

Q3  2019
QUARTERLY REPORT

DIGNITANA
Clinically superior scalp cooling

Global expansion is underway

Third quarter marks a major turning point
in the Company's transition

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Third quarter marks a major turning point in the Company's transition

Financial highlights

- Group revenue amounted to 10,374 TSEK, 1,068 KUSD, an increase of 1 percent over the same period 2018.
- Year to date Group revenue was 32,484 TSEK, 3,446 KUSD, an increase of 28 percent over the same period 2018.

Business highlights

- Following FDA clearance, the first DigniCap Delta contract in the U.S. was signed with large healthcare provider Atrium Health.
- University of California, San Francisco (UCSF) received the first U.S. installation of DigniCap Delta.
- Dignitana secured funding of SEK 42 million in a directed new issue of units in order to accelerate growth plans and global roll out of new DigniCap Delta.
- The Therapeutic Goods Administration approved DigniCap Delta for sales in Australia.

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Significant events after the reporting period

- Dignitana signed a new distributor, AMI Medical Technologies in Israel, as well as a contract for the sale of the first DigniCap Delta devices in the country.
- Dignitana sold the first DigniCap Delta units in Australia through longtime distribution partner Aurora BioScience.
- A master contract was signed with a large U.S. healthcare provider to place DigniCap Delta in up to 11 locations in the Midwest region.
- Start of fourth quarter shows strong demand.

Key Figures

DIGNITANA GROUP	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Full year 2018
Net revenue, TSEK	9 945	10 166	31 127	25 039	33 742
Total revenue, TSEK	10 374	10 293	32 484	25 303	34 075
Net profit after financial items, TSEK	(10 146)	(6 349)	(22 890)	(20 651)	(25 846)
Cash and bank balances, TSEK	40 518	4 562	40 518	4 562	22 161
Earnings per share before and after dilution, SEK	(0,21)	(0,16)	(0,48)	(0,51)	(0,66)

DIGNITANA AB	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Full year 2018
Net revenue, TSEK	6 166	6 810	20 741	18 537	24 849
Total revenue, TSEK	6 596	6 937	22 098	18 800	25 392
Net profit after financial items, TSEK	(6 104)	(5 975)	(14 252)	(19 933)	(25 796)
Cash and bank balances, TSEK	39 172	3 645	39 172	3 645	19 519

"DigniCap Delta is a major leap forward in scalp cooling technology. The superiority of the new unit allows us to move forward with a new business model and an aggressive growth plan."

William Cronin, CEO, Dignitana AB

Building momentum for expansion

The third period was characterized by the introduction of DigniCap Delta at new facilities, the transition of existing customers to the device and the implementation of the new business model. In order to secure funding for our global roll out, we successfully performed an issue of new units to a slate of new investors. As a result, we now have a financially solid and useful capital structure to provide momentum for future expansion.

Well received with growing demand

DigniCap Delta was engineered to be superior to the C3 device. It is easier for clinicians to use, requires less nursing time and provides a more secure fit so that patients keep more hair. DigniCap Delta has been well received by clinicians and patients. The FDA clearance granted late second quarter paved the way to upgrade existing customers to the new device and we are well ahead of our distribution plan. High usage sites are the priority for this transition as they have the greatest need for an upgrade, but the introduction of the new device takes time. Installation and training require customers to set aside staff time and this can be a limiting factor before the Delta unit is operational and fully utilized.

Delta units are now being produced as aggressively as our manageable resources allow. The upgrade process to DigniCap Delta is ongoing and as a result our sales during the third period do not reflect the high market demand. The focus is fully on Delta now, and we have discontinued the manufacture of the C3 unit but will continue to service C3 for five years from purchase.

Clearance in priority markets and rapid development in the U.S.

DigniCap Delta now has regulatory clearance in the U.S., European Union, Australia and Israel, with Delta units already operational and utilized daily in the U.S., U.K., and Italy. We are working with our global distribution partners to address the complexities of local healthcare market conditions.

Our primary focus is the U.S., which is the world's largest health care market. Optimizing utilization is an important factor in driving our sales and growth. Partnering with multi-site cancer centers, we can increase utilization and gradually add more units and locations within that group's network. During the period we signed 1 new master contract for up to 15 sites and added 5 new sites under existing master agreements.

