

Q2  2019
QUARTERLY REPORT

DIGNITANA
Clinically superior scalp cooling

**FDA clearance paves way
for growth with global
rollout of DigniCap Delta[®]**

FDA clearance paves way for growth with global rollout of DigniCap Delta

Financial highlights

- Total revenue for the Group amounted to 12,002 TSEK, 1,275 KUSD which is an increase of 33 percent over the same period 2018.
- Year to date revenue for the Group was 22,109 TSEK, 2,350 KUSD, an increase of 47 percent over the same period 2018.

Business highlights

- FDA clearance of the next generation DigniCap Delta June 2019.
- First European installation of DigniCap Delta at Gemelli University Hospital in Rome, Italy, in May 2019.
- Contracts were signed for 19 locations in the United States, bringing the total number of signed U.S. sites to 139 across 30 states at the close of second quarter.

- The Company continued efforts to initiate legislation providing insurance coverage for scalp cooling with a Bill (HB 3984) introduced in Texas and discussions are underway with legislators in three other states.
- Dignitana co-sponsored a scalp cooling session at the Multinational Association for Supportive Care in Cancer Annual meeting in San Francisco, California in June 2019.

Significant events after the reporting period

- Dignitana signed a multi-location contract for DigniCap Delta in July 2019 with Atrium Health in the U.S.
- First installation of DigniCap Delta in the U.S. at University of California San Francisco in early August 2019.

Key Figures

DIGNITANA GROUP	Q2 2019	Q2 2018	Q1-Q2 2019	Q1-Q2 2018	Full year 2018
Net revenues, TSEK	11,945	8,976	21,182	14,873	33,742
Total revenues, TSEK	12,002	9,022	22,109	15,010	34,075
Net profit after financial items, TSEK	(7,474)	(5,374)	(12,744)	(14,325)	(25,846)
Cash and bank balances, TSEK	11,468	10,368	11,468	10,368	22,161
Earnings per share before and after dilution, SEK	(0.15)	(0.13)	(0.27)	(0.37)	(0.66)

DIGNITANA AB	Q2 2019	Q2 2018	Q1-Q2 2019	Q1-Q2 2018	Full year 2018
Net revenues, TSEK	8,354	7,283	14,574	11,727	24,849
Total revenues, TSEK	8,411	7,328	15,502	11,863	25,392
Net profit after financial items, TSEK	(2,862)	(4,931)	(8,148)	(13,958)	(25,796)
Cash and bank balances, TSEK	8,464	9,518	8,464	9,518	19,519

"I am very pleased with the continued and steadily increasing performance of our Company. Expanding usage and awareness of this life-changing therapy coupled with the recent clearance of the new Delta device gives us a direct pathway to significant global growth."

William Cronin, CEO, Dignitana AB

CEO comments

The second period was highlighted by a regulatory milestone for Dignitana – clearance for DigniCap Delta from the U.S. Food and Drug Administration in June. DigniCap Delta opens the door to higher and more consistent sales in the U.S. and around the world. This change will positively impact our core financials and provide an organic platform for growth moving forward.

Benefits of DigniCap Delta

DigniCap Delta offers the benefits of scalp cooling while significantly decreasing disruptions to workflows. This new unit saves time and the device's mobility offers more flexibility to the facilities allowing them to maximize chair utilization rates. The completely redesigned single patient use cap system will provide better outcomes. The changes we have initiated allow Dignitana to improve our business model while creating more efficiencies for health care providers around the world. For providers outside the U.S. that have not previously participated in the pay-per-treatment model, this model enables the Company to create a recurring revenue stream beyond the initial unit sale.

The development of this device demonstrates Dignitana's commitment to innovative technologies that support our mission to provide clinically superior scalp cooling. The Company is already seeing increased interest from facilities that are eager to offer their patients the technologically advanced DigniCap Delta system. There is a growing awareness of scalp cooling and a global demand to move modern cancer care forward.

