



neodynamics

Prospectus summary (English)

NeoDynamics AB (publ) | 559014-9117 | www.neodynamics.se

General information about this document

This is an unofficial English translation of a prospectus summary originally drafted in Swedish. The original Swedish version of the text below is to be found in the prospectus drafted by the board of NeoDynamics AB (publ), which was approved by the Swedish FSA on the 29th of October 2018. This document is not to be viewed as a separate prospectus and has not been reviewed by the Swedish FSA. The sole purpose of this document is to provide a summary about NeoDynamics AB (publ) ("NeoDynamics" or "the company") for non-Swedish speaking investors. In case of any discrepancies or differences between this document and the original Swedish prospectus, the Swedish prospectus shall prevail.

Section A – Introduction and warnings

A.1	Warning	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities being offered must be based on consideration of the prospectus as a whole by the investor. If a claim relating to the information in the prospectus is brought before a court, the plaintiff investor may, in accordance with the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability may attach to those persons who presented the summary, including translations thereof, but only if the summary is misleading, incorrect or inconsistent with other parts of the prospectus, or if, together with other parts of the prospectus, it fails to provide key information to aid investors when considering whether to invest in the securities offered.
A.2	Consent for financial intermediaries	Not applicable. No financial intermediaries are used for subsequent resale or final placement of securities.

Section B – Issuer

B.1	The company	NeoDynamics AB (publ), 559014-9117, is a public limited liability company. Its trading symbol is NEOD.
B.2	Registered office and type of company	NeoDynamics has its registered office in Lidingö Municipality, Stockholm County. The company was founded in Sweden under Swedish law and operates under Swedish law. NeoDynamics is a public limited liability company and the company's legal form of business entity is regulated by the Swedish Companies Act (2005:551).
B.3	Business operations	<p>Every year 2.1 million women are diagnosed with breast cancer¹. Furthermore, this figure is growing by around five percent a year on average. This can be explained by a growing population and improvements in mammographic screening, which mean that more cases of breast cancer are being detected. As a result of this, around six million biopsies are performed every year.</p> <p>Based on research initiated at the Karolinska Institutet, NeoDynamics has developed the NeoNavia biopsy system. The system is based on a patented micropulse technology intended to simplify the handling of biopsy procedures and make them more precise². The micropulse technology facilitates precise insertion and positioning of various types of biopsy needles independent of tissue characteristics. This new technology can improve or replace today's outdated methods, which more often than not are based on spring-loaded needles that are injected several centimeters into the suspected cancerous tissue, without the physician being able to guide the course after the biopsy gun has been fired.</p> <p>NeoNavia's micropulse technology has been developed to give the radiologist instruments with which they can achieve far greater precision and provide enhanced control and sample quality to benefit the patient³. Greater precision makes it possible to satisfy patient wishes for a quick diagnosis without overly invasive intervention, while at the same time it can enable new methods for genetic analysis of samples and offers tailor-made care methods, which the board deems to be among the strongest trends in this market now and in the foreseeable future.</p>

¹ <https://www.ncbi.nlm.nih.gov/pubmed/29860482>

² Schässburger K-U, Paepke S, Saracco A, Azavedo E, Ekström C, Wiksell H, "High velocity pulse biopsy device enables controllable and precise needle insertion and high yield tissue acquisition" *Physica Medica* 46(2018)25-31

³ <https://www.ncbi.nlm.nih.gov/pubmed/29519406>

		<p>The company has already made the product development journey once and is familiar with the time needed and the official requirements. The board anticipates that the application for CE certification for the commercial version will be submitted in the third quarter of 2019 and CE approval will lead the company to a global breakthrough in a market worth at least USD 500 million a year, solely in the field of breast cancer.</p>																																							
B.4a	Trends	<p>Breast cancer affects around 21 million women a year globally and according to the OECD it is the most common cause of death among women, with over half a million deaths every year. In Europe, around 520,000 women develop breast cancer a year, of whom 137,000 pass away as a result of the disease. Furthermore, the number of women affected by breast cancer is growing by five percent a year on average. This can be explained by a growing population and improvements in screening technology, which means that more cases of breast cancer are being detected. As a result of this, around six million biopsies are performed every year.</p> <p>The board is seeing increased demand for minimally invasive biopsies (like NeoNavia), while the number of conventional surgical biopsies is decreasing. The board predicts that the number of biopsy procedures will increase by around 10% a year over the coming decade. This is due to new screening technologies that detect potential breast cancer at increasingly early stages, several countries that are introducing mammography programs and the increased need for biopsies while treating cancer diseases.</p>																																							
B.5	Company structure	Not applicable. NeoDynamics is not part of any group and does not have any shareholdings.																																							
B.6	Ownership structure	<p>There is one class of stock. Each share of stock carries the same entitlement to participation in the company's assets and profits and entitles the holder to one vote at the general meeting of shareholders.</p> <p>List of shareholders as of September 14, 2018</p> <p>The table below shows the five largest shareholders in the company on September 14, 2018.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>No. of shares</th> <th>% of votes and capital</th> </tr> </thead> <tbody> <tr> <td>Boai NKY Medical Holdings Ltd. China*</td> <td>2,770,000</td> <td>30.29%</td> </tr> <tr> <td>M2 Capital Management AB</td> <td>546,750</td> <td>5.98%</td> </tr> <tr> <td>Gryningskust Holding AB</td> <td>521,000</td> <td>5.70%</td> </tr> <tr> <td>Jörgen Vrenning*</td> <td>315,120</td> <td>3.45%</td> </tr> <tr> <td>Rentability Sweden AB**</td> <td>278,500</td> <td>3.05%</td> </tr> <tr> <td>ADB Invest AB</td> <td>238,750</td> <td>2.61%</td> </tr> <tr> <td>Claes Pettersson***</td> <td>206,250</td> <td>2.26%</td> </tr> <tr> <td>Espander Life Science Partner AB</td> <td>205,000</td> <td>2.24%</td> </tr> <tr> <td>Lignin Invest AB</td> <td>183,250</td> <td>2.00%</td> </tr> <tr> <td>Asperia AB</td> <td>177,000</td> <td>1.94%</td> </tr> <tr> <td><i>Other (68)</i></td> <td><i>3,701,900</i></td> <td><i>40.48%</i></td> </tr> <tr> <td>Total</td> <td>9,143,520</td> <td>100.0</td> </tr> </tbody> </table> <p>*Through the wholly owned subsidiary NKY Sweden AB **Board member and CFO of the company ***Wholly owned by Chairman of the Board Ingrid Salén ****Board member of the company</p>	Name	No. of shares	% of votes and capital	Boai NKY Medical Holdings Ltd. China*	2,770,000	30.29%	M2 Capital Management AB	546,750	5.98%	Gryningskust Holding AB	521,000	5.70%	Jörgen Vrenning*	315,120	3.45%	Rentability Sweden AB**	278,500	3.05%	ADB Invest AB	238,750	2.61%	Claes Pettersson***	206,250	2.26%	Espander Life Science Partner AB	205,000	2.24%	Lignin Invest AB	183,250	2.00%	Asperia AB	177,000	1.94%	<i>Other (68)</i>	<i>3,701,900</i>	<i>40.48%</i>	Total	9,143,520	100.0
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B.7	Selected financial information*	<p>NeoDynamics' financial information prepared in accordance with Sweden's Annual Accounts Act and the general advice of the Swedish Accounting Standards Board (BFNAR 2012:1 [K3]).</p> <p>NeoDynamics is not part of a group and neither does it have any subsidiaries. The accounting records in this prospectus therefore refer solely to NeoDynamics AB (publ), company registration number 559014-9117. The financial overview presents accounts obtained from the audited annual accounts for the last two financial years, January 1 – December 31, 2016 and January 1 – December 31, 2017, which are incorporated by reference. In addition, accounts are also included for the period January 1 – July 31, 2018 with comparison accounts for the period January 1 – July 31, 2017. The accounting records for the above-mentioned interim reports have been prepared with the specific aim of being included in this prospectus so as to give investors as up-to-date a picture of the company's financial position as possible, and they have been subject to a review by the company's auditors. Cash flow statements have also been prepared for all of the above-mentioned periods with the specific aim of being included in this prospectus. These statements have been subject to a review by the company's auditors. The prospectus also</p>																																							

