION WITH PREFERENTIAL RIGHTS

Subscription with preferential right shall be made by simultaneous cash payment no later than May 28, 2020. Subscription by payment shall be made either with the pre-printed payment voucher sent with the issue statement or with the payment voucher attached to the special application form 1 according to the following alternatives:

1. Payment form
In cases where all unit rights received on the record date are used for subscription, only the pre-printed payment receipt shall be used as a basis for subscription through cash payment. Special application form 1 should not be used. Please note that subscription is binding.
2. Special application form 1
In the event that unit rights are acquired or divested, or any other number of unit rights other than those appearing in the pre-printed issue accounting are utilized for subscription, the special application form shall be used as a basis for subscription through cash payment. On special application form 1, the shareholder must state the number of units for which she or

he subscribes and fill in the amount to be paid on the payment voucher. Payment is thus made through the use of payment vouchers. Incomplete or incorrectly completed application forms may be left unanswered. Please note that subscription is binding.

Special application form 1 can be obtained from Aktieinvest FK AB at the telephone number below. The completed application form must, in connection with payment, be sent or delivered to the address below and be delivered to Aktieinvest FK AB no later than 17.00 on May 28, 2020. Only one (1) special application form may be submitted. In the event that more than one application form is submitted, only the last form received will be considered. Other registration forms will thus be left unanswered. Please note that subscription is binding.

Aktieinvest FK AB

Emittentservice
113 89 STOCKHOLM
Telefon: 08-5065 1795
E-mail: emittentservice@aktieinvest.se

SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Subscription of units without support of preferential rights shall take place during the same period as subscription of units with preferential rights, that is, from May 11, 2020 to May 28, 2020. Application for subscription without preferential rights is made by completing and signing Special Request Form 2 and sending it to Aktieinvest FK AB at the address as above or to the nominee. No payment shall be made in connection with the notification of subscription of units without preferential right, but shall be made in accordance with what is stated below. Special application form 2 shall be submitted to Aktieinvest FK AB no later than 17.00 on May 28, 2020. It is only permissible to submit one (1) Special application form 2. In the event that more than one application form is submitted, only the last received will be considered. The other application forms will thus be left without consideration. Please note that the notification is binding. If the custody is linked to a capital insurance or an investment savings account (ISK) please contact your nominee concerning subscription.

Subscriber with custodian: In order to invoke subsidiary preferential rights, the subscription must go through the same nominee as the subscription with preferential rights.

ALLOCATION PRINCIPLES FOR SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Units that are not subscribed for with preferential rights shall be allocated to those who subscribe without the support of unit rights. Allocation will take place on the following grounds:

- i. firstly to those who have also subscribed for units with the support of unit rights, *pro rata* in relation to how many units have been subscribed for with the support of unit rights, and to the extent this cannot be done, by drawing lots and
- ii. secondly, to others who have subscribed for units without preferential rights, *pro rata* in relation to how many units have been subscribed for, and to the extent this cannot be done, by drawing lots.

Please note: Nominee-registered (custodian) subscribers, who wish to increase the likelihood of receiving allotment without preferential right by also subscribing for units with preferential right, must, however, subscribe for units without preferential right through the same nominee as the subscribed units with preferential right. Otherwise, at the time of allocation, there is no possibility of identifying a particular subscriber who has subscribed to units, both with and without the support of unit rights.

ALLOCATION FOR SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Notification of any allocation of units subscribed for without preferential right is given by sending an allocation note in the form of a settlement note. Payment shall be made no later than the date stated on the settlement note. No notification will be given to anyone who has not received an allocation. If payment is not made at the right time, units may be transferred to another. Should the sale price in such a transfer be less than the price in accordance with this offer, the person who originally received the allocation of these units may be liable for all or part of the difference.

SHAREHOLDERS WHO LIVE OUTSIDE SWEDEN

Shareholders residing outside Sweden (not including shareholders residing in the United States, Canada, New Zealand, South Africa, Japan, Australia, South Korea, Hong Kong, Switzerland, Singapore or any other country where the distribution or invitation requires additional prospectus, registration or other measures than those in accordance with Swedish law or which contravene the rules in such a country) and who have the right to subscribe for units in the new share issue can contact Aktieinvest FK AB by telephone as above for information on subscription and payment.

