



2019

YEAR END REPORT

DIGNITANA

Clinically superior scalp cooling



Aggressive growth

Demand drives expansion
in U.S. and global markets



2019

YEAR END REPORT

DIGNITANA

Clinically superior scalp cooling

Aggressive growth – Demand drives expansion in U.S. and global markets

Financial highlights

- Q4: Group revenue amounted to 10,062 TSEK, 1,066 KUSD, an increase of 15 percent over the same period 2018.
- Full year: Group revenue for 2019 was 42,546 TSEK, 4,501 KUSD, an increase of 25 percent over the year 2018.

Highlights of 2019

- Partnership with oneservice, a global service provider, for service and maintenance in Europe.
- CE Marking approval for European sales of DigniCap Delta followed by first installation in Rome.
- Clearance by the United States Food and Drug Administration of DigniCap Delta for use by U.S. providers, followed by first U.S. installation at UCSF and the first new contract for DigniCap Delta with large healthcare provider Atrium Health.
- SEK 42 million in a directed new issue of units to aggressively increase the growth rate of the company with a focus on the new scalp cooling device.
- TGA approval of DigniCap Delta for sales in Australia.

Business highlights of Q4 2019

- Signed distribution agreement with AMI Medical Technologies in Israel.
- Sale of first DigniCap Delta units in Australia through long time distribution partner Aurora BioScience.
- Master contract with a large U.S. healthcare provider for up to 11 facilities in the Midwest region.

Significant events after the reporting period

- An Extraordinary General Meeting was held 10 February 2020 which resolved on one issue, the transfer of warrants to key persons in Dignitana Inc. in accordance with the proposal by the Board of Directors.
- Sponsorship of U.S. events with Susan G. Komen®, the largest breast cancer advocacy non-profit in the world.
- Placed first DigniCap Delta units in Italy, Spain and Israel.
- Signed distribution agreement with MedPhy Technologies in India.

Key Figures

| DIGNITANA GROUP | Q4 2019 | Q4 2018 | Full year 2019 | Full year 2018 |
|--|------------|------------|-------------------|-------------------|
| Net revenues, TSEK | 9,572 | 8,703 | 40,699 | 33,742 |
| Total revenues, TSEK | 10,062 | 8,772 | 42,546 | 34,075 |
| Net profit after financial items, TSEK | (15,060) | (5,176) | (37,950) | (25,846) |
| Cash and bank balances, TSEK | 19,433 | 22,161 | 19,433 | 22,161 |
| Earnings per share before and after dilution, SEK ¹ | (0.27) | (0.13) | (0.76) | (0.66) |

| DIGNITANA AB | Q4 2019 | Q4 2018 | Full year 2019 | Full year 2018 |
|--|------------|------------|-------------------|-------------------|
| Net revenues, TSEK | 6,374 | 6,312 | 27,115 | 24,849 |
| Total revenues, TSEK | 6,864 | 6,381 | 28,962 | 25,392 |
| Net profit after financial items, TSEK | (9,309) | (5,863) | (23,562) | (25,796) |
| Cash and bank balances, TSEK | 17,117 | 19,519 | 17,117 | 19,519 |

1) Rights offering and directed issue closed first quarter 2019.

"It was critical, bold and necessary for the Company to create a completely redesigned scalp cooling system accompanied by a new business model and we are already enjoying the benefits of that decision. DigniCap Delta has been well received by clinicians and more patients than ever before are now choosing this life-changing therapy."

William Cronin, CEO, Dignitana AB

Launch of DigniCap Delta drives aggressive growth

2019 marked the turning point for Dignitana. We are rapidly transforming the Company into a world class provider of superior medical technology. The launch of the next generation DigniCap Delta has allowed us to leverage the global footprint and clinical superiority from our legacy scalp cooling system into a platform for transformative growth. We can now develop mutually beneficial, long-term partnerships to provide scalp cooling that is easier for providers and better for patients.

Clearance paves the way

This year Dignitana successfully launched DigniCap Delta, obtaining the CE mark and clearance for the new device from the U.S. Food and Drug Administration and the Therapeutic Goods Administration in Australia. It was critical, bold and necessary for the Company to create a completely redesigned scalp cooling system accompanied by a new business model and we are already enjoying the benefits of that decision. DigniCap Delta has been well received by clinicians and more patients than ever before are now choosing this life-changing therapy. The U.S. is our largest and most important market and we are ahead of the scheduled rollout to transition existing U.S. customers from C3 and install new sites with DigniCap Delta. Demand is strong and we are installing new systems every week with more than 120 DigniCap Deltas operating in the U.S. and around the globe. Additionally, in the first half of 2020 the total scheduled production is already committed to pending upgrades and new installations.