includes a table of equity and net debt on July 31, 2018, which has not been reviewed by the company's auditors. This table has been prepared with the specific aim of being included in this prospectus so as to meet the requirement that information about net debt in a prospectus be no more than 90 days old.

In addition, alternative key ratios are presented in the prospectus. These financial key ratios have not been reviewed or audited by the company's auditors. NeoDynamics is of the opinion that these key ratios are widely used by certain investors, securities analysts and other interested parties as supplementary measures of profit development and financial position. The alternative key ratios are intended to help increase understanding of the company's financial position and provide a good overview of the company's financial state. The NeoDynamics key ratios that are not calculated in accordance with the company's accounting policies are not necessarily comparable with similar measures presented by other companies and are limited to some extent as a tool for analysis. Consequently, they should not be considered separately from, or as a substitute for,

(SEK thousand unless otherwise stated)	Jan. 1 2018- July 31 2018 7 months	Jan. 1 2017- July 31 2017 7 months	Jan. 1 2017- Dec. 31 2017 12 months	Jan. 1 2016- Dec. 31 2016 12 months
Income	12,780	3,997	11,298	7,840
Operating profit/loss	-6,587	-4,397	-7,473	-8,002
Profit/loss for the period/year	-7,634	-4,401	-7,477	-8,003
Operating margin (%)	Neg.	Neg.	Neg.	Neg.
Earnings per share (SEK)	-1.11	-0.67	-1.08	-1.21
Intangible assets	36,946	17,277	24,279	13,422
Property, plant and equipment	489	743	637	891
Current assets	8,082	11,495	11,161	19,157
Adjusted equity	23,873	28,203	26,706	31,005
Long-term liabilities	11,577	118	118	118
Current liabilities	10,067	1,193	9,252	2,348
Total assets	45,517	29,514	36,077	33,470
Equity ratio (%)	52.4	95.6	74.0	92.6
Net debt (%)	60.1%	-36.1%	-4.72%	-53.8%
Cash flow from operating activities	-8,917,805	-5,826,756	-2,873,275	-6,370,671
Cash flow	-5,422,373	-8,177,712	-10,745,565	11,347,613
Liquid funds	103,090	8,093,316	5,525,462	16,271,028
Dividend (SEK thousand)	0	0	0	0

Definitions and aims of key ratios

Operating margin:	Operating profit/loss divided by income. The operating margin aims to provide greater understanding of the company's development and is used to compare companies in the same industry.
Adjusted equity:	Equity plus 78% of untaxed reserves.
Equity ratio:	Adjusted equity divided by total assets. The equity ratio is intended to contribute to greater understanding of the company's long-term solvency.
Net debt:	Liabilities divided by equity. The net debt key ratio is used to describe the company's capital strength and to see the relationship between liabilities and equity.

Income statement

SEK	Jan. 1 2018- July 31 2018	Jan. 1 2017- July 31 2017	Jan. 1 2017- Dec. 31 2017 (Audited)	Jan. 1 2016- Dec. 31 2016 (Audited)
Net sales	-	30,021	15,139	10,690
Work performed by the company for its own use and capitalized	12,763,579	3,951,006	11,021,256	7,787,779
Other operating income	16,297	16,305	261,742	42,012
	12,779,876	3,997,332	11,298,137	7,840,481
<i>Operating expenses</i>				

Other external costs	-15 907 366	-5 290 929	-13,796,675	-10,973,900
Employee benefit expenses	-3,203,421	-2,855,890	-4,545,624	-4,469,347
Depreciation/amortization and write-downs of intangible assets and property, plant and equipment	-244,290	-244,290	-418,782	-395,085
Other operating expenses	-11,917	-3,555	-9,968	-4,031
Operating profit/loss	-6,587,118	-4,397,332	-7,472,912	-8,001,882
<i>Profit/loss from financial items</i>				
Interest income and similar profit/loss items	-	17	1,087	1,638
Interest expense and similar profit/loss items	-1,046,624	-3,835	-5,287	-2,842
Profit/loss after financial items	-7,633,742	-4,401,150	-7,477,112	-8,003,086
Profit/loss before tax	7 633 742	-4 401 150	-7,477,112	-8,003,086
Profit/loss for the year	-7,633,742	-4,401,150	-7,477,112	-8,003,086

