



The Board of Directors of Cline Scientific AB (publ) resolves on a Rights Issue of approximately SEK 17 million

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The Board of Directors of Cline Scientific AB (publ) ("Cline" or the "Company") has decided today, November 2, 2022, with the support of the authorization from the Annual General Meeting on April 20, 2022, to carry out a Rights Issue of shares with preferential rights for the Company's existing shareholders of a maximum of 15 452 737 shares (the "Rights Issue"). In the event of full subscription in the Rights Issue, the Company will receive approximately SEK 17 million before issue costs. The Rights Issue is carried out to, among other things, enable continued operation and continued development of the two projects CellRACE and StemCART.

Background and motivation

Cline is a life science company that develops advanced stem cell therapies and cancer diagnostics using the Company's patented nano-based surface technology. This nanotechnology is a method of producing gradient surfaces at the nanoscale and consists of a surface containing several million nanoparticles in a gradient pattern. The surface technology can be used in several research areas and offers new solutions to unsolved challenges. Cline has two ongoing projects; a project in stem cell-based therapy for osteoarthritis, StemCART, and a project in metastatic cancer diagnostics, CellRACE.

Cline's overall vision is to provide life-changing medical solutions for cancer treatment and stem cell therapies. Cline's business model is based on running projects up to the early clinical phase and then license out and/or selling the projects to one or more commercial partners. To achieve this and with the aim of developing the two projects CellRACE and StemCART up to the clinical phase, the Company needs additional capital. Therefore, the Board of Directors of the Company has decided to carry out the Rights Issue.

The issue proceeds from the Rights Issue are primarily intended to be used for:

- Development of regulatory pathway for adaptation of StemCART to GMP requirements.
- Preclinical studies and for StemCART.
- Costs of clinical collaborations.
- Develop an AI-based algorithm for CellRACE.
- Testing with human tumor material for CellRACE.
- Investments in lab equipment and production scale.
- Working capital for continued development.

Terms and conditions for the Rights Issue in summary

The Board of Directors of Cline has, with support from the authorization from the annual general meeting on April 20, 2022, decided to carry out the Rights Issue in accordance with the following main conditions:

- In case of full subscription in the Rights Issue, a maximum of 15,452,737 shares, divided into a maximum of 722,333 A shares and a maximum of 14,730,404 B shares, will be issued.
- Shareholders in the Company who, on November 10, 2022, is entered in the share register maintained by Euroclear Sweden AB has preferential rights to subscribe for new shares in the Rights Issue. For each existing A share, one (1) subscription right of series A is obtained, and for each existing B share, one (1) subscription right of series B is obtained. One (1) subscription right of series A entitles to subscription of one (1) new A share, and one (1) series B subscription right entitles you to subscribe for one (1) new B share.
- The last day for trading in Cline's share including the right to receive subscription rights is November 8, 2022 and the first day for trading excluding the right to receive subscription rights is November 9, 2022.
- The subscription price in the Rights Issue amounts to SEK 1.10 per share regardless of share type.
- The Rights Issue corresponds to a valuation of Cline (pre-money) of approximately SEK 17 million.
- The subscription period in the Rights Issue runs from and including November 14 to and including November 28, 2022.
- Trading in subscription rights of series B will take place on the Nasdaq First North Growth Market during the period November 14 to November 23, 2022.
- Trading in BTA (paid subscribed shares) of series B will take place on the Nasdaq First North Growth Market from and including November 14, 2022 until the Rights Issue is registered with the Swedish Companies Registration Office, which is expected to take place around mid-December 2022.
- B shares that are subscribed for without the support of subscription rights are allotted primarily to subscribers who also subscribed for B shares with subscription rights and secondarily to subscribers who subscribed for B shares without the support of subscription rights.
- In case of full subscription in the Rights Issue, the Company will initially receive approximately SEK 17 million, before deductions for issue costs, which are estimated to amount to approximately SEK 1.6 million.

Preliminary timetable

The timetable is preliminary and may change.

- November 8, 2022: Last trading day in Cline's shares including the right to receive subscription rights.
- November 9, 2022: First trading day in Cline's shares excluding the right to receive subscription rights.
- November 10, 2022: Record date for participation in the Rights Issue.
- November 14 - November 23, 2022: Trading in subscription rights on the Nasdaq First North Growth Market.
- November 14, 2022 - until the Rights Issue is registered at the Swedish Companies Registration Office: Trading in paid subscribed shares (BTA).
- November 14 - November 28, 2022: Subscription period for the Rights Issue.
- December 1, 2022: Estimated date for publication of the outcome of the Rights Issue.

Subscription commitments

Cline has received subscription commitments of approximately SEK 0.58 million, corresponding to approximately 3.4 percent of the Rights Issue, from the Board of Directors, management, clinical advisors and existing shareholders. The subscription commitments have been agreed in writing. No compensation is paid for the subscription commitments. The commitments are not secured by bank guarantee, blocking funds, pledging or similar arrangements. More detailed information about the parties that entered into the agreements will be found in the memorandum that is expected to be published by the Company before the start of the subscription period.

Share capital and number of shares

Upon full subscription in the Rights Issue, the number of shares in the Company will increase by 15,452,737 shares, of which 722,333 A shares and 14,730,404 B shares, from 15,452,737 shares to 30,905,474 shares and the share capital by SEK 1,545,273.70 from SEK 1,545,273.70 to SEK 3,090,547.40. The total dilution effect in case of full subscription in the Rights Issue therefore amounts to a maximum of approximately 50 percent.

Memorandum

Complete terms and conditions for the Rights Issue as well as other information about the Company will appear in the memorandum that will be published before the start of the subscription period on the Company's website www.clinescientific.com.

Advisors

Financial advisor regarding the Rights Issue is Corpura Fondkommission AB, www.corpura.se. Nordic Issuing AB acts as issuing agent.

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About Cline Scientific

Cline Scientific develops advanced cancer diagnostics and regenerative medicine treatments. Cline's unique patented surface nanotechnology provides solutions to critical challenges for cell-based products and process in Life Science. Cline is driving two projects through to a clinical stage, StemCART - a stem cell therapy for joint repair, and CellRACE- a cancer diagnostic to predict metastasis.

The company is listed on the Nasdaq First North Growth Market. Redeye AB is Cline Scientific's Certified Adviser.

Important information

This information is information that Cline Scientific is required to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication by the contact person set out above, at 08:25 CET on 2 November 2022.

Cline Scientific AB (publ)

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