To support global growth, we increased our presence in the U.K. and added resources to our global sales organization. In Japan, we delivered the Delta for evaluation to our partner Konica Minolta and anticipate clearance by the Pharmaceuticals and Medical Devices Agency in 2020.

Strategic new clinical studies

Our partner in Asia, Konica Minolta, is managing the clinical trial at Beijing University and we are expecting preliminary

results in 2020. Additional clinical studies are planned to start in the first half of 2020. The new studies are of strategic value as they are designed to prove significant superiority of DigniCap versus competitive scalp cooling systems and will expand our clinical indication to a wider group of patients.

New business model provides additional revenue

The new business model has been met with enthusiasm by both facilities and patients. Patients now purchase their own personal cap and bring it to each treatment. As we continue to phase out the C3, the revenue stream from the sale of Delta disposables will increase over time. In markets where the pay-per-treatment fee is not applicable (i.e., public health systems), we are migrating to a pay - per-patient model through the sale of single patient cap systems.

Secured funding for global expansion

To transition into the ambitious growth and roll out phase of DigniCap Delta, Dignitana used the mandates granted by the Annual General Meeting 2019. This allowed the Company to move forward and secure SEK 42 million in a directed new issue of units as a means of meeting our long-term financial goals.

With the new issue of units, a more diverse ownership base and our existing credit facility with Union Business Leasing, our capital structure is stronger and will allow us to execute our global expansion strategy and continue to build momentum and grow.

Moving forward

The pace of our operations has been high during the third quarter and I don't expect it to slow down in the foreseeable future. DigniCap Delta is a major leap forward in scalp cooling technology. We can now create a mutually beneficial business model with our partners so that as many patients as possible can be offered this important therapy option. I am proud to be a part of this exciting journey as we continue to change the lives of cancer patients every day.



A handwritten signature in blue ink, reading "William Cronin". The signature is fluid and cursive, with a large initial 'W' and 'C'.

William Cronin, CEO
Dignitana AB

About Dignitana

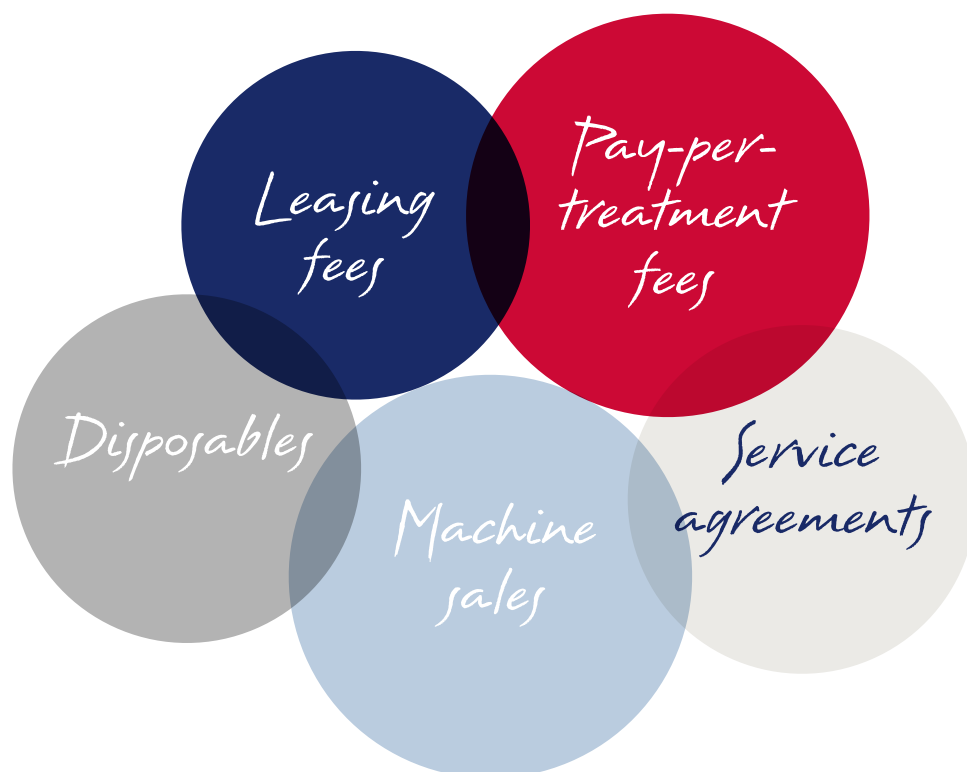
Dignitana is a medical technology Company based in Lund, Sweden and publicly traded on Nasdaq First North Growth Market. The Company produces The DigniCap Scalp Cooling System, a patented medical cooling device that offers cancer patients the ability to minimize hair loss during chemotherapy to improve well-being and quality of life. The DigniCap Scalp Cooling System was invented in 1999 by a Swedish oncology nurse.