Balance sheet

SEK	July 31 2018	July 31 2017	Dec. 31 2017 (Audited)	Dec. 31 2016 (Audited)
ASSETS				
Non-current assets				
<i>Intangible assets</i>				
Capitalized expenditure for development and similar	36,653,404	16,819,575	23,889,825	12,868,569
Concessions, patents, licenses, trademarks and similar rights	292,518	457,518	388,768	553,768
	36,945,922	17,277,093	24,278,593	13,422,337
<i>Property, plant and equipment</i>				
Equipment, tools, fixtures and fittings	488,870	742,652	636,909	890,691
	488,870	742,652	636,909	890,691
Total non-current assets	37,434,792	18,019,745	24,915,502	14,313,028
Current assets				
<i>Inventories etc.</i>				
Finished goods and goods for resale	794,120	1,470	531,237	-
Advance payments to suppliers	2,631,988	-	-	-
	3,426,108	1,470	531,237	-
<i>Current receivables</i>				
Accounts receivable	-	10,690	7,500	10,690
Current tax receivable	753,264	753,264	293,162	322,061
Other receivables	3,597,408	2,512,321	4,730,342	2,377,888
Prepaid expenses and accrued income	201,947	123,547	73,564	175,568
	4,552,619	3,399,822	5,104,568	2,886,207
<i>Cash and bank balances</i>	103,089	8,093,316	5,525,462	16,271,028
Total current assets	8,081,816	11,494,608	11,161,267	19,157,235
TOTAL ASSETS	45,516,608	29,514,353	36,076,769	33,470,263

Balance sheet, contd.

SEK	July 31 2018	July 31 2017	Dec. 31 2017 (Audited)	Dec. 31 2016 (Audited)
EQUITY AND LIABILITIES				
<i>Equity</i>				
<i>Restricted equity</i>				
Share capital	756,800	661,000	690,800	661,000
New share issue during registration	-	1,600,050		
Fund for development expenditure	31,572,614	11,738,785	18,809,035	7,787,779
	32,329,414	13,999,835	19,499,835	8,448,779
<i>Non-restricted equity</i>				
Share premium reserve	50,778,782	42,895,666	46,044,632	42,895,666
Profit/loss brought forward	-51,601,599	-24,290,658	-31,360,908	-12,336,566
Profit/loss for the year	-7,633,741	-4,401,150	-7,477,112	-8,003,086
	-8,456,558	14,203,858	7,206,612	22,556,014
Total equity	23,872,856	28,203,693	26,706,447	31,004,793
<i>Long-term liabilities</i>				
Other long-term liabilities	11,576,741	117,880	117,880	117,880
Total long-term liabilities	11,576,741	117,880	117,880	117,880
<i>Current liabilities</i>				
Accounts payable	5,290,759	82,367	2,366,444	884,701
Other current liabilities	1,955,517	289,653	4,986,982	317,058
Accrued expenses and deferred income	2,820,735	820,760	1,899,016	1,145,831
Total current liabilities	10,067,011	1,192,780	9,252,442	2,347,590
TOTAL EQUITY AND LIABILITIES	45,516,608	29,514,353	36,076,769	33,470,263

Cash flow statement

SEK	Jan. 1 2018– July 31 2018	Jan. 1 2017– July 31 2017	Jan. 1 2017– Dec. 31 2017 (Audited)	Jan. 1 2016 – Dec. 31 2016 (Audited)
Operating activities				
Profit/loss after financial items	-7 633 742	-4 401 150	-7,477,112	-8,003,086
Adjustment for items not included in cash flow etc.	244,290	244,289	448,583	395,084
	-6,342,828	-4,153,043	-7,028,529	-7,608,002
Cash flow from operating activities before changes in working capital	-7 389 452	-4 156 861	-7,028,529	-7,608,002
<i>Cash flow from changes in working capital</i>				
Increase(-)/Decrease(+) in inventories	-262,883	-1,470	-531,237	186,302
Increase(-)/Decrease(+) in operating receivables	-2,080,039	-513,615	-2,218,361	-83,987
Increase(+)/Decrease(-) in operating liabilities	814,569	-1,154,810	6,904,852	1,135,016
Cash flow from operating activities	-8,917,805	-5,826,756	-2,873,275	-6,370,671

Investing activities				
Purchase of intangible assets	-12,763,579	-3,951,006	-11,021,256	-7,787,779
Purchase of property, plant and equipment	-	-	-	-118,483
Cash flow from investing activities	-12,763,579	-3,951,006	-11,021,256	-7,906,262
Financing activities				
New share issue	4,800,150	1,600,050	3,148,966	25,506,666
Borrowings	11,458,861	-	-	117,880
Cash flow from financing activities	16,259,011	1,600,050	3,148,966	25,624,546
Cash flow for the year	-5,422,373	-8,177,712	-10,745,565	11,347,613
Liquid funds at the beginning of the year	5,525,463	16,271,028	16,271,027	4,923,415
Liquid funds at the end of the year	103,090	8,093,316	5,525,462	16,271,028

Important financial changes

NeoDynamics' financial information prepared in accordance with Sweden's Annual Accounts Act and the general advice of the Swedish Accounting Standards Board (BFNAR 2012:1 [K3]).

Income and operating profit/loss

Income 2017

NeoDynamics' income during the 2017 financial year amounted to SEK 11,298,137. It mainly comprised work performed by the company for its own use and capitalized, which totaled SEK 11,021,256.

Income 2016

Operating income for the 2016 financial year amounted to SEK 7,840,481. Also during this period income was mainly attributable to work performed by the company for its own use and capitalized, which totaled SEK 7,787,779. The difference between 2017 and 2016 in work performed by the company for its own use and capitalized can chiefly be explained by the continued product development of the commercial version of NeoNavia.

Operating result 2017

Operating profit/loss for the 2017 financial year was a loss and amounted to SEK -7,472,912. The figure was mainly affected by other external costs of SEK 13,796,675 (primarily attributable to product development) and employee benefit expenses of SEK 4,545,624, as well as depreciation/amortization and write-downs of intangible assets and property, plant and equipment which totaled SEK 418,782.

Operating result 2016

Operating profit/loss for the 2016 financial year was a loss and amounted to SEK -8,001,882. The figure for this period was mainly affected by other external costs of SEK 10,973,900 (primarily attributable to product development) and employee benefit expenses of SEK 4,469,347, as well as depreciation/amortization and write-downs of intangible assets and property, plant and equipment which totaled SEK 395,085. The difference between other external costs in 2017 and 2016 can mainly be attributed to rising product development costs.

Income 2018 (7 months)

The company's income for the period January 1 – July 31, 2018 amounted to SEK 12,779,876 and was mainly attributable to work performed by the company for its own use and capitalized. Net income during the period was 0, which is attributed to the fact that no sales occurred during the period.