Growth through existing partnerships

A large component of our U.S. growth strategy is expanding DigniCap to new locations with existing multi-site customers, and there is significant opportunity with these groups. This strategy is working well, with facilities from this category added to our roster each month in 2019. For example, Florida Cancer Specialists has grown from 8 sites using C3 in August to 22 locations providing DigniCap Delta by spring 2020, with projections for this to climb to as many as 50 sites in the next year.

Global demand

The popularity of DigniCap Delta is driving expansion in core usage areas around the globe. The number of inquiries we are now receiving from new markets is increasing, we are evaluating opportunities, identifying specific regional needs, and responding to this demand with a measured and controlled expansion plan. The regions identified with the highest growth potential are also those where we have longstanding relationships: Australia, Japan and Europe. Additionally, we are very interested in India where the healthcare system is changing, and scalp cooling is becoming more practical to implement.

Building revenue

Revenue for the year showed an increase of 25 percent over 2018, largely due to growth in treatment revenue and the new recurring revenue model created by introducing consumables for DigniCap Delta. The resource allocation associated with the new product launch is mostly behind us and we can now work to ensure our operations are structured as efficiently as possible. We anticipate internal expenses to become more normalized over the next several quarters as top line revenues continue to expand. Tracking current growth and demand, we expect that revenue will continue to increase through 2020 as we strive to become cash flow positive this year.

Funding for expansion

Funding from the 2019 directed equity issue supplied a financially solid capital structure to provide momentum for our ambitious growth and the ongoing rollout of DigniCap Delta. We continually monitor our financing options to ensure we are adequately funded for growth and demand. We utilize our existing line of credit as needed and believe that additional future funding needs can and should be met in the debt markets.

Turning point

Thank you to our partners, patients, Dignitana employees and shareholders for your continued support. This year marked a major turning point for Dignitana. We are making continuous adjustments to our processes and model to ensure we are delivering the best scalp cooling system in the world and now look forward to making 2020 the year the Company delivers on our tremendous potential and promise.



A handwritten signature in blue ink, reading "William Cronin". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

William Cronin, CEO
Dignitana AB

About Dignitana

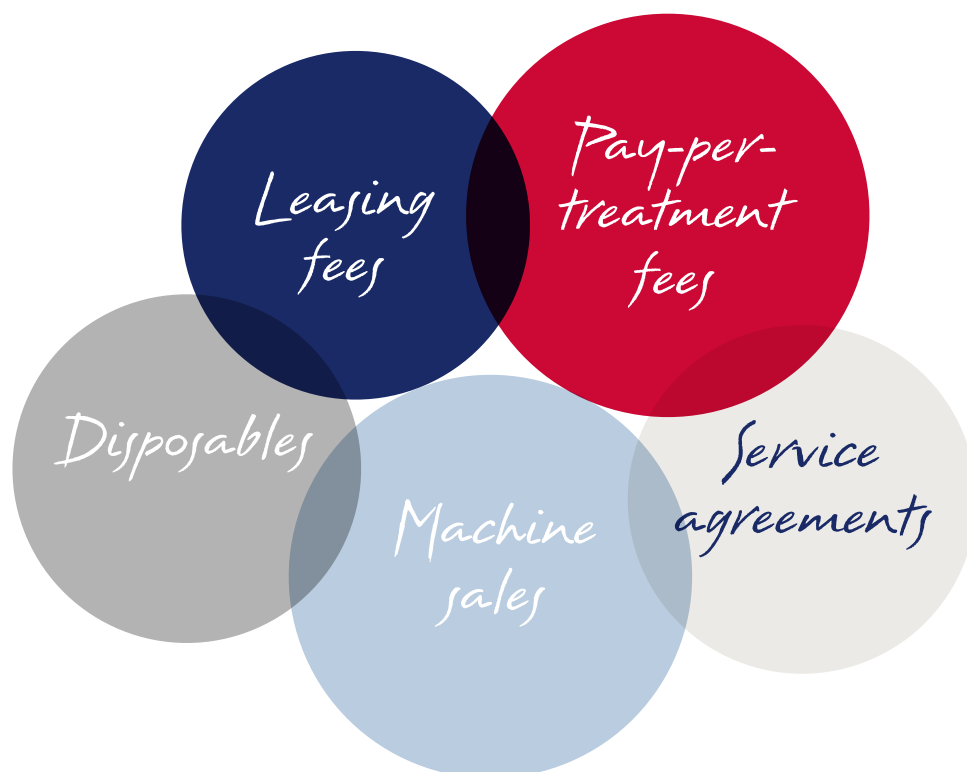
Dignitana is a medical technology Company based in Lund, Sweden and publicly traded on Nasdaq First North Growth Market. The Company produces The DigniCap Scalp Cooling System, a patented medical cooling device that offers cancer patients the ability to minimize hair loss during chemotherapy to improve 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