The allocation of unit rights and the issuance of new units when utilizing unit rights to persons residing outside Sweden can be affected by securities legislation in such countries. As a result, with some exceptions, shareholders who have their existing shares directly registered in VP accounts and have registered addresses in, for example, the US,

Canada, New Zealand, South Africa, Japan, Australia, South Korea, Hong Kong, Switzerland or Singapore will not receive this memorandum. Neither will they receive any unit rights in their respective VP accounts. The unit rights that would otherwise have been registered for these shareholders will be sold and the sales proceeds, less costs, will be paid to these shareholders. Amounts below SEK 100 will not be paid.

PAID SUBSCRIBED UNIT (BTU)

Subscription by payment is registered with Euroclear (VPC) as soon as this can be done, which usually means a few banking days after payment. Subsequently, the subscriber receives a VP-notification with confirmation that the registration of paid subscribed units (BTU) has been entered into the subscriber's VP account. The newly subscribed units are recorded as BTU in the VP account until the new issue has been registered with the Swedish Companies Registration Office.

TRADING IN PAID SUBSCRIBED UNITS

Trading in BTU Series B will take place on Spotlight Stock Market from May 11, 2020 until the issue is registered with the Swedish Companies Registration Office. This registration is expected to take place around week number 26 2020.

DIVIDEND

New shares shall be entitled to dividends as of the first record date for dividends that occurs after the share has been registered with the Swedish Companies Registration Office.

DELIVERY OF UNITS

As soon as the issue is registered with the Swedish Companies Registration Office, paid subscribed units (BTU) will be re-registered as shares and warrants without special notification from Euroclear Sweden AB. For those shareholders who have their unit holdings registered with a nominee, information will be sent by their nominee. This re-registration is expected to take place in week no. 27, 2020. The newly issued shares and warrants will be admitted to trading on Spotlight Stock Market in connection with the re-registration.

INITIATION OF TRADING

The B shares are traded on the Spotlight Stock Market. The Series B shares and warrants issued in connection with the rights issue will be subject to the application for the newly issued shares and warrants to be admitted to trading on the multilateral trading platform (MTF) Spotlight Stock Market. The earliest date when the new shares and warrants are expected to be admitted to trading is week no. 27, 2020.

TERMS AND CONDITIONS FOR WARRANTS

Each subscription warrant entitles the holder to subscribe for one (1) new share in the Company at a subscription price that is set at eighty percent of the average weighted price of the shares in the Company's B share that were completed on Spotlight Stock Market during the period February 8, 2021 - February 19 2021, but at least SEK 0.10 per share. The subscription of shares with the support of the warrants shall take place in accordance with the full terms and conditions of the warrants during the period March 2 - 12, 2021.

If no subscription has been made within the time specified above, all rights under the subscription option will cease to apply.

Full terms and conditions for the warrants can be found on the company's website www.clinescientific.com

PUBLICATION OF THE OUTCOME

As soon as possible after the subscription period has ended, the Company will publish the outcome of the issue. Publication will be made through a press release and will be available on the Company's website.

OTHER INFORMATION

The Company has the right to extend the subscription and payment period in the Rights Issue. Any extension of the subscription period shall be published by press release no later than the last subscription day in the Rights Issue, i.e. on May 28, 2020. The Company does not have the right to cancel the Rights Issue or to temporarily withdraw the offer.

In the event that an excess amount is paid by a subscriber for the new units, Aktieinvest will arrange for the excess amount to be repaid. In such cases, Aktieinvest will contact the subscriber for details of a bank account to which Aktieinvest can repay the amount. No interest will be paid for the excess amount. A subscription of new units, with or without the support of unit rights, is irrevocable and the subscriber cannot cancel or modify a subscription of new units.

Incomplete or incorrectly completed application forms may be left without consideration. If the subscription proceeds are paid too late, are insufficient or incorrectly paid, the application for subscription may be ignored or subscription may be made with a lower amount. In this case, paid liquidity that has not been used will be refunded.