Strong financial development

The steady financial development of the previous quarter continues this period. Total revenue during the second quarter amounted to 12,002 TSEK, 1,275 KUSD, which is an increase of 33 percent compared to the same period last year. Year to date total revenues increased 47 percent over the same period last year, and earnings per share improved by 30 percent from the same period last year. With our newly cleared, superior device and a financially solid business model the Company is now in a significantly better position to generate long-term sustainable growth.

As Dignitana transitions into an ambitious growth and rollout phase centered around our new device, the company is adequately funded to execute our aggressive business plan for the remainder of 2019. The Company evaluates debt and equity funding options, both short- and long-term, on a continuous basis according to our funding needs. Specific financing options will be undertaken by the Board of Directors according to the mandates agreed upon at the Annual General Meeting.

Global expansion

In recent months, we have increased sales and marketing infrastructures and are well-positioned to support global growth. In Japan, we are working closely with our local partner, Konica Minolta, to submit DigniCap Delta for clearance to the Pharmaceuticals and Medical Devices Agency later this year. In China, the clinical trial at Beijing University is ongoing and will provide valuable insights as we prepare to commercialize DigniCap throughout Asia. The Company is also ramping up sales efforts across Europe allowing more European providers to receive the benefits of this easier to use and technologically advanced device.

In the U.S., partnerships with multi-site cancer centers continues to be a solid strategy for The Company. Our growing relationship with Florida Cancer Specialists and a new master contract with Atrium Health confirm the value of this strategic initiative. In parallel to adding new locations, we are undertaking a gradual upgrade for existing providers to receive DigniCap Delta, with high-volume locations taking priority. We will continuously replace older devices with the new Delta during a transition period of 18 months. This phased roll-out allows the Company to optimize utilization of existing devices and manage the expenses associated with the installation of this new equipment.

Summary

The second quarter has been a tremendously busy and rewarding time for Dignitana. DigniCap Delta changes everything about how scalp cooling is done for clinicians and for patients. The cancer community is eager to incorporate this new technology as we continue to deliver on our promise to patients all over the world. The development in recent months provides me with an extremely optimistic outlook and I look forward to continuing our growth and progress moving forward with our partners in the U.S. and around the world.



A handwritten signature in blue ink that reads "William Cronin". The signature is fluid and cursive, written in a professional style.

William Cronin, CEO
Dignitana AB

About Dignitana

Dignitana is a medical technology Company based in Lund, Sweden and publicly traded on Nasdaq First North. The Company develops, produces and markets 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 Swedish oncology nurse Yvonne Olsson in order to improve cancer patients physical and emotional well-being.

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. In 2019 Dignitana received CE Marking and FDA clearance for sales of DigniCap Delta, the next generation scalp cooling device. DigniCap is now available in Asia, Australia, Europe, the Middle East, North America and South America. The United States is the leading market for medical devices in the world.



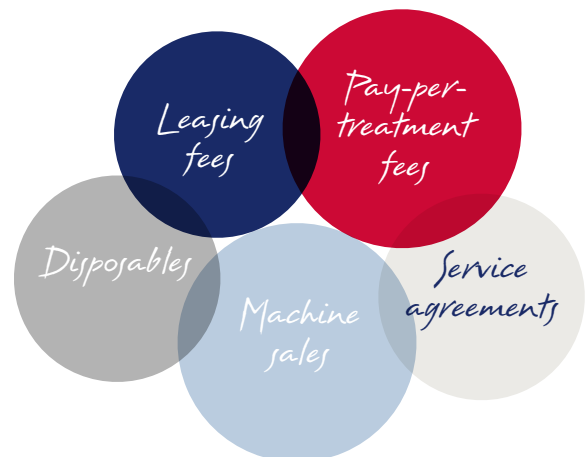
About the DigniCap Scalp Cooling System

The DigniCap Scalp Cooling System has been clinically proven to reduce hair loss in cancer patients undergoing chemotherapy for solid tumors. The current DigniCap model has been on the market since 2009.