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. Early 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 of DigniCap Delta 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. Dignitana's sponsorship of Susan G. Komen, the largest breast cancer advocacy group in the world, is an example of this. In most of the world scalp cooling is not a standard option for cancer care. The acceptance, market penetration and utilization of this treatment vary widely, providing significant opportunities for Dignitana all over the world. In the U.S. Dignitana supports legislative initiatives to make scalp cooling readily accessible for all patients.

Dignitana is committed to advancing the science of scalp cooling by supporting clinical trials and research initiatives among DigniCap users.

During the fourth quarter a physician from Norwalk Hospital in Connecticut presented DigniCap findings at the San Antonio Breast Cancer Symposium. He highlighted impressive results of a retrospective study of DigniCap use with taxane and anthracycline regimens and success ranged from 60 percent to 100 percent depending on regimen.

The Company is now 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 DigniCap Delta model was introduced in 2019 and is a smaller, single-patient device providing optimal outcomes and improved ease of use for clinicians and patients.

The DigniCap C3 device has been marketed worldwide since 2009 and is available in 38 countries.

DigniCap Delta received clearance from the U.S. Food and Drug Administration in June 2019 and CE Marking in March 2019. The transition to DigniCap Delta is underway with current U.S. customers and the roster of new U.S. customers is growing rapidly. Outside the U.S., DigniCap Delta is now in use in Australia, Italy, Spain, the United Kingdom and Israel.



Financial information and comments

Revenue – Dignitana Group

The financial development of the fourth quarter reflects the continued transition to the new Delta system, 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.

Group revenues are generated by direct sales of systems, pay-per-treatment fees, cap and patient kit sales, leased systems, service agreements and other revenue. Dignitana Group total revenue during the fourth quarter amounted to 10,062 TSEK, 1,066 KUSD, which is an increase of 15 percent compared to the same period last year.

Dignitana Group total revenue for the full year 2019 amounted to 42,546 TSEK, 4,501 KUSD, an increase of 25 percent over the same period 2018. The increase in year to date revenue is a result of growth in U.S. patient treatments and 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 2019 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.

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 devices directly to the end customer as various lease models are employed.

Cost of goods sold for the Group increased to 2,837 TSEK for the fourth quarter of 2019. Gross margin for both the fourth quarter of 2019 and the full year declined from the prior year due to higher maintenance and repair costs associated with the C3 unit and higher installation costs associated with introduction of the new Delta system in certain international markets. Additionally, freight costs were included in cost of goods sold beginning with the fourth quarter of 2019. Previously, freight costs have been included in operating expenses.

Profit and Loss – Dignitana Group

Group EBIT for the fourth quarter was (14,789) TSEK compared to (5,141) TSEK in the same period in 2018. Net profit after financial items was (15,060) TSEK compared to (5,176) 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 system, the write-off of certain accounts receivable from prior years and operating expenses associated with the transition to the new Delta system.

Earnings per share for the fourth quarter of 2019 amount to (0.27) SEK, which is a decrease compared to the fourth quarter of 2018. Earnings per share for the full year 2019 amount to (0.76) SEK, which is a decrease compared to 2018. 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 18 months.

Revenue – Dignitana Parent Company

Dignitana Parent total revenues during the fourth quarter amounted to 6,864 TSEK, 726 KUSD, which is an increase of 1 percent compared to the same period last year.