DigniCap has been on the market in Europe since 2001 and has had FDA clearance since 2015 to provide continuous scalp cooling with high efficacy, safety and acceptable patient comfort. In 2017 Dignitana received an expanded

clearance from the FDA allowing DigniCap to be used by patients receiving chemotherapy to treat solid tumors from breast cancer as well as those from prostate, ovarian, uterine, lung and other tissues. Earlier in 2019 Dignitana received CE Marking and FDA clearance for sales of DigniCap Delta, the next generation scalp cooling device. During the third quarter Dignitana received TGA approval for sales in Australia. DigniCap is now available in Australia, Europe, the Middle East, North America and South America.

Business model

The company has five primary revenue streams: treatment fees from patients (pay-per-treatment using leased machines), machine sales, service agreements, leasing fees and product disposables and supplies. In the United States the largest opportunity for growth is through the pay-per-treatment model. For global markets that do not have a pay-per-treatment model, the focus is on creating a more sustainable recurring revenue stream from unit sales, lease agreements, service and maintenance fees, and sales of product disposables and supplies.



The market

The market

DigniCap minimizes chemotherapy-induced hair loss for cancer patients with solid tumors. Globally there are over 12 million incidences of solid tumors diagnosed annually, with more than 1.3 million diagnoses occurring in the U.S. each year. Dignitana estimates that 60 percent of these patients are on regimens compatible with DigniCap. Scalp cooling is primarily used today during the treatment of breast cancer, the most common type of cancer in women worldwide with over 1.7 million cases of breast cancer diagnosed annually. Scalp cooling is also used by patients with other solid tumors such as ovarian, uterine, endometrial, cervical, and prostate cancers.

To increase awareness of scalp cooling we work strategically with different organizations and interest groups in the cancer care community. Today, scalp cooling is not a standard option for cancer care especially in the U.S. The acceptance, market penetration and utilization of this treatment vary widely, providing significant opportunities for Dignitana all over the world. For example, Dignitana is supporting legislative initiatives in the U.S. to make scalp cooling readily accessible for all patients.

Expanding the knowledge base of the science of scalp cooling is an important priority for the Company. During the third quarter, an Italian study presented at the European Society of Medical Oncology Congress demonstrated scalp

cooling success with DigniCap in 72.7 percent of breast cancer patients. We are in discussions to initiate several new studies that could expand usage to new user groups and show improvements with existing regimens that have exhibited inferior results with scalp cooling previously.

Market development

The DigniCap Scalp Cooling System is clinically proven to reduce hair loss in cancer patients undergoing chemotherapy for solid tumors. The new DigniCap Delta model is a smaller, single-patient device providing optimal outcomes and improved ease of use for clinicians and patients.

DigniCap Delta received clearance from the U.S. Food and Drug Administration on June 26, 2019. Installation of DigniCap Delta is now underway at sites in the U.S. and the roster of new U.S. customers is growing at a rapid pace. Following CE Marking approval in March 2019, Dignitana initiated sales of DigniCap Delta in Europe, with the first European device installed at Gemelli University Hospital in Rome in June 2019. During the third quarter, the DigniCap Delta has also been delivered and installed at several hospitals in U.K.