The launch of DigniCap Delta, the fourth-generation scalp cooling device, is now underway. Dignitana received CE Marking approval for the new device in March allowing the initiation of DigniCap Delta sales in Europe. The first installation of DigniCap Delta was made at Gemelli University Hospital in Rome, Italy in May 2019. Dignitana received FDA clearance in June and sales have been initiated in the United States during the summer. DigniCap Delta is a smaller, single-patient device providing optimal outcomes and with improved ease of use for clinicians and patients.

Business model

The Company has five revenue streams: treatment fees to 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 and is used by 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. It is not yet offered to every patient and not available in every market. 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. Some progress was made in this regard this spring in the state of Texas, with additional support and legislative activity underway in several other states.

Expanding the knowledge base and the science of scalp cooling is an important priority for the Company. 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. During the second quarter, we co-sponsored the Scalp Cooling Symposium at the Multinational

Association for Supportive Care in Cancer in San Francisco, where recent scalp cooling research was reviewed as well as the therapy's impact on quality of life. Events such as this provide important visibility to The Company as well as an opportunity to support leading researchers in the field.

Market development

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

The new DigniCap Delta model received clearance from the United States Food and Drug Administration on June 27, 2019. Installation of DigniCap Delta is now underway at sites in the United States 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.





Financial information and comments

Revenues – Dignitana Group

Group revenues are generated by direct sales of systems, pay-per-treatment fees, cap sales, leased machines, service agreements and other revenues. Dignitana Group revenues for the second quarter of 2019 were 12,002 TSEK, 1,275 KUSD, an increase of 33 percent, over the same period last year. Dignitana Group total revenues for the first and second quarters of 2019 were 22,109 TSEK, 2,350 KUSD, an increase of 47 percent over the first and second quarters of 2018. Outside of the U.S. this increase was the result of growth in unit sales and new maintenance contracts, and inside the U.S. from strong treatment revenue and growth in new unit leases. Additionally, the Parent company sold a patent to BrainCool in the first quarter of 2019. The revenue from the sale of the patent and the revenue associated with the sublease of a portion of the Lund office space is included in Other Income.

Dignitana revenues 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.

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 3,373 TSEK for the second quarter of 2019 primarily due to strong

growth in unit sales outside of the U.S. Additionally, freight, maintenance and repairs costs increased in the second quarter of 2019, as the company prepares to transition to the new Delta unit.

In the first quarter of 2018, a large portion of operations were moved from Sweden to the U.S. and Dignitana entered into a sublease for a portion of its leased office space in Lund. For the second quarter of 2019, this decrease in expenses was partially offset by higher administrative expenses due to costs associated with the 2018 audit, the fourth quarter 2018 transition to a new external accounting service provider in Sweden, higher marketing and travel expenses in advance of the launch of the new Delta unit and higher legal expenses. Additionally, personnel expenses increased over the prior year due to the addition of a European sales executive and the introduction of new commission plan in the U.S.

Group EBIT for the second quarter was (7,105 TSEK compared to (4,684 TSEK in the same period in 2018. Net profit after financial items was (7,474 TSEK compared to the same period last year (5,374 TSEK. The decline in both EBIT and Net profit for the quarter was due primarily to nonrecurring costs associated with the transition to the new Delta unit.

Financing – Dignitana Group

In 2017 Dignitana entered into a 2.5 million USD line of credit with a U.S.-based equipment lender. In August of 2019 the Company borrowed under the line of credit for working capital purposes in the second half of this year.

Revenues – Parent Company

Parent revenues are generated by direct sales of systems, leased machines, service agreements and other revenue such as spare parts sales. As a result of higher unit sales, Dignitana AB revenues for the second quarter of 2019 were 8,412 TSEK, an increase of 15 percent over the same period last year. Total revenues for the first and second quarter of 2019 were 15,502 TSEK, an increase of 31 percent over the first and second quarters of 2018. This increase was the result of growth in unit sales and new maintenance contracts outside of the U.S. Additionally, the Parent company sold a patent to BrainCool in the first quarter of 2019. The revenue from the sale of the patent and the revenue associated with the sublease of the Lund office space is included in Other Income.