Income 2017 (7 months)

Income for the corresponding period in the previous year amounted to SEK 3,997,332 and was also mainly attributable to work performed by the company for its own use and capitalized. The difference in work performed by the company for its own use and capitalized between the period January 1 – July 31, 2018 and the period January 1 – July 31, 2017 mainly related to rising product development costs.

Operating result 2018 (7 months)

Operating profit/loss for the period January 1 – July 31, 2018 was a loss and amounted to SEK -6,587,118. The figure was mainly affected by other external costs of SEK 15,898,277 (attributable to rising product development costs) and employee benefit expenses of SEK 3,203,421, as well as depreciation/amortization and write-downs of intangible assets and property, plant and equipment which totaled SEK 244,290.

Operating result 2017 (7 months)

Operating profit/loss for the corresponding period in the previous year was also a loss and amounted to SEK -4,397,332. The figure for this period was mainly affected by other external costs of SEK 5,254,306 (rising product development costs) and employee benefit expenses of SEK 2,855,890, as well as depreciation/amortization and write-downs of intangible assets and property, plant and equipment which totaled SEK 244,290. The difference in other external costs between the period January 1 – July 31, 2018 and the period January 1 – July 31, 2017 mainly related to rising product development costs.

Balance sheet and equity ratio

Balance sheet per 2017-12-31

On December 31, 2017, NeoDynamics' total assets equaled SEK 36,076,769, compared with SEK 33,470,263 at the end of the 2016 financial year. On December 31, 2017, the company's assets totaled SEK 36,076,769 and comprised non-current assets of SEK 24,915,502 and current assets of SEK 11,161,267. Cash and bank amounted to SEK 5,525,462. Capitalized expenditure for development and similar totaled SEK 23,889,825 on December 31, 2017. On December 31, 2016, the company's assets totaled SEK 33,470,263 and comprised non-current assets of SEK 14,313,028 and current assets of SEK 19,157,235, with cash and bank amounting to SEK 16,271,028. Capitalized expenditure for development and similar totaled SEK 12,868,569 at the end of 2016.

On December 31, 2017, NeoDynamics' equity equaled SEK 26,706,447, including SEK 690,800 of share capital. The corresponding accounts at the end of the previous year amounted to SEK 31,004,793, including SEK 661,000 of share capital. The company's long-term liabilities on December 31, 2017 amounted to SEK 117,880 and its current liabilities to SEK 9,252,442. At the same time the previous year, long-term liabilities amounted to SEK 117,880 and current liabilities to SEK 2,347,590. The difference in current liabilities between 2017 and 2016 can mainly be attributed to an increase in short-term loans which were later set off against shares. On December 31, 2017, the fund for development expenditure amounted to SEK 18,809,035 and profit/loss for the year totaled SEK -7,477,112. At the same time the previous year, the fund for development expenditure amounted to SEK 7,787,779 and profit/loss for the year totaled SEK -8,003,086. The difference in the fund for development expenditure between 2017 and 2016 can mainly be attributed to an increase in capitalization of product development costs. On December 31, 2017, the company's equity ratio was 74%, compared with 93% at the same time the previous year.

Balance sheet per 2018-07-31

NeoDynamics' total assets on July 31, 2018 amounted to SEK 45,516,608. Total assets at the end of the period chiefly comprised capitalized expenditure for development of SEK 36,653,404 and other receivables of SEK 3,597,408, mainly VAT and tax receivables and a deposition with a materials provider. Cash and bank at the end of the period was SEK 103,089. At the same time the previous year (i.e. on July 31, 2017), total assets amounted to SEK 29,514,353. Capitalized expenditure for development and similar totaled SEK 16,819,575 and cash and bank amounted to SEK 8,093,316. The difference in capitalized expenditure for development between these periods is mainly attributable to product development costs.

Equity totaled SEK 23,872,856 on July 31, 2018, of which share capital amounted to SEK 756,800. Equity totaled SEK 28,203,693 on July 31, 2017, of which share capital amounted to SEK 661,000. On July 31, 2018, the company's long-term liabilities amounted to SEK 11,576,741 and its current liabilities to SEK 10,067,011. At the same time the previous year, the company's long-term liabilities amounted to SEK 117,880 and its current liabilities to SEK 1,192,780. The difference in long-term liabilities between July 31, 2018 and July 31, 2017 can be attributed to convertible loans that were converted into shares in September. The difference in current liabilities between July 31, 2018 and July 31, 2017 can be attributed to accounts payable.

On July 31, 2018, the company's equity ratio was 52%, compared with 96% at the same time the previous year.

Cash flow

Cash flow from operating activities

Cash flow from operating activities before changes in working capital for the 2017 financial year amounted to SEK -7,028,529, which was an improvement on SEK -7,608,002 for the 2016 financial year. The improvement is mainly related to profit/loss after financial items. Profit/loss after financial items amounted to SEK -7,477,112 for the 2017 financial year, compared with SEK -8,003,086 for the 2016 financial year.

Cash flow from operating activities before changes in working capital for the period January 1 - July 31, 2018 amounted to SEK -7,389,452. Cash flow from operating activities before changes in working capital for the same period in the previous year (i.e. January 1 - July 31, 2017) amounted to SEK -4,156,861. The decrease is mainly related to profit/loss after financial items. Profit/loss after financial items amounted to SEK -6,587,118 for the period January 1 - July 31, 2018, compared with SEK -4,397,332 for the same period in the previous year.

NeoDynamics' cash flow from operating activities for the 2017 financial year amounted to SEK -2,873,275, compared with SEK -6,370,671 for the 2016 financial year. The improvement in cash flow from operating activities is due to an increase in operating liabilities. Cash flow from operating activities for the period January 1 - July 31, 2018 amounted to SEK -8,917,805, which is a decrease compared with SEK -5,826,756 for the same period in the previous year. The decrease is mainly due to increased operating receivables, which amounted to SEK -2,080,039 for the period January 1 - July 31, 2018, compared with SEK -513,615 for the same period in the previous year.

Cash flow from investing activities

Cash flow from investing activities for the 2017 financial year amounted to SEK -11,021,256, an increase compared with SEK -7,906,262 for the previous financial year. The difference can mainly be attributed to increased purchases of intangible assets in 2017. The company's cash flow from investing activities for the period January 1 - July 31, 2018 amounted to SEK -12,763,579. Cash flow from investing activities for the same period in the previous year (i.e. January 1 - July 31, 2017) amounted to SEK -3,951,006. The difference between these periods can also be attributed to increased purchases of intangible assets in 2018.