Financial information and comments

Revenue – Dignitana Group

The financial development of the third quarter reflects the transition to the new Delta unit, which was leased to U.S. locations beginning in the third quarter and became available for sale outside of the U.S. in the fourth quarter. For the third quarter, Group revenue outside of the U.S. was impacted by the lack of C3 units available for sale. In 2017, the manufacture of new C3 units was discontinued in preparation for the transition to the new scalp cooling unit. Group revenues are generated by direct sales of systems, pay-per-treatment fees, cap and patient kit sales, leased machines, service agreements and other revenue.

Dignitana Group total revenue during the third quarter amounted to 10,374 TSEK, 1,068 KUSD, which is an increase of 1 percent compared to the same period last year.

Dignitana Group total revenue for the first, second, and third quarters of 2019 amounted to 32,484 TSEK, 3,446 KUSD, an increase of 28 percent over the same period 2018. The increase in year to date revenue is a result of growth in U.S. patient treatments, unit rentals, the sale of a patent in the first quarter of 2019 and foreign exchange gains.

Foreign exchange gains on accounts receivable, accounts payable as well as the revenue from the first quarter sale of a patent and the revenue associated with the sublease of a portion of the Lund office space are included in Other Income.

Dignitana revenue and costs are comprised of different currencies such as U.S. Dollars, Euros, SEK, and other currencies. Foreign exchange translation differences are found on the Income Statement in Other Income, Other Operating Expenses and Financial Income and Expenses.

Earnings per share amount to (0.21) SEK, which is a decrease compared to last year. We are immersed in transitioning our business from an old to a new business model, and we expect the new business model to be fully implemented within the next 2 years.

Profit and Loss – Dignitana Group

Cost of goods sold includes the cost of finished goods sold during the period. Income arising from the sale of goods is recognized when the goods have been delivered and ownership has been transferred to the buyer. In the U.S. market Dignitana does not sell the device directly to the end customer as various lease models are employed.

Cost of goods sold for the Group increased to 3,186 TSEK for the third quarter of 2019 primarily due to the removal

of certain C3 units from inventory. Additionally, freight and C3 maintenance costs have increased as the Company transitions to the new Delta unit and expenses increased over the prior year due to the impact of foreign exchange.

Group EBIT for the third quarter was (9,923) TSEK compared to (5,435) TSEK in the same period in 2018. Net profit after financial items was (10,146) TSEK compared to (6,349) TSEK for the same period last year. The decline in both EBIT and Net profit for the quarter was due primarily to increases in depreciation and amortization expenses associated with the amortization of the development costs for the Delta unit and additional costs associated with the transition to the new Delta unit.

Revenue – Dignitana Parent Company

Dignitana Parent total revenues during the third quarter amounted to 6,596 TSEK, 679 KUSD, which is a decrease of 5 percent compared to the same period last year due to the lack of C3 units available for sale.

Dignitana Parent total revenue for the first, second and third quarters of 2019 amounted to 22,098 TSEK, 2,251 KUSD, an increase of 18 percent over the same period 2018. The increase in revenue is a result of growth in U.S. patient treatments and unit rentals revenues which are allocated to the Parent company, the sale of a patent in the first quarter of 2019, and foreign exchange gains.

Other Income includes foreign exchange gains on accounts receivable and accounts payable, the revenue from the first quarter sale of a patent, and the revenue associated with the sublease of a portion of the Lund office space.

Profit and Loss – Dignitana Parent Company

Cost of goods sold includes the cost of finished goods sold during the period. Income arising from the sale of goods is recognized when the goods have been delivered and ownership has been transferred to the buyer. In the U.S. market Dignitana does not sell the device directly to the end customer as various lease models are employed.

Cost of goods sold for the Parent increased to 1,811 TSEK for the third quarters of 2019 primarily due to the removal of certain C3 units from inventory. Additionally, freight, maintenance and repairs costs increased, as the Company transitions to the new Delta unit.

For the third quarter of 2019 operating expenses decreased from the prior year.

Parent EBIT for the third quarter was (5,870) TSEK compared to (5,410) TSEK in the same period in 2018.

Net profit after financial items was (6,104) TSEK compared to (5,975) TSEK for the same period last year. The decline in both EBIT and Net profit was due primarily to increases in depreciation and amortization expenses associated with the amortization of the development costs for the Delta unit and other costs, including marketing and travel, associated with the transition to the new Delta unit.