The Parent Company revenues and costs are comprised of different currencies such as Euros, SEK, and other currencies. Foreign exchange translation differences are found on the Income Statement in Other Income, Other Operating Expenses and Income from Financial Investments.

Operating profit and loss – 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.

Cost of goods sold for the Parent increased by 1,055 TSEK from the second quarter of 2018 due to strong growth in

unit sales outside of the U.S. Additionally, higher freight, costs and maintenance and repairs costs increased in the second quarter of 2019, as the company prepares to transition to the new Delta unit.

In the first quarter of 2018, a large portion of operations were moved from Sweden to the U.S. and Dignitana AB entered into a sublease for a portion of its leased office space in Lund. This relocation reduced the Parent's personnel and operating expenses, resulting in a (1,930) TSEK decrease in operating expenses for the second quarter from the prior year and a (4,115) TSEK total decrease in operating expenses for the first and second quarters of 2019. The decrease in personnel and operating expenses associated with the move of a large portion of the operations to the U.S., was partially offset by higher administrative expenses due to costs associated with the 2018 audit and the transition to a new external accounting service provider in Sweden. Additionally, personnel expenses in Europe were higher year on year due to the addition of a sales executive.

As a result of the year over year growth in revenue and the reduction in operating expenses, Parent EBIT for the second quarter was (2,723) TSEK an improvement of 43 percent from (4,777) TSEK in the same period in 2018. Net loss after financial items for the second quarter decreased to (2,862) TSEK, an improvement of 42 percent compared to the same period last year of (4,931) TSEK.



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 non-conclusive 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 / Organization

At the close of the period Dignitana Group had a total of 29 staff members, an increase of 4 personnel over the first period of 2019.

The share

The total number of outstanding shares at the close of the second period 2019 was 48,599,155.

The share has been listed on Nasdaq First North since 30 November 2011 after having been listed at Aktietorget 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

FRIDAY 28 JUNE, 2019	Holding	
ADMA FÖRVALTNINGS AB (Greg Dingizian)	8,720,000	17.94%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	4,750,649	9.78%
CBLDN-UBS FINANCIAL SERVICES INC (William Cronin & others)	4,245,739	8.74%
EUROSUND AB (Johan Stormby)	3,138,036	6.46%
IBKR FINANCIAL SERVICES AG, W-8IMY	1,778,485	3.66%
SKANDIA FÖRSÄKRINGS (Greg Dingizian & others)	1,632,992	3.36%
NORDNET PENSIONS FÖRSÄKRING AB	1,417,468	2.92%
POURSAMAD, AMIR	1,206,909	2.48%
RÜLF, SEMMY	1,114,129	2.29%
PERSSON, RUTGER	1,002,031	2.06%
TOTAL	29,006,438	59.69%
OTHER SHAREHOLDERS	19,592,717	40.31%
TOTAL	48,599,155	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, 22 August 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	Q2 2019	Q2 2018	Q1-Q2 2019	Q1-Q2 2018	Full year 2018
Operating Income					
Revenue	11,945,286	8,976,113	21,181,910	14,872,844	33,742,077
Own work capitalized	–	–	–	–	–
Other income	57,599	45,623	927,419	136,584	332,827
Total Operating Income	12,002,885	9,021,736	22,109,329	15,009,428	34,074,904
Cost of Goods Sold					
Goods for Resale	3,372,686	930,848	5,536,166	1,435,424	4,085,592
Gross Profit	8,630,199	8,090,888	16,573,163	13,574,004	29,989,312
Operating expenses					
Operating Expense	8,602,584	5,911,704	14,673,174	12,559,927	26,358,173
Personnel expenses	5,256,385	4,862,982	9,916,021	10,507,162	19,555,853
Other Operating expense	(63,467)	17,270	(51,239)	27,607	29,160
Total operating expenses	13,795,502	10,791,956	24,537,955	23,094,696	45,943,187
Operating profit (loss)– EBITDA	(5,165,303)	(2,701,068)	(7,964,792)	(9,520,692)	(15,953,874)
Depreciation of tangible and intangible assets	1,939,778	1,982,603	3,850,359	3,947,573	8,066,961
Operating profit (loss) after depreciation – EBIT	(7,105,081)	(4,683,671)	(11,815,151)	(13,468,265)	(24,020,835)
Result from financial investments					
Interest income and similar items	644	204,189	1,482	590,922	598,895
Interest expenses and similar items	(369,787)	(894,666)	(930,295)	(1,447,263)	(2,423,667)
Total income (loss) from financial investments	(369,143)	(690,477)	(928,813)	(856,341)	(1,824,772)
Net profit (loss) after financial items	(7,474,224)	(5,374,148)	(12,743,965)	(14,324,606)	(25,845,607)
Corporate Taxes	6,281	–	57,404	1,907	175,753
Results for the Period	(7,480,505)	(5,374,148)	(12,801,368)	(14,326,513)	(26,021,360)
Total shares at the period-end before and after dilution ¹	48,599,155	40,548,224	48,599,155	40,548,224	40,548,224
Average number of shares before and after dilution ¹	48,599,155	40,548,224	47,533,011	38,420,002	39,492,859
Earnings per share before and after dilution ¹	(0.15)	(0.13)	(0.27)	(0.37)	(0.66)