NeoDynamics' cash flow from financing activities for the 2017 financial year amounted to SEK 3,148,966, which was a significant decrease compared with SEK 25,624,546 for the previous financial year (2016). The decrease can be attributed to the new share issue entry, which amounted to SEK 3,148,966 for the 2017 financial year, compared with SEK 25,506,666 for the previous financial year. Furthermore, a loan of SEK 117,880 was raised in 2016.

Cash flow from financing activities

Cash flow from financing activities for the period January 1 – July 31, 2018 amounted to SEK 16,259,011, which was an increase on the same period in the previous year (i.e. January 1 – July 31, 2017), when cash flow from financing activities totaled SEK 1,600,050. The main entries that affected cash flow from financing activities in the period January 1 – July 31, 2018 are borrowings of SEK 11,458,861, which are related to issuing convertibles, and a new share issue of SEK 4,800,150, which is related to raising capital during the period.

Cash flow 2017 (12 months)

In the 2017 financial year, cash flow amounted to SEK -10,745,565 and liquid funds at the end of the year amounted to SEK 5,525,462. This was a decrease on the 2016 financial year when cash flow amounted to SEK 11,347,613 and liquid funds at the end of the year amounted to SEK 16,271,028.

Cash flow 2018 (7 months)

Cash flow for the period January 1 – July 31, 2018 amounted to SEK -5,422,373 and liquid funds at the end of the period amounted to SEK 103,090. In the previous period, January 1 – July 31, 2017, cash flow amounted to SEK -8,177,712. Liquid funds at the end of the period equaled SEK 8,093,316.

Financial resources and financial structure

On July 31, 2018, the equity ratio was 52%. Current liabilities totaled SEK 10,067,011,000, of which accounts payable amount to SEK 5,290,759. Long-term liabilities amounted to SEK 11,576,741 and mainly comprise convertible loans. The board's appraisal is that NeoDynamics' short-term solvency (<12 months) is strained. The company needs a capital injection for its solvency to be considered good in the longer term (>12 months), taking into account that the company's future plans require capital.

B.8	Pro forma accounts	Not applicable. The prospectus does not contain any pro forma accounts.
B.9	Profit forecast	Not applicable. The company does not make profit forecasts.
B.10	Qualifications in the auditor's report	Not applicable. There are no qualifications in the auditor's report.
B.11	Insufficient working capital	According to the board's assessment the existing working capital is insufficient for current needs for the following 12 months, commencing from the date of this prospectus. The deficit is approximately SEK 32 million. A need for working capital is expected to arise in December 2018. In order to provide the company with working capital to run the company at the desired pace for at least 12 months ahead, NeoDynamics is currently issuing units, which may initially raise approximately SEK 50.5 million before issue costs of approximately SEK 3.8 million. Approximately SEK 15.5 million of the issue funds has been paid to the company up-front through a bridge finance which will be set-off against units in the initial issue. The net proceeds from the initial issue is thus approximately SEK 31.2 million. In order for the company to be provided with sufficient working capital and resolve bridge loans of approximately SEK 15.5 million which will be set-off against units in the issue the company must – after financing issue expenses – be provided with SEK 50.5 million (of which SEK 15.5 million has been paid in advance through bridge finance) through the issue described in this prospectus. In case the initial issue is fully subscribed and all of the attached free warrant are exercised (which will provide the company with total issue funds of approximately SEK 75.8 million before issue costs of approximately SEK 3.8 million), it is the assessment of the board that the operations will be financed until 2020. The board assesses that the Company, after this point in time, will have sufficient revenue to the extent that no further capital injections will be needed to reach the set company goals. NeoDynamics has obtained subscription commitments for a total of approximately SEK 31 million and a free guarantee subscription of SEK 6 million. Subscription commitments and the free guarantee subscription totals approximately SEK 37 million, which equates to about 73% of the issue volume. Of these, SEK 15.5 million has been paid in advance through bridge finance. However, the rest of the commitments have not been secured via advance transactions, bank guarantees or similar. In the case that one or more subscribers do not fulfil their commitments, the company may not be provided with the SEK 50.5 million before the issue expenses have been financed. In this case, the company will retract the offer and examine alternative financing opportunities, such as further raising of capital, subsidies or financing with one or more business partners, or it may run the operations at a lower rate than expected until further capital can be acquired. In the case that NeoDynamics

		is not provided with at least approximately SEK 50.5 million in the new share issue and all alternative financing opportunities fail, there is a risk that the company must significantly revise its development plans, which may delay development of the company's operations. By extension, there is a risk that if all financing opportunities fail, the company will be declared bankrupt.
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Section C – Securities

C.1	Type of security	NeoDynamics shares with ISIN code SE0011563410 and TO 1 series warrants with ISIN code SE0011725605 will be the subject of trading on Spotlight. The shares and warrants are being issued in accordance with the Swedish Companies Act. The short name for the share is NEOD.
C.2	Currency	The shares are denominated in Swedish kronor.
C.3	Shares issued and paid in	The number of shares in NeoDynamics totals 9,143,520. The quota value is SEK 0.10. All of the shares are issued and fully paid in.
C.4	Rights	All of NeoDynamics' shares entitle the holder to a dividend. The dividend is noncumulative. The entitlement to a dividend accrues to investors who are registered shareholders in the company on the record day for the dividend. Any dividend is intended to be made via Euroclear Sweden AB. All shares in stock carry the same entitlement to dividends and any surplus in the event of liquidation. Each share in the company entitles the holder to one vote at the annual general meeting, and each shareholder is entitled to vote for the full number of shares it holds without limitation. All shares give the shareholder the same preferential right in an issue of warrants and convertibles in relation to the number of shares held by the shareholder.
C.5	Any restrictions	Not applicable. There are no restrictions on the free transferability of shares in the company.
C.6	Trading on regulated markets	Not applicable. The shares and attached warrants which are being newly issued in this issue will be traded on Spotlight, which is not a regulated market.
C.7	Dividend policy	NeoDynamics has not paid any dividend to date. The company is in a development phase and the main plan is to invest any surplus in the company's development.