Risk factors

An investment in securities is associated with risk. Dignitana's activities are affected, and may be affected, by a number of factors which cannot be completely controlled by the Company. There are risks both in terms of circumstances attributable to Dignitana and those which have no specific connection with the Company. The nonconclusive list of the Company's risks concerns (but are not limited to): Patents, Key Personnel, Growth Management, Restructuring, Development Costs, Competitors, Capital Bonds, Dependence on Individual Customers, Customers, Authorization and Registration, Chemotherapy Without Side Effects, Distributors and Manufacturers, Profitability and Future Capital Needs, Political Risk, Regulatory or Change of Laws, Disputes and Currency Risks.

For a detailed explanation of these risk factors view the December 2018 Company Prospectus posted at

<https://investor.dignitana.com/new-issues/>

Other information

Forward-looking statements

This report may contain statements, estimates or projections that constitute "forward-looking statements". Generally, the words "believe", "expect", "intend", "estimate", "anticipate", "project", "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Dignitana historical experience or future projects.

Staff

At the close of the period Dignitana Group had a total of 29 staff members, unchanged over the second period of 2019.

The share

The total number of outstanding shares at the close of the third period 2019 was 55,059,155.

The share has been listed on Nasdaq First North Growth Market in Stockholm since 30 November 2011 after having been listed at Spotlight Market in Stockholm since June 2009. It is traded under the DIGN ticker.

There are 100,000 warrants in the Company carrying the right to purchase 100,000 shares in the period June 1 to 30, 2020 and, if exercised, would increase the Company share capital by SEK 100,000.

Erik Penser Bank is the Company's Certified Adviser.

Largest Shareholders

MONDAY, SEPTEMBER 30, 2019	Holding	
ADMA FÖRVALTNINGS AB (Greg Dingizian)	10 550 000	19,16%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	4 814 460	8,4%
CBLDN-UBS FINANCIAL SERVICES INC (William Cronin & others)	4 245 739	7,71%
EUROSUND AB (Johan Stormby)	3 108 036	5,64%
NORDNET PENSIONS FÖRSÄKRING AB	2 190 888	3,98%
IBKR FINANCIAL SERVICES AG, W-8IMY	1 778 185	3,3%
SKANDIA FÖRSÄKRINGS (Greg Dingizian & others)	1 633 992	2,97%
ABN AMRO GLOBAL CUSTODY SERVICES NV, W8IMY	1 252 997	2,28%
POURSAMAD, AMIR	1 246 428	2,26%
RÜLF, SEMMY	1 064 129	1,93%
TOTAL	31 884 854	57,91%
OTHER SHAREHOLDERS	23 174 301	42,09%
TOTAL	55 059 155	100,00%

Source: Euroclear

Board assurance

The Board of Directors and Chief Executive Officer declare that this Interim Report provides a fair view of the Company's operations, financial position and results, and describes material risks and uncertainties facing the Company.

Dignitana AB

Corporate Registration Number: 556730-5346

Lund, 19 november 2019

Dignitana AB (publ) Board of Directors

Thomas Kelly
Chairman

William Cronin
Board member and CEO

Mikael Wahlgren
Board member and Deputy Managing Director

Greg Dingizian
Board member

Ingrid Atteryd Heiman
Board member

Pontus Kristiansson
Board member

This interim report has not
been audited by the Company auditors.