Spotlight Stock Market

Spotlight Stock Market is a subsidiary of ATS Finans AB, a securities company under the supervision of Finansinspektionen, The Swedish Financial Supervisory Inspectorate. Spotlight Stock Market operates a so-called MTF platform. Companies listed on Spotlight Stock Market have committed to follow Spotlight Stock Market's regulations. The regulations aim, among other things, to ensure that shareholders and other players on the market receives accurate, immediate and simultaneous information about all circumstances that may affect the Company's share price. Trading on Spotlight Stock Market takes place in an electronic trading system that is available to the banks and fund commissioners affiliated to the Nordic Growth Market. This means that anyone who wants to buy or sell shares listed on Spotlight Stock Market can use their regular bank or fund commissioner.

The regulations and share prices can be found on Spotlight Stock Market's website, www.spotlightstockmarket.com.

Risk factors

An investment in Cline Scientific AB represents a business opportunity, but also involves risks. These risks can be difficult to quantify due to external factors and the Company's business orientation. All the invested capital can be lost. In companies with little or limited history, the risk can be seen as extra large. In order to assess the Company, it is important to take into account the persons who will be running the business, their background, and the risk profile of the business to be conducted. Anyone considering buying shares in Cline Scientific should seek advice from qualified advisors. The following are a number of risk factors that are of significance for the assessment of the Company and its share price. The risk factors are not presented in order of priority and do not claim to be comprehensive.

COMPANY AND INDUSTRY RISKS

RESTRICTED RESOURCES

Cline Scientific is a small company with limited resources in terms of management, administration and capital. For the implementation of the strategy, it is important that resources are allocated in an optimal manner for the Company. There is a risk that the Company's resources are insufficient and that the Company is thus affected by financial as well as operationally related problems. The company assesses the likelihood of this risk occurring as moderate.

DEPENDENCE ON KEY PERSONNEL AND ON RECRUITMENT

Cline Scientific's future growth is largely determined by the knowledge, experience and commitment of management, the board and other key personnel. There is a risk that Cline Scientific will not be able to retain these key people or that the Company will not be able to recruit new qualified personnel in the future. If any of Cline Scientific's key personnel quits or Cline Scientific fails to recruit new qualified personnel if necessary, this could adversely affect Cline Scientific's operations, earnings and financial position. The company assesses the likelihood of this risk occurring as moderate.

EARNINGS CAPABILITY AND CAPITAL REQUIREMENTS

It cannot be ruled out that it will take longer than expected before the Company achieves a continuously stable profitability. Nor can it be ruled out that Cline Scientific will have a greater capital need in the future than is currently considered necessary. There is no guarantee that such an increased capital requirement can be acquired on terms favorable to the shareholders. Decreased profitability can also negatively affect the Company's market value. The company assesses the likelihood of this risk occurring as high.

RESEARCH RISKS

There are risks associated with the research that Cline Scientific uses. The outcome of the research studies that have been published so far has been positive.

However, there is no guarantee that the results of future research, in areas, may not have negative outcomes. The company assesses the likelihood of this risk occurring as moderate.

CLINICAL TRIALS AND REGULATORY APPROVAL

The Cline Scientific diagnostic method requires the approval of regulatory authorities. Cline will carry out extensive research to ensure that the diagnostic method complies with the requirements set by the authorities. Even if the necessary permits are obtained, the Company and its method of diagnosis will be under the supervision of regulatory authorities in countries where the methods are marketed. Detecting previously unknown problems may result in limitations in the use of the diagnostic method or approval being withdrawn completely. Problems with obtaining or retaining the approval can have a significant impact on Cline Scientific's operations, financial position and results. The company assesses the likelihood of this risk occurring as moderate.

PROTECTION OF INTELLECTUAL PROPERTY AND KNOW HOW

To a certain extent, Cline Scientific's assets consist of intellectual property rights. Future products and technology development may mean that intellectual property rights constitute an increasing part of the Group's total asset portfolio. There is always a risk that Cline Scientific cannot fully assert its rights. This could have a negative impact on Cline's operations, financial results and financial position. There is always a risk that new technologies and products will be developed that bypass or replace Cline Scientific's current and future intellectual property rights. Furthermore, Cline Scientific relies on know-how and it cannot be ruled out that competitors develop corresponding know-how, or that Cline fails to effectively protect its know-how or brand. Such a development could have a negative impact on Cline. It cannot be ruled out that Cline Scientific may inadvertently be considered to infringe on another's intellectual property rights. Neither can it be excluded that Cline Scientific is, for reasons unknown at present, drawn into court proceedings by competitors for alleged infringement of competitors' rights. Infringement disputes, like other disputes, can be costly and time-consuming and therefore have a negative impact on Cline's operations, earnings and financial position. The company assesses the likelihood of this risk occurring as moderate.