Section D – Main risks

D.1	Risks associated with the company or industry	<p><i>A number of risk factors could have a negative impact on NeoDynamics' operations and industry. As a result, it is very important to consider relevant risks alongside the company's growth opportunities. Naturally it is not possible to assess all of the risk factors, but an overall evaluation of the company's operations has been carried out together with a general analysis of external factors.</i></p> <p><u>Brief history</u> NeoDynamics was founded in 2015 and the NeoNavia biopsy system began being developed back in 2012. The company's contacts with customers and suppliers alike are relatively newly established. It is not possible to evaluate the relationships with customers and suppliers in advance, and there is a risk that long-term, stable customer and supplier relations cannot be established, which could mean that commercialization and income are delayed or fail to materialize. There is a risk of the company being adversely affected by income failing to materialize either wholly or in part.</p> <p><u>Financing requirements and capital</u> NeoDynamics' planned product development, expansion and offensive marketing initiatives entail considerable costs for the company. There is a risk of delays to market breakthroughs in new markets resulting in decreases in profit for the company. There is a risk that any delays in product development will mean that cash flow is generated later than planned. There is a risk that NeoDynamics may need to raise further capital in future and that it cannot acquire any further capital. There is also a risk</p>
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that this will mean that development temporarily ceases or that the company will be forced to run its operations at a lower rate than intended, which could lead to commercialization and income being delayed or failing to materialize.

Non-secured subscription commitments and guarantees

The company has agreed subscription commitments and no-fee guarantee commitments in writing with a number of different parties for the forthcoming new share issue. However, subscription commitments and no-fee guarantee commitments have not been secured via advance transactions, bank guarantees or similar. In the case that one or more of the parties who made subscription commitments or no-fee guarantee commitments fail to fulfil the commitment agreed in writing, there is a risk of a negative impact on the outcome of the issue, which in turn may have an adverse effect on the company's operations through fewer financial resources to run the operation in future.

Suppliers and manufacturers

NeoDynamics collaborates with suppliers and manufacturers. If one or more of the company's suppliers or manufacturers choose to stop collaborating with the company there is a risk of this having a negative effect on the business's sales and earnings. There is also a risk that NeoDynamics' suppliers and manufacturers will fail to meet the quality requirements set by the company. There is a risk that establishing new suppliers or manufacturers will be more costly and/or take longer than the company expects. This runs the risk of the company's operations being adversely affected. In the event that a collaboration with a supplier or manufacturer ceases, there is a risk that NeoDynamics will need to spend resources on establishing new collaborations. There is a risk that such a process will be costly and that the company's operating profit will decrease as a result. There is also a risk that the company will be unable to replace a supplier that has cancelled its agreement, which may lead to NeoDynamics' cash flow decreasing or failing to materialize.

Registration and permits from authorities

To be able to market and sell equipment for diagnostics, the company must obtain permits and register with the relevant authority in each market, such as the FDA in the US and the EMA in Europe. In the case that NeoDynamics, either directly or via business partners, does not manage to acquire the necessary permits and registrations from authorities, there is a risk of NeoDynamics' being restricted in its ability to generate income. There is also a risk that views on the company's proposed structure for its planned future studies will result in delays and/or increased costs for the company. The rules and interpretations that apply today may be changed. There is a risk that this could affect the company's conditions for meeting official requirements. There is, therefore, a risk that NeoDynamics, either directly or via business partners, will not obtain the necessary permits and registrations from authorities. If the company does not obtain the necessary permits and registrations from authorities, there is a risk of the company's earning power and financial position being adversely affected.

Market growth

NeoDynamics plans to expand on a large scale in coming years, in part by increasing its market share in the countries and regions in which the company is already established and in part by establishing itself in new countries and regions. There is a risk of delays in the company establishing itself and therefore of loss of income. Fast growth could mean that the company will acquire other companies. There is a risk of a lack of synergy effects and a lack of success in integration work having a negative impact on both the company's operations and its earnings. There is also a risk of fast growth leading to problems on an organizational level. Furthermore, there are risks in recruiting the right staff, and difficulties can arise in successfully integrating new staff into the organization.

Development costs

NeoDynamics will also develop new products and further develop existing ones in its business area in future. It is not possible to predict the exact time and cost aspects of product development. This runs the risk that planned product development will be more costly than planned. There is a risk of the above having negative consequences for the company's operations and earnings. If developing a new product takes longer than

		expected, there is a risk that this will lead to higher development costs and therefore lower operating profit for the company.
D.3	Risks associated with the shares	<p><i>A number of risk factors could have a negative impact on NeoDynamics' shares and warrants. Below is a presentation of the main risks associated with shares and warrants.</i></p> <p><u>No previous public trading in the shares</u> There is a risk that active, liquid trading in NeoDynamics' shares will not develop and, thereby, a risk that shareholders will not be able to sell their shares or that shareholders may only be able to sell their shares at a loss. There is also a risk that the price of the shares may be subject to considerable fluctuations. Above all, the price of the shares may be affected by changes in supply and demand, fluctuations in earnings, the ability to effect changes in profit, changes in the general economic situation, changes to laws and regulations and other factors. There is also a risk of general volatility on the stock market leading to downward pressure on share prices.</p> <p><u>Variations in share price</u> There is a risk of NeoDynamics' share price fluctuating greatly when it is introduced on Spotlight. Variations in share prices may arise from large changes in buying and selling volumes and may not necessarily be linked to NeoDynamics' underlying value. There is a risk of variations in the share price having a negative impact on the NeoDynamics share price.</p> <p><u>Psychological factors</u> There is a risk of the securities market being influenced by psychological factors such as trends, rumors and reactions to news that are not directly linked to the marketplace etc. There is a risk of NeoDynamics' shares being influenced in the same way as all other securities that are traded on various lists. There is a risk of psychological factors and their effects on how share prices develop having a negative impact on the NeoDynamics share price.</p> <p><u>Sales of shares by major shareholders, board members and senior executives</u> Major shareholders, the CEO, the board and employees of NeoDynamics have undertaken not to sell more than 10% of their ownership within one (1) year of listing on Spotlight via a lock-up commitment. Notwithstanding the provisions of the lock-up agreements, the parties who have entered into lock-up agreements may sell shares in accordance with the terms of a public takeover bid in accordance with Sweden's Stock Market (Takeover Bids) Act (Swedish: Lag om offentliga uppköpserbjudanden på aktiemarknaden [2006:451]). In the longer term there is a risk of parties who have entered into lock-up agreements selling part or all of their holdings in the company. There is a risk of this having a negative impact on the NeoDynamics share price.</p> <p><u>Marketplace – Spotlight</u> NeoDynamics has been approved for admission to trading on Spotlight, a secondary name for ATS Finans AB – a securities company under the supervision of Sweden's financial supervisory authority Finansinspektionen – provided that the minimum threshold in the new share issue and the marketplace's diversification requirements are met. Spotlight operates a multilateral trading facility (MTF). Companies whose shares are traded on Spotlight are not covered by all the statutory requirements that apply to a company listed on a regulated market. However, there is a risk that trading in shares listed outside of a regulated market will carry more risks.</p> <p><u>Dividend</u> NeoDynamics has not paid any dividend to date. The company is in an introductory expansion and development phase and the main plan is to invest any surplus in developing NeoDynamics. There is a risk that future cash flows will not exceed the company's capital requirement and/or that future general meetings of shareholders will not decide to pay dividends.</p>