Income Statement – Dignitana Group, SEK

DIGNITANA GROUP	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Full year 2018
Operating Income					
Revenue	9 944 887	10 165 963	31 126 797	25 038 808	33 742 077
Own work capitalized	–	–	–	–	–
Other income	429 338	127 268	1 356 757	263 852	332 827
Total Operating Income	10 374 225	10 293 231	32 483 554	25 302 660	34 074 904
Cost of Goods Sold					
Goods for Resale	3 185 815	1 192 059	8 721 981	2 627 484	4 085 592
Gross Profit	7 188 410	9 101 172	23 761 573	22 675 176	29 989 312
Operating expenses					
Operating Expense	8 650 985	7 534 486	23 324 159	20 071 462	26 358 173
Personnel expenses	5 087 412	5 025 253	15 003 432	15 532 415	19 555 853
Other Operating expense	315 513	685	264 274	28 292	29 160
Total operating expenses	14 053 910	12 560 424	38 591 865	35 632 169	45 943 187
Operating profit (loss)– EBITDA	(6 865 500)	(3 459 252)	(14 830 292)	(12 956 993)	(15 953 874)
Depreciation of tangible and intangible assets	3 057 409	1 975 650	6 907 768	5 923 223	8 066 961
Operating profit (loss) after depreciation – EBIT	(9 922 909)	(5 434 902)	(21 738 060)	(18 880 216)	(24 020 835)
Result from financial investments					
Interest income and similar items	81 326	7 137	82 808	598 059	598 895
Interest expenses and similar items	(304 011)	(921 233)	(1 234 306)	(2 368 496)	(2 423 667)
Total income (loss) from financial investments	(222 685)	(914 096)	(1 151 498)	(1 770 437)	(1 824 772)
Net profit (loss) after financial items	(10 145 594)	(6 348 998)	(22 889 558)	(20 650 653)	(25 845 607)
Corporate Taxes	24 837	–	82 241	–	175 753
Results for the Period	(10 170 431)	(6 348 998)	(22 971 799)	(20 650 653)	(26 021 360)
Total shares at the period-end before and after dilution ¹	55 059 155	40 548 224	48 599 155	40 548 224	40 548 224
Average number of shares before and after dilution ¹	49 441 764	40 548 224	47 533 011	40 548 224	39 492 859
Earnings per share before and after dilution ¹	(0,21)	(0,16)	(0,48)	(0,51)	(0,66)

1) no dilution

Balance Sheet – Dignitana Group, SEK

STATEMENT OF FINANCIAL POSITION, SEK	2019-09-30	2018-09-30	2018-12-31
FIXED ASSETS			
<u>Intangible assets</u>			
Capitalized expenses for development, net	24 620 362	14 064 100	19 029 429
<u>Tangible assets</u>			
Equipment, tools and installations, net	14 879 124	15 980 556	14 747 076
Total Fixed Assets	39 499 486	30 044 656	33 776 505
Current Assets			
<u>Inventories and similar</u>			
Finished goods and goods for resale	7 596 011	4 093 028	6 308 536
Advance payment to suppliers	–	2 798 327	–
	7 596 011	6 891 355	6 308 536
<u>Current Receivables</u>			
Accounts Receivable	6 106 795	7 704 937	7 317 979
Current Tax Assets	463 499	12 184	88 551
Other Current Receivables	407 410	–	9 846 053
Prepaid expenses and accrued income	956 672	1 385 715	875 257
	7 934 376	9 102 836	18 127 839
<u>Cash and Bank Balances</u>	40 517 844	4 561 722	22 160 876
Total Current Assets	56 048 231	20 555 913	46 597 251
Total Assets	95 547 717	50 600 569	80 373 757
EQUITY AND LIABILITIES			
Equity			
<u>Restricted equity</u>			
Share Capital			
(55 059 155 shares par value SEK 1, previous year 40,528,224)	55 059 155	40 548 224	40 548 224
Unregistered share capital	–	–	8,050,931
Fund for development expenses	20 514 693	2 635 796	12 899 975
	75 573 848	43 184 020	61 499 130
<u>Non-restricted equity</u>			
Other non-restricted equity	16 974 547	7 867 606	19 487 347
Results for the period	(22 971 799)	(20 650 652)	(26 021 360)
	(5 997 252)	(12 783 046)	(6 534 013)
Total Equity	69 576 596	30 400 974	54 965 116
Current Liabilities			
Accounts payable	8 593 471	5 859 292	8 089 438
Other current liabilities	1 621 405	970 792	2 327 198
Liabilities to credit institutions	7 610 643	5 766 364	7 258 983
Accrued expenses and deferred income	5 145 021	4 511 030	4 804 166
Total current liabilities	22 970 540	17 107 478	22 479 785
Long Term Liabilities			
Liabilities to credit Institutions	3 000 581	3 092 117	2 928 856
Total Equity and Liabilities	95 547 717	50 600 569	80 373 757