Dignitana Parent total revenue for the full year of 2019 amounted to 28,962 TSEK, 3,064 KUSD, an increase of 14.1 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 decreased to 1,108 TSEK for the fourth quarter of 2019 primarily due to lower sales of units in the fourth quarter of 2019 compared to the fourth quarter of 2018. Cost of goods sold for the Parent increased to 6,002 TSEK for the full year 2019 primarily due to the removal of certain C3 systems from inventory earlier in the third quarter and freight, maintenance and repair costs increased as the company transitions to the new DigniCap Delta system.

For the fourth quarter of 2019 operating expenses increased from the prior year due to incremental personnel, marketing and other expenses associated with the transition to the new DigniCap Delta system.

Parent EBIT for the fourth quarter was (9,296) TSEK compared to (6,104) TSEK in the same period in 2018.

Net profit after financial items was (9,309) TSEK compared to (5,863) 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 DigniCap Delta unit, the write off of certain accounts receivable and other expenses associated with the transition to the new DigniCap Delta system.

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 third period of 2019.

The share

The total number of outstanding shares at the close of the fourth 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

| 31 DECEMBER, 2019 | Holding | Percentage |
|--|-------------------|-------------------|
| ADMA FÖRVALTNINGS AB (Greg Dingizian) | 12,835,173 | 23.31% |
| FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION | 4,783,284 | 8.69% |
| CBLDN-UBS FINANCIAL SERVICES INC (William Cronin & others) | 4,245,739 | 7.71% |
| EUROSUND AB (Johan Stormby) | 3,098,036 | 5.63% |
| IBKR FINANCIAL SERVICES AG, W8IMY | 1,778,185 | 3.23% |
| SKANDIA, FÖRSÄKRINGS (Greg Dingizian & others) | 1,633,992 | 2.97% |
| NORDNET PENSIONS FÖRSÄKRING AB | 1,542,940 | 2.80% |
| POURSAMAD, AMIR | 1,246,428 | 2.26% |
| RÜLF, SEMMY | 1,064,129 | 1.93% |
| PERSSON, RUTGER | 985,319 | 1.79% |
| TOTAL | 33,213,225 | 60.32% |
| OTHER SHAREHOLDERS | 21,845,930 | 100.00% |
| TOTAL | 55,059,155 | 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, 25 February 2020

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 | Q4 2019 | Q4 2018 | Full year 2019 | Full year 2018 |
|---|---------------------|--------------------|---------------------|---------------------|
| Operating Income | | | | |
| Revenue | 9,572,414 | 8,703,270 | 40,669,211 | 33,742,077 |
| Own work capitalized | | | | |
| Other income | 490 060 | 68 975 | 1 846 817 | 332 827 |
| Total Operating Income | 10,062,474 | 8,772,245 | 42,546,028 | 34,074,904 |
| Cost of Goods Sold | | | | |
| Goods for Resale | 2,837,237 | 1,458,109 | 11,559,218 | 4,085,592 |
| Gross Profit | 7,225,237 | 7,314,136 | 30,986,810 | 29,989,312 |
| Operating expenses | | | | |
| Operating Expense | 11,660,555 | 6,286,710 | 34,984,714 | 26,358,173 |
| Personnel expenses | 6,363,730 | 4,023,438 | 21,367,162 | 19,555,853 |
| Other Operating expense | 630,617 | 869 | 894,891 | 29,160 |
| Total operating expenses | 18,654,902 | 10,311,017 | 57,246,767 | 45,943,186 |
| Operating profit (loss) – EBITDA | (11,429,665) | (2,996,881) | (26,259,957) | (15,953,874) |
| Depreciation of tangible and intangible assets | 3,359,229 | 2,143,738 | 10,266,997 | 8,066,961 |
| Operating profit (loss) after depreciation – EBIT | (14,788,894) | (5,140,619) | (36,526,954) | (24,020,835) |
| Result from financial investments | | | | |
| Interest income and similar items | 19,782 | 836 | 102,590 | 598,895 |
| Interest expenses and similar items | (291,134) | (36,244) | (1,525,440) | (2,423,667) |
| Total income (loss) from financial investments | (271,352) | (35,408) | (1,422,850) | (1,824,772) |
| Net profit (loss) after financial items | (15,060,246) | (5,176,027) | (37,949,804) | (25,845,607) |
| Corporate Taxes | 3,172 | 175,753 | 85,413 | 175,753 |
| Results for the Period | (15,063,418) | (5,351,780) | (38,035,217) | (26,021,360) |
| Total shares at the period-end before and after dilution ¹ | 55,059,155 | 40,548,224 | 55,059,155 | 40,548,224 |
| Average number of shares before and after dilution ¹ | 55,059,155 | 40,548,224 | 49,891,985 | 39,492,859 |
| Earnings per share before and after dilution ¹ | (0.27) | (0.13) | (0.76) | (0.66) |