1) no dilution

Balance Sheet – Dignitana Group, SEK

STATEMENT OF FINANCIAL POSITION, SEK	2019-06-30	2018-06-30	2018-12-31
FIXED ASSETS			
<u>Intangible assets</u>			
Capitalized expenses for development, net	25,724,339	11,705,836	19,029,429
<u>Tangible assets</u>			
Equipment, tools and installations, net	12,416,373	17,285,073	14,747,076
Total Fixed Assets	38,140,712	28,990,909	33,776,505
Current Assets			
<u>Inventories and similar</u>			
Finished goods and goods for resale	5,921,719	4,792,917	6,308,536
Advance payment to suppliers	–	–	–
	5,921,719	4,792,917	6,308,536
<u>Current Receivables</u>			
Accounts Receivable	5,424,118	7,358,784	7,317,979
Current Tax Assets	(333,335)	9,686	88,551
Other Current Receivables	253,952	–	9,846,053
Prepaid expenses and accrued income	1,082,638	846,886	875,257
	6,427,373	8,215,356	18,127,839
<u>Cash and Bank Balances</u>			
	11,468,142	10,368,236	22,160,876
Total Current Assets	23,817,234	23,376,509	46,597,251
Total Assets	61,957,946	52,367,418	80,373,757
EQUITY AND LIABILITIES			
Equity			
<u>Restricted equity</u>			
Share Capital			
(48,599,155 shares par value SEK 1, previous year 40,528,224)	48,599,155	40,548,224	40,548,224
Unregistered share capital	–	–	8,050,931
Fund for development expenses	20,945,528	2,635,796	12,899,975
	69,544,683	43,184,020	61,499,130
<u>Non-restricted equity</u>			
Other paid-in capital	(14,711,011)	7,866,366	19,487,347
Results for the period	(12,801,368)	(14,324,605)	(26,021,360)
	(27,512,379)	(6,458,239)	(6,534,013)
Total Equity	42,032,304	36,725,781	54,965,116
Current Liabilities			
Accounts payable	9,440,152	1,497,818	8,089,438
Other current liabilities	873,676	6,830,822	2,327,198
Liabilities to credit institutions	5,760,514	–	7,258,983
Accrued expenses and deferred income	3,256,709	2,694,058	4,804,166
Total current liabilities	19,331,051	11,022,698	22,479,785
Long Term Liabilities			
Liabilities to credit Institutions	594,591	4,618,939	2,928,856
Total Equity and Liabilities	61,957,946	52,367,418	80,373,757