Section E – Offering

E.1	Issue income and issue expenses	The initial issue volume totals SEK 50.5 million before issue expenses. If the attached warrants are exercised in full, the company will receive a
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		further SEK 25.3 million before issue expenses. The total issue expenses for the initial issue and redemption of the attached warrants are estimated at approximately SEK 3.8 million. Net income from a fully subscribed issue and full exercise of the attached warrants is therefore approximately SEK 72 million.
E.2a	Reasons and use of the issue proceeds	<p>The board deems the existing working capital intended to finance costs in the operating activities and settle bridge loans of approximately 15.5 million which will be set-off against units in the issue, to be insufficient for current needs for the following 12 months, commencing from the date of this prospectus. The deficit is approximately SEK 32 million. A need for working capital is expected to arise in December 2018. In order to provide the company with working capital, NeoDynamics is currently issuing units, which may initially raise approximately SEK 50.5 million before issue costs and totally SEK 75.7 million before issue costs if the warrant that will be issued are fully exercised for subscription of shares in the end of 2019.</p> <p><u>Use of proceeds from the initial issue</u> The intention is to use the net proceeds from the initial issue, approximately SEK 48 million after issue expenses have been financed, to fund the following, in order of priority:</p> <ul style="list-style-type: none"> • Final development of the commercial version of the NeoNavia biopsy system. This includes completing the technical design and prototypes, as well as validation of the system followed by work to apply for and obtain CE-certification so that the product can be put on the market – 33 percent • Settlement of debts to loan givers who has subscribed for shares and agreed to off-set their bridge loans to the Company – 32 percent • Two clinical studies that NeoDynamics intends to carry out relating to biopsy of axillary lymph nodes in around 140 breast cancer patients in Germany and around 100 patients in the UK. The aim of the studies is to achieve independent validation of the system's performance in biopsy cases that are particularly difficult to reach and sensitive – 7 percent. • Marketing and launch costs – 7 percent. • Other costs and running of the company – 21 percent. <p><u>Use of proceeds from redeeming warrants</u> The intention is to use the net proceeds from redeeming the warrants, approximately SEK 24 million after issue expenses have been financed, to fund the following, in order of priority:</p> <ul style="list-style-type: none"> • Ongoing running of the company – 36 percent. • Launch of NeoNavia in the US and in China with partner – 32 percent. • Investments and potential development and launch of biomarker clips (see the section "<i>Potentiell utveckling av biomarkeringsclips</i>" in the Swedish prospectus for more information) – 18 percent. • Carrying out clinical studies in the US and China – 14 percent. <p>If the issue of units is not fully subscribed, the company intends to withdraw the offer and examine alternative financing opportunities, such as further raising of capital, subsidies or running its operations at a lower rate than expected until further capital can be acquired. In the case that NeoDynamics is not provided with at least approximately SEK 50.5 million before issue expenses in the initial share issue and all alternative financing opportunities fail, there is a risk that the company must significantly revise its development plans, which may delay development of the company's operations. By extension, there is a risk that if all financing opportunities fail, the company will be declared bankrupt.</p>
E.3	Terms and conditions of the offer	<p>The offer Existing shareholders, the public and professional investors are hereby invited to subscribe to units in NeoDynamics in the period from October 31, 2018 to November 14, 2018 inclusive at an issue price of SEK 16.40 per unit. A unit comprises two (2) shares and one (1) free warrant in series TO 1. One (1) warrant entitles the holder to subscribe to one (1) new share at</p>

SEK 820 during the subscription period, which may take place in the period from November 5, 2019 to November 26, 2019 inclusive.

The issue encompasses up to 6,160,000 shares and 3,080,000 warrants. The total issue amount equals up to SEK 50,512,000.00 before issue expenses. The established minimum level for carrying out the issue is 6,160,000 shares, equivalent to SEK 50,512,000.00. If the issue is fully subscribed and all attached warrants are exercised, NeoDynamics will be provided with a further SEK 25,256,000.00. The issue is being carried out without preferential rights for existing shareholders. The reason for waiving shareholders' preferential rights is to enable NeoDynamics to broaden its ownership and bring NeoDynamics working capital to develop and expand its operations.

Units

The shares and warrants relating to the offer are NeoDynamics' shares, ISIN code SE0011563410, and warrant, ISIN code SE0011725605. The shares and warrants are issued in accordance with Swedish law and traded in Swedish kronor.

Issue price

The issue price is SEK 16.40 per unit. No commission is charged. The issue price has been set by the board and is based on the assessed market value. The minimum lot size is 375 units, which equates to SEK 6,150.00, after which investors can subscribe to any number of units.

Subscription period

Units can be subscribed to in the period from October 31, 2018 to November 14, 2018 inclusive.

Valuation

NeoDynamics' valuation amounts to approximately SEK 75.0 million (pre-money).

Terms and conditions for warrants

Ownership of one (1) series TO 1 warrant entitles the holder to subscribe to one (1) newly issued share at a price of SEK 820 to a valuation of approximately SEK 125.5 million. Subscription to shares via the warrants is expected to take place in the period from November 5, 2019 to November 26, 2019 inclusive.

Subscription application forms and payment instructions will be available on NeoDynamics' website www.neodynamics.se.

The full terms and conditions for warrants are described in the section entitled "Full terms and conditions for warrants" in this prospectus.

Note that warrants that are not exercised during the set subscription period will be removed from the securities account or deposit account.

Publication of the outcome of a new share issue

NeoDynamics will publish the outcome of the offer as soon as possible after the close of the subscription period. The outcome is expected to be announced in mid-November 2018 in a press release, which will be available on the NeoDynamics website.