1) no dilution

Balance Sheet – Dignitana Group, SEK

| STATEMENT OF FINANCIAL POSITION, SEK | 2019-12-31 | 2018-12-31 |
|--|-------------------|-------------------|
| FIXED ASSETS | | |
| <u>Intangible assets</u> | | |
| Capitalized expenses for development, net | 22,594,795 | 19,029,429 |
| <u>Tangible assets</u> | | |
| Equipment, tools and installations, net | 22,214,084 | 14,747,076 |
| Total Fixed Assets | 44,808,879 | 33,776,505 |
| Current Assets | | |
| <u>Inventories and similar</u> | | |
| Finished goods and goods for resale | 9,391,105 | 6,308,536 |
| <u>Current Receivables</u> | | |
| Accounts Receivable | 4,409,995 | 7,317,979 |
| Current Tax Assets | 269,467 | 88,551 |
| Other Current Receivables | 844,666 | 9,846,053 |
| Prepaid expenses and accrued income | 2,331,781 | 875,257 |
| | 7,855,909 | 18,127,839 |
| <u>Cash and Bank Balances</u> | 19,432,901 | 22,160,876 |
| Total Current Assets | 36,679,915 | 46,597,251 |
| Total Assets | 81,488,794 | 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 |
| Unregistered share capital | | 8,050,931 |
| Fund for development expenses | 19,218,072 | 12,899,975 |
| | 74,277,227 | 61,499,130 |
| <u>Non-restricted equity</u> | | |
| Other non-restricted equity | 18,860,805 | 19,487,347 |
| Results for the period | (38,035,217) | (26,021,360) |
| | (19,174,412) | (6,534,013) |
| Total Equity | 55,102,816 | 54,965,116 |
| Current Liabilities | | |
| Accounts payable | 8,888,418 | 8,089,438 |
| Other current liabilities | 3,401,023 | 2,327,198 |
| Liabilities to credit institutions | 5,505,968 | 7,258,983 |
| Accrued expenses and deferred income | 6,673,362 | 4,804,166 |
| Total current liabilities | 24,468,756 | 22,479,785 |
| Long Term Liabilities | | |
| Liabilities to credit Institutions | 1,917,208 | 2,928,856 |
| Total Equity and Liabilities | 81,488,794 | 80,373,757 |

Changes in Equity – Dignitana Group, SEK

| DIGNITANA GROUP | Full year 2019 | Full year 2018 |
|--|-------------------|-------------------|
| Changes in equity, SEK | | |
| Opening balance | 54,965,116 | 51,145,960 |
| New Share Issue | 41,990,000 | – |
| Unregistered Share Issue | – | 33,813,912 |
| Issue expenses | (3,380,915) | (3,971,913) |
| Translation difference on consolidation Results for the period | (436,169) | (1,482) |
| Results through the end of the period | (38,035,217) | (26,021,361) |
| Closing balance | 55,102,815 | 54,965,116 |