Changes in Equity – Dignitana Group, SEK

DIGNITANA GROUP	Q1-Q2 2019	Q1-Q2 2018	Full year 2018
Opening balance	54,965,116	51,145,960	51,145,960
New Share Issue			
Unregistered Share Issue	–	–	33,813,912
Issue expenses	–	–	(3,971,913)
Subscribed warrants	–	–	–
Translation difference on consolidation Results for the period	(131,444)	(95,575)	(1,482)
Results through the end of the period	(12,801,368)	(14,324,605)	(26,021,360)
Closing balance	42,032,304	36,725,780	54,965,116

Statement of Cash Flows – Dignitana Group, SEK

DIGNITANA GROUP	Q2 2019	Q2 2018	Q1-Q2 2019	Q1-Q2 2018	Full year 2018
Operating Activities					
Operating income before financial items	(7 105 081)	(4 683 672)	(11 815 151)	(13 468 264)	(24 020 835)
Adjustments for items not affecting cash flows	1 939 778	1 982 603	3 850 359	3 947 573	8 066 961
Interest received	644	204 189	1 481	590 922	598 895
Interest paid	(369 787)	(894 666)	(930 295)	(614 583)	(2 423 667)
Income tax paid	(340 160)	–	(421 886)	–	(51 575)
	(5 874 607)	(3 391 546)	(9 315 492)	(9 544 352)	(17 830 221)
Changes in inventories	428 903	(2 594 402)	386 817	(1 949 082)	(3 464 701)
Changes in other current receivables	2 015 921	(3 815 910)	1 432 527	39 370 768	(3 309 049)
Changes in other current liabilities	1 622 105	(68 242)	(600 266)	(9 250 499)	3 972 605
Cash flows from operating activities	(1 807 679)	(9 870 100)	(8 096 414)	18 626 835	(20 631 366)
Investing Activities					
Acquisition of fixed assets	(5 463 500)	(1 515 455)	(8 214 565)	(2 182 718)	(11 087 702)
Cash flows from investing activities	(5 463 500)	(1 515 455)	(8 214 565)	(2 182 718)	(11 087 702)
Financing Activities					
New share issue ¹	–	–	9 846 053	–	66 542 504
Issuance costs	–	–	(525 000)	–	(7 927 913)
Subscribed warrants	–	–	–	–	–
Long Term Liabilities	(3 009 425)	(405 164)	(3 832 733)	(6 259 161)	(5 690 262)
Cash flows from financial activities	(3 009 425)	(405 164)	5 488 320	(6 259 161)	52 924 329
Cash flows in the period	(10 280 604)	(11 790 719)	(10 822 659)	10 184 956	21 205 261
Cash and cash equivalents at start of the period	21 715 092	22 185 170	22 160 875	1 017 957	1 017 957
Translation difference on cash and cash equivalents	33 654	(26 215)	129 925	(834 678)	(62 342)
Cash and cash equivalents Period End	11 468 141	10 368 236	11 468 141	10 368 235	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	Q2 2019	Q2 2018	Q1–Q2 2019	Q1–Q2 2018	Full year 2018
Operating Income					
Revenue	8,354,071	7,282,529	14,574,570	11,726,347	24,848,578
Own work capitalized	–	–	–	–	–
Other income	57,599	45,451	927,419	136,413	543,547
Total Operating Income	8,411,670	7,327,980	15,501,989	11,862,760	25,392,126
Cost of Goods Sold					
Goods for Resale	1,986,111	930,848	3,082,469	1,435,424	4,085,592
Gross Profit	6,425,559	6,397,132	12,419,520	10,427,336	21,306,533
Operating expenses					
Other external expenses	6,925,637	8,607,266	15,487,714	18,063,722	34,972,918
Personnel expenses	439,945	607,693	946,515	2,407,036	3,671,013
Other Operating expense	(63,467)	17,270	(51,239)	27,607	(125,763)
Total operating expenses	7,302,115	9,232,229	16,382,990	20,498,365	38,518,168
Operating profit (loss) – EBITDA	(876,556)	(2,835,097)	(3,963,470)	(10,071,029)	(17,211,634)
Depreciation and amortization	1,846,824	1,941,880	3,697,238	3,877,155	7,884,010
Operating profit (loss) after depreciation – EBIT	(2,723,380)	(4,776,977)	(7,660,707)	(13,948,184)	(25,095,645)
Result from financial investments					
Interest (income) and similar items	–	204,189	–	590,922	–
Interest expenses and similar items	(138,786)	(358,290)	(487,809)	(600,436)	(700,415)
Total income from financial investments	(138,786)	(154,101)	(487,809)	(9,514)	(700,415)
Net profit (loss) after financial items	(2,862,166)	(4,931,078)	(8,148,516)	(13,957,698)	(25,796,060)
Corporate Taxes	–	–	–	–	–
Results for the Period	(2,862,166)	(4,931,078)	(8,148,516)	(13,957,698)	(25,796,060)