Allotment

NeoDynamics' board will decide how units are allotted using the following principles:

- a) giving parties who made subscription commitments their full allotment;
- b) observing that it is essential to diversify NeoDynamics' ownership circle before its planned listing and, where possible, the board seeing to it that each subscriber receives a minimum of 375 units;
- c) creating scope for investment for certain parties who, in the board's assessment, can in particular help with strategic values for the company or form part of the company's financial advisor's network of investors

		<p>(however, a maximum of 10% of the issue sum in the event of oversubscription);</p> <p>d) units being allotted to underwriters in relation to the size of the guarantee commitments pledged and, where this is not possible, through lots.</p> <p>Note that in the event of oversubscription, the board decides how units are allotted, which means that fewer or none of the units in an application may be allotted when allotment may be wholly or partially through random selection. Units are not allotted on the basis of when applications are submitted during the application period.</p> <p>Allotment – via Nordnet Investors who have subscribed via Nordnet’s online service will be notified of the allotment with direct payment from the specified Nordnet deposit account, which is expected to take place in mid-November 2018.</p> <p>Other information The board of NeoDynamics reserves the right to extend the subscription period and the payment period. The offer is conditional upon no circumstances arising that could mean that the timing of carrying out the issue is deemed unsuitable and upon the set minimum level and ownership diversification requirements being met. Such circumstances could, for example, be of an economic, financial or political nature and could refer either to circumstances in Sweden or abroad or to circumstances where the board of NeoDynamics deems there to be insufficient interest in participating in the issue. In such cases, the board will not carry out the issue. If the offer is cancelled, this will be announced in a press release before the transaction notes are sent out at the latest, which is expected to be in mid-November 2018.</p>
E.4	Interested parties and any conflicts of interest	<p>Sedermera Fondkommission (“Sedermera”) is a financial advisor and issuing agent for the company in connection with the issue of units described in this prospectus. Sedermera does not own any shares in the company but has the right to subscribe to units in the issue described in this prospectus on the same terms as other subscribers. As of December 15, 2013, Sedermera and Spotlight are separate and independent secondary names for ATS Finans AB (previously, as of March 2010, Sedermera and Spotlight were fellow subsidiaries in the same group). ATS Finans AB is a securities company under the supervision of Sweden’s financial supervisory authority, Finansinspektionen. The association between Spotlight and Sedermera entails a potential conflict of interest. Spotlight in particular must take this into account in its listing process and market supervision.</p> <p>NeoDynamics’ principal owner, board members and senior executives have made subscription commitments for this issue of units. The subscription commitments made are described in more detail under the section “Subscription commitments and no-fee subscription guarantees” in this prospectus. Furthermore, the company’s board members own shares of stock in NeoDynamics. The shareholding for each person is presented in more detail in the section “Board and senior executives” in this prospectus.</p> <p>In connection with the issue described in this prospectus, NeoDynamics has signed an agreement regarding a no-fee subscription guarantee with Boai NKY Medical Holdings Ltd. Under this agreement no compensation is paid to the signatory of the guarantee. For more detailed information about this agreement, see the section “Subscription commitments and no-fee subscription guarantees” in this prospectus.</p> <p>Since January 2018, NeoDynamics has purchased consultancy services on market terms from Xiao-Jun Xu, who is also a board member of NeoDynamics. The consultancy services relate to expertise and practical experience in the field of breast cancer diagnostics, as well as treatment in relation to the Chinese market. This creates a potential conflict of interest. Before invoices from Xiao-Jun Xu are paid by NeoDynamics, they have to be approved in accordance with NeoDynamics’ guidelines on approving invoices. There are no further conflicts of interest within the administrative, management and control bodies or with other people in senior positions at NeoDynamics, neither are there any other natural</p>

		persons or legal entities involved in the issue that have an economic or other relevant interest in NeoDynamics.
E.5	Seller of the securities and lock-up agreement	<p>On the date of this prospectus, the parties mentioned below have entered into lock-up agreements regarding their respective total holdings in NeoDynamics ahead of the planned new share issue. This means that they have undertaken not to sell more than 10% of their ownership within one (1) year of listing on Spotlight.</p> <ul style="list-style-type: none"> • Boai NKY Medical Holdings Ltd. China (principal owner) • M2 Capital Management AB • Gryningskust Holding AB • Jörgen Vrenning (CFO and board member) • Claes Pettersson (board member) • Rentability Sweden AB (wholly owned by Chairman of the Board Ingrid Salén) • Ivaria AB • Magnus Olsen (Chief Development & Operations Officer) • Kai-Uwe Schässburger (Director Clinical Development & Medical Affairs) • Anna Eriksrud (Chief Executive Officer) <p>In addition to the above-mentioned parties, the Chairman of the Board of NKY Medical Holding Ltd. Fang Huasheng, intends to enter a lock-up agreement not to sell more than 10% of his ownership in the company (which in its entirety comprises the above-mentioned subscription commitment) within one (1) year of listing on Spotlight. At the time of preparing this prospectus, approximately 54% of the existing votes and capital in the company are covered by lock-up agreements.</p>
E.6	Dilution	<p><u>Initial dilution from a fully subscribed issue</u> If the issue is fully subscribed, the number of shares in stock will increase by 6,160,000. This is a potential dilution of approximately 40.25% for existing shareholders who do not subscribe to shares in the issue described in this prospectus.</p> <p><u>Further dilution from full exercise of series TO 1 warrants</u> In relation to the initial issue, attached series TO 1 warrants are being issued, which upon full exercise will increase the number of shares in stock by a further 3,080,000. If the issue is fully subscribed, the warrants are fully exercised and there are no other changes to share capital before the warrants are exercised, this will equate to a dilution approximately of a further 16.8%.</p> <p><u>Further dilution from full exercise of existing incentive programme</u> Apart from the above mentioned, NeoDynamics has an existing incentive programme consisting of warrants of series 2018/2021, which has been issued to leading executives in the Company, which at full utilisation will increase the number of shares by a further 550 000. In case of a fully subscribed initial issue and full utilisation of the series TO 1 warrants, the full exercise of the series 2018/2021 warrants will equate to a dilution approximately of a further 2.9% for existing shareholders.</p> <p><u>Total dilution from a fully subscribed issue and fully exercised warrants</u> A fully subscribed issue, fully exercised series TO 1 warrants and fully exercised series 2018/2021 warrants will increase the number of shares by 9,790,000, equating to a total dilution of approximately 51.7%. Apart from the above mentioned, there is an earlier incentive programme consisting of 6 000 warrants which are subject to a re-calculation as a result of earlier share issues and share splits. Investors are advised to observe that further dilution will happen in case of a fully exercised incentive programme. This dilution cannot be calculated at this time because the re-calculation has not yet been made.</p>
E.7	Costs for the investor	Not applicable. No costs are charged to the investor.