COMPETITION

The products that Cline Scientific manufactures for its customers may be subject to increased or changed competition through the development of new product solutions.

If a company develops a new product with improved properties, compared to other available alternatives, the new product can take market shares at the expense of already existing products, which in turn can adversely affect the sales volumes of older competing products. Thus, in cases where Cline Scientific manufactures such an older competing product alternative, new products may adversely affect Cline's operations, earnings and financial position. The company assesses the likelihood of this risk occurring as moderate.

PRODUCT LIABILITY AND INSURANCE PROTECTION

Cline Scientific's operations, such as product development and production, may entail a risk of product liability. Although Cline Scientific has insurance coverage against product liability, it cannot be ruled out that Cline will be liable for damages, which are not fully or partially covered by insurance, in the event of damages resulting from the use of products developed or manufactured by Cline. Nor can it be ruled out that someone makes a claim against Cline Scientific on other grounds and that this is not covered in whole or in part by Cline's insurance coverage. Acceptance of such

damages could adversely affect Cline's business, earnings and financial position. The company assesses the likelihood of this risk occurring as moderate.

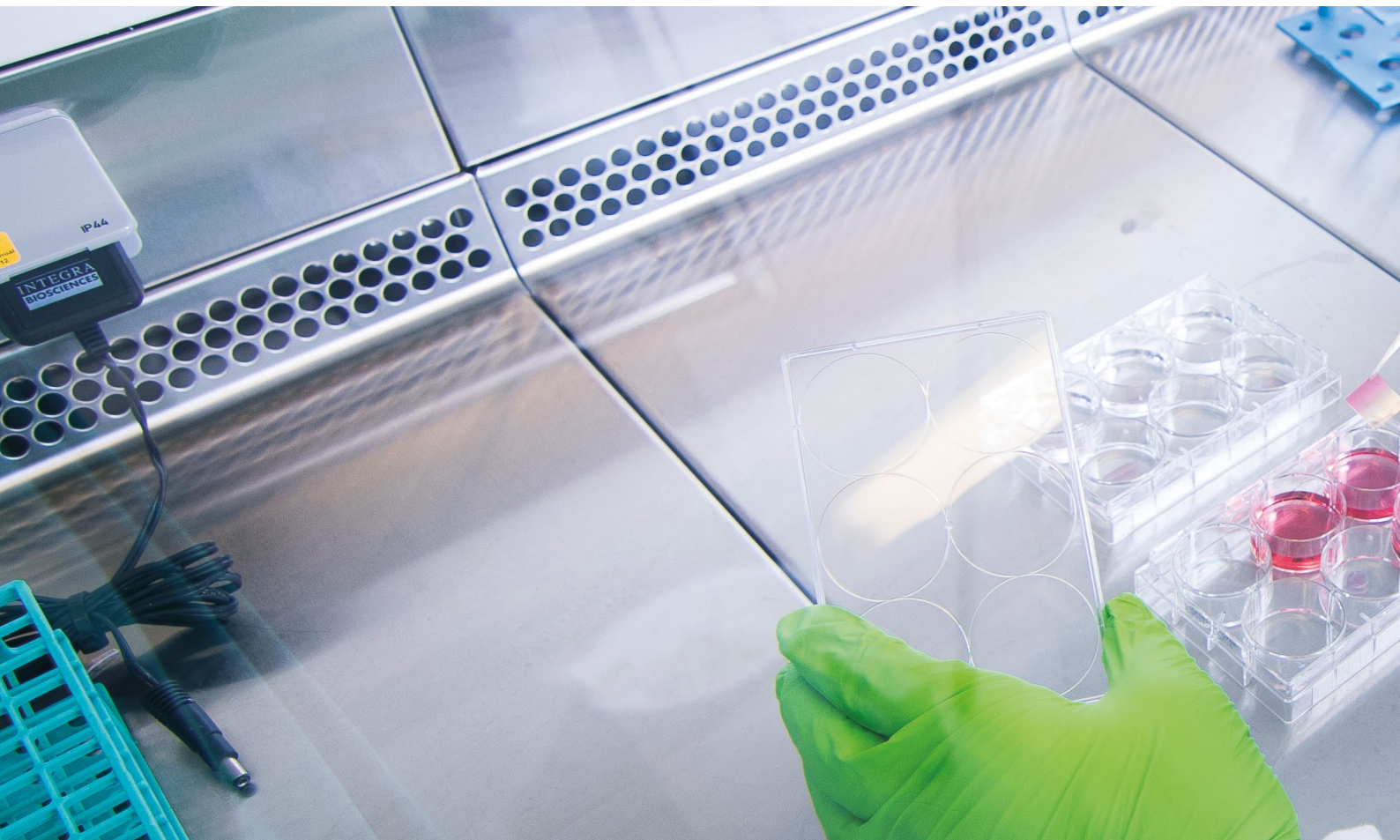
RISKS RELATING TO THE SHARE AND THE NEW SHARE ISSUE

RISKS RELATING TO THE SHARES

Risk and risk taking are an inevitable factor in equity ownership. The share price development is dependent on a number of factors, some of which are company-specific and others related to the stock market as a whole. It is not possible for an individual company to control the factors that affect the Company's share price. Since an investment in shares can both rise and fall in value, it is not certain that an investor will get back the invested capital. The company assesses the likelihood of this risk occurring as moderate.

LIQUIDITY SHORTAGE

The liquidity of a share affects the ability to trade in the share at the desired time. There is a risk that the person subscribing for shares in the new share issue described in this Memorandum will not be able to buy or sell shares in current trading at the desired time if at that time there is low liquidity in the share. The company assesses the likelihood of this risk occurring as high.



DILUTION THROUGH FUTURE NEW SHARE ISSUES