Balance Sheet – Dignitana AB, Parent Company, SEK

STATEMENT OF FINANCIAL POSITION, SEK	2019-06-30	2018-06-30	2018-12-31
FIXED ASSETS			
<u>Intangible assets</u>			
Capitalized expenses for development, net	25,707,369	11,687,992	19,011,353
<u>Tangible assets</u>			
Equipment, tools and installations, net	11,907,407	16,948,178	14,229,631
<u>Financial assets</u>			
Participations in group companies	522,094	420,010	522,094
Total Fixed Assets	38,136,870	29,056,180	33,763,078
Current Assets			
<u>Inventories and similar</u>			
Finished goods and goods for resale	5,686,237	4,792,917	6,308,536
Advance payment to suppliers	–	–	–
	5,686,237	4,792,917	6,308,536
<u>Current Receivables</u>			
Accounts Receivable	1,934,893	3,358,421	2,130,336
Current Receivables from group companies	887,610	447,995	905,822
Current Tax Assets	225,262	–	88,551
Other current receivables	242,513	–	9,846,053
Prepaid expenses and accrued income	601,925	452,980	450,202
	3,892,203	4,259,396	13,420,964
<u>Cash and Bank Balances</u>			
	8,464,536	9,518,149	19,519,192
Total Current Assets	18,042,976	18,570,462	39,248,692
<u>Long Term Loan – group</u>			
	463,565	–	441,122
Total Assets	56,643,411	47,626,642	73,452,892
EQUITY AND LIABILITIES			
Equity			
<u>Restricted equity</u>			
Share Capital			
(48,599,155 shares par value SEK 1, previous year 40,528,224)	48,599,155	40,548,224	40,548,224
Unregistered share capital	–	–	8,050,931
Fund for development expenses	20,945,527	2,635,796	12,899,975
	69,544,682	43,184,020	61,499,130
<u>Non-restricted equity</u>			
Retained Earnings	(14,226,727)	7,994,421	(19,705,674)
Share premium reserves	–	–	48,064,504
Issue expense	–	–	(8,743,945)
Results for the period	(8,148,519)	(13,957,698)	(25,796,060)
	(22,375,246)	(5,963,278)	(6,181,175)
Total Equity	47,169,436	37,220,742	55,317,955
Current Liabilities			
Accounts payable	6,557,636	1,086,152	5,678,280
Other current liabilities	–	1,347,126	–
Liabilities to credit institutions	–	–	–
Current payable to group company	(236,705)	4,584,539	7,374,249
Accrued expenses and deferred income	3,153,044	2,353,622	4,054,878
Total current liabilities	9,473,975	9,371,439	17,107,407
Long Term Liabilities			
Liabilities to Credit Institutions	–	1,034,460	1,027,530
Total Equity and Liabilities	56,643,411	47,626,642	73,452,892

Policies for preparation of the financial report

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

Financial calendar

19 November 2019	Q3 Interim Report through 30 September 2019
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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