Changes in Equity – Dignitana Group, SEK

DIGNITANA GROUP	Q1-Q3 2019	Q1-Q3 2018	Full year 2018
Changes in equity, SEK			
Opening balance	54 965 116	51 145 960	51 145 960
New Share Issue	41 990 000		
Unregistered Share Issue	–	–	33 813 912
Issue expenses	(3 380 915)	–	(3 971 913)
Subscribed warrants	–	–	–
Translation difference on consolidation	(1 025 806)	(94 334)	(1 482)
Results through the end of the period	(22 971 799)	(20 650 653)	(26 021 360)
Closing balance	69 576 596	30 400 973	54 965 116

Statement of Cash Flows – Dignitana Group, SEK

DIGNITANA GROUP	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Full year 2018
Operating Activities					
Operating income before financial items	(9 922 909)	(5 434 902)	(21 738 060)	(18 880 216)	(24 020 835)
Adjustments for items not affecting cash flows	3 057 409	1 975 650	6 907 768	5 923 223	8 066 961
Interest received	81 326	7 137	82 807	598 059	598 895
Interest paid	(304 011)	(921 233)	(1 234 306)	(2 368 496)	(2 423 667)
Income tax paid			(421 886)		(51 575)
	(7 088 185)	(4 373 348)	(16 403 677)	(14 727 430)	(17 830 221)
Changes in inventories	(1 674 292)	(2 098 438)	(1 287 475)	(4 047 520)	(3 464 701)
Changes in other current receivables	(1 043 405)	(887 480)	389 122	38 483 287	(3 309 049)
Changes in other current liabilities	460 702	6 084 780	(139 564)	(3 165 719)	3 972 605
Cash flows from operating activities	(9 345 180)	(1 274 486)	(17 441 594)	16 542 618	(20 631 366)
Investing Activities					
Acquisition of fixed assets	(4 416 183)	(3 029 397)	(12 630 748)	(5 212 115)	(11 087 702)
Cash flows from investing activities	(4 416 183)	(3 029 397)	(12 630 748)	(5 212 115)	(11 087 702)
Financing Activities					
New share issue ¹	41 990 000	–	51 836 053	–	66 542 504
Issuance costs	(3 380 915)	–	(3 905 915)	–	(7 927 913)
Subscribed warrants	–	–	–	–	–
Long Term Liabilities	4 256 118	(1 526 822)	423 386	(7 785 983)	(5 690 262)
Cash flows from financial activities	42 865 203	(1 526 822)	48 353 524	(7 785 983)	52 924 329
Cash flows in the period	29 103 840	(5 830 705)	18 281 182	3 544 520	21 205 261
Cash and cash equivalents at start of the period	11 468 142	10 368 236	22 160 876	1 017 957	1 017 957
Translation difference on cash and cash equivalents	(54 138)	24 191	75 786	(756)	(62 342)
Cash and cash equivalents Period End	40 517 844	4 561 722	40 517 844	4 561 721	22 160 876

1) The unregistered shares at the end of 2017 was reflected as a current receivable on the balance sheet as of 31 December 2017. Upon receipt of these funds in 2018, the statement of cash flows was updated to reflect the incoming cash from the 2017 share issue in the financing activities section for the full year 2018.

Income Statement – Dignitana AB, Parent Company, SEK

DIGNITANA AB, PARENT COMPANY	Q3 2019	Q3 2018	Q1–Q3 2019	Q1–Q3 2018	Full year 2018
Operating Income					
Revenue	6 166 270	6 810 199	20 740 840	18 536 545	24 848 578
Own work capitalized	–	–	–	–	–
Other income	429 338	126 834	1 356 757	263 247	543 547
Total Operating Income	6 595 608	6 937 033	22 097 597	18 799 792	25 392 126
Cost of Goods Sold					
Goods for Resale	1 811 012	1 192 060	4 893 481	2 627 484	4 085 592
Gross Profit	4 784 596	5 744 973	17 204 116	16 172 308	21 306 533
Operating expenses					
Other external expenses	7 347 401	8 753 821	22 835 114	26 817 543	34 972 918
Personnel expenses	324 744	477 108	1 271 259	2 884 144	3 671 013
Other Operating expense	859	685	(50 380)	28 292	(125 763)
Total operating expenses	7 673 004	9 231 614	24 055 993	29 729 979	38 518 168
Operating profit (loss) – EBITDA	(2 888 408)	(3 486 641)	(6 851 877)	(13 557 671)	(17 211 634)
Depreciation and amortization	2 981 997	1 923 380	6 679 235	5 800 535	7 884 010
Operating profit (loss) after depreciation – EBIT	(5 870 405)	(5 410 021)	(13 531 112)	(19 358 206)	(25 095 645)
Result from financial investments					
Interest (income) and similar items	–	7 137	–	598 059	–
Interest expenses and similar items	(233 548)	(572 585)	(721 357)	(1 173 021)	(700 415)
Total income from financial investments	(233 548)	(565 448)	(721 357)	(574 962)	(700 415)
Net profit (loss) after financial items	(6 103 953)	(5 975 469)	(14 252 469)	(19 933 168)	(25 796 060)
Corporate Taxes					
Results for the Period	(6 103 953)	(5 975 469)	(14 252 469)	(19 933 168)	(25 796 060)