In the future, Cline Scientific will have to carry out new issues of shares and share-related instruments to secure capital for continued development and production. Such future issues may, through dilution, reduce the shareholder's relative ownership and voting rights, as well as earnings per share for those holders of shares in the Company who do not participate in upcoming issues. Furthermore, possible new issues will have a negative effect on the Cline share's market price. The company assesses the likelihood of this risk occurring as high.

FUTURE DIVIDENDS

Cline Scientific is in a development phase and any operating and cash surpluses for the coming years are therefore planned to be reinvested in the Company's continued expansion and development of operations. The Company's owners must therefore, for the next few years, rely only on the share price performance as a return. The company assesses the likelihood of this risk occurring as moderate.

OWNERS WITH SIGNIFICANT INFLUENCE

Shareholders who, directly or indirectly via companies, have significant influence in Cline Scientific have the opportunity to exercise significant influence in matters submitted to Cline's shareholders for approval, including the election

of directors and any increase in share capital, merger or sale of all, or almost all, Cline Scientific's assets. The major shareholders' interests may not coincide with Cline's interests or other shareholders' interests, and the major shareholders could exert influence over Cline Scientific in a way that does not best promote the interests of the other shareholders. The company assesses the likelihood of this risk occurring as moderate.

MARKET PLACE

Cline Scientific's shares are traded on Spotlight Stock Market, which is under the supervision of Finansinspektionen, The Swedish Financial Supervision Inspectorate. Securities listed on the Spotlight Stock Market are not subject to as extensive regulations as the securities admitted to trading on regulated markets. Spotlight Stock Market has its own regulatory system that is adapted for smaller companies and growth companies to promote good investor protection. As a result of differences in the scope of the various regulations, an investment in Cline may be more risky than an investment in a share traded on a regulated market. The company assesses the likelihood of this risk occurring as moderate.





DISTRIBUTION OF THE MEMORANDUM

The current offer is not aimed at persons whose participation requires an additional prospectus, registration or other measures than those required by Swedish law. The Memorandum may not be distributed in the United States of America, Canada or any other country where the distribution or offer requires action as set out above or is contrary to the rules of such country.



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