Balance Sheet – Dignitana AB, Parent Company, SEK

STATEMENT OF FINANCIAL POSITION, SEK	2019-09-30	2018-09-30	2018-12-31
FIXED ASSETS			
<u>Intangible assets</u>			
Capitalized expenses for development, net	24 584 632	14 046 430	19 011 353
<u>Tangible assets</u>			
Equipment, tools and installations, net	14 381 425	15 621 202	14 229 631
<u>Financial assets</u>			
Participations in group companies	522 094	522 094	522 094
Total Fixed Assets	39 488 151	30 189 726	33 763 078
Current Assets			
<u>Inventories and similar</u>			
Finished goods and goods for resale	6 585 195	4 093 028	6 308 536
Advance payment to suppliers	–	2 798 327	–
	6 585 195	6 891 355	6 308 536
<u>Current Receivables</u>			
Accounts Receivable	1 189 619	2 886 782	2 130 336
Current Receivables from group companies	336 882	443 654	905 822
Current Tax Assets	463 499	–	88 551
Other current receivables	390 408	–	9 846 053
Prepaid expenses and accrued income	420 100	1 140 812	450 202
	2 800 508	4 471 248	13 420 964
<u>Cash and Bank Balances</u>	39 172 147	3 645 049	19 519 192
Total Current Assets	48 557 850	15 007 652	39 248 692
<u>Long Term Loan – group</u>	490 235	–	441 122
Total Assets	88 536 236	45 197 378	73 452 892
EQUITY AND LIABILITIES			
Equity			
<u>Restricted equity</u>			
Share Capital			
(55,059,155 shares par value SEK 1, previous year 40,528,224)	55 059 155	40 548 224	40 548 224
Unregistered share capital	–	–	8,050,931
Fund for development expenses	20 514 693	2 635 796	12 899 975
	75 573 848	43 184 020	61 499 130
<u>Non-restricted equity</u>			
Retained Earnings	(61 860 400)	7 994 421	(19 705 674)
Share premium reserves	83 594 504	–	48 064 504
Issue expense	(3 380 915)	–	(8 743 945)
Results for the period	(14 252 469)	(19 933 168)	(25 796 060)
	4 100 720	(11 938 747)	(6 181 175)
Total Equity	79 674 568	31 245 273	55 317 955
Current Liabilities			
Accounts payable	4 830 363	4 594 588	5 678 280
Other current liabilities	–	578 768	–
Liabilities to credit institutions	–	–	–
Current payable to group company	(196 686)	5 536 744	7 374 249
Accrued expenses and deferred income	4 227 991	2 211 987	4 054 878
Total current liabilities	8 861 668	12 922 087	17 107 407
Long Term Liabilities			
Liabilities to Credit Institutions	–	1 030 017	1 027 530
Total Equity and Liabilities	88 536 236	45 197 378	73 452 892

Policies for preparation of the financial report

Swedish Annual Accounts Act (1995:1554) and Swedish Accounting Standards Board General Recommendations BFNAR 2012:1 Annual reporting and consolidated financial statements.

Financial calendar

25 February 2020

2019 Year End Report

13 May 2020

Annual General Meeting

All financial reports are available at **www.dignitana.se**

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