Statement of Cash Flows – Dignitana Group, SEK

| DIGNITANA GROUP | Q4 2019 | Q4 2018 | Full year 2019 | Full year 2018 |
|--|---------------------|--------------------|---------------------|---------------------|
| Operating Activities | | | | |
| Operating income before financial items | (14,788,894) | (5,140,619) | (36,526,954) | (24,020,835) |
| Adjustments for items not affecting cash flows | 3,359,229 | 2,143,738 | 10,266,997 | 8,066,961 |
| Interest received | 19,782 | (836) | 102,589 | 598,895 |
| Interest paid | (291,134) | 36,244 | (1,525,440) | (2,423,667) |
| Income tax paid | (3,172) | (76,367) | (425,058) | (51,575) |
| | (11,704,189) | (3,037,840) | (28,107,866) | (17,830,221) |
| Changes in inventories | (1,795,094) | 582,819 | (3,082,569) | (3,464,701) |
| Changes in other current receivables | 78,467 | 821,050 | 467,589 | (3,309,050) |
| Changes in other current liabilities | 4,127,906 | 3,354,688 | 3,988,327 | 3,972,605 |
| Cash flows from operating activities | (9,292,925) | 1,720,717 | (26,734,519) | (20,631,367) |
| Investing Activities | | | | |
| Acquisition of fixed assets | (8,668,622) | (5,875,586) | (21,299,370) | (11,087,702) |
| Cash flows from investing activities | (8,668,622) | (5,875,586) | (21,299,370) | (11,087,702) |
| Financing Activities | | | | |
| New share issue ¹ | – | 23,966,859 | 51,836,053 | 66,542,504 |
| Issuance costs | – | (3,353,338) | (3,905,915) | (7,927,913) |
| Long Term Liabilities | (3,188,048) | 1,329,357 | (2,764,662) | (5,690,262) |
| Cash flows from financial activities | (3,188,048) | 21,942,878 | 45,165,476 | 52,924,329 |
| Cash flows in the period | (21,149,595) | 17,788,009 | (2,868,413) | 21,205,260 |
| Cash and cash equivalents at start of the period | 40,517,844 | 4,561,721 | 22,160,875 | 1,017,957 |
| Translation difference on cash and cash equivalents | 64,652 | (188,854) | 140,439 | (62,342) |
| Cash and cash equivalents Period End | 19,432,901 | 22,160,876 | 19,432,901 | 22,160,875 |

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 | Q4 2019 | Q4 2018 | Full year 2019 | Full year 2018 |
|--|--------------------|--------------------|---------------------|---------------------|
| Operating Income | | | | |
| Revenue | 6,373,945 | 6,312,032 | 27,114,785 | 24,848,578 |
| Own work capitalized | | | | |
| Other income | 490,060 | 68,975 | 1,846,817 | 543,547 |
| Total Operating Income | 6,864,005 | 6,381,007 | 28,961,602 | 25,392,126 |
| Cost of Goods Sold | | | | |
| Goods for Resale | 1,108,145 | 1,458,109 | 6,001,626 | 4,085,592 |
| Gross Profit | 5,755,860 | 4,922,898 | 22,959,976 | 21,306,533 |
| Operating expenses | | | | |
| Other external expenses | 10,847,663 | 8,155,374 | 33,682,777 | 34,972,918 |
| Personnel expenses | 302,134 | 786,869 | 1,573,393 | 3,671,013 |
| Other Operating expense | 630,617 | 869 | 580,237 | (125,763) |
| Total operating expenses | 11,780,414 | 8,943,112 | 35,836,407 | 38,518,168 |
| Operating profit (loss) – EBITDA | (6,024,554) | (4,020,214) | (12,876,431) | (17,211,634) |
| Depreciation and amortization | 3,271,231 | 2,083,475 | 9,950,466 | 7,884,010 |
| Operating profit (loss) after depreciation – EBIT | (9,295,785) | (6,103,689) | (22,826,897) | (25,095,645) |
| Result from financial investments | | | | |
| Interest expenses and similar items | (13,620) | 240,797 | (734,977) | (700,415) |
| Total income from financial investments | (13,620) | 240,797 | (734,977) | (700,415) |
| Net profit (loss) after financial items | (9,309,405) | (5,862,892) | (23,561,874) | (25,796,060) |
| Results for the Period | (9,309,405) | (5,862,892) | (23,561,874) | (25,796,060) |

Balance Sheet – Dignitana AB, Parent Company, SEK

| STATEMENT OF FINANCIAL POSITION, SEK | 2019-12-31 | 2018-12-31 |
|---|-------------------|-------------------|
| FIXED ASSETS | | |
| <u>Intangible assets</u> | | |
| Capitalized expenses for development, net | 22,561,837 | 19,011,353 |
| <u>Tangible assets</u> | | |
| Equipment, tools and installations, net | 21,719,293 | 14,229,631 |
| <u>Financial assets</u> | | |
| Participations in group companies | 522,094 | 522,094 |
| Total Fixed Assets | 44,803,224 | 33,763,078 |
| Current Assets | | |
| <u>Inventories and similar</u> | | |
| Finished goods and goods for resale | 8,473,678 | 6,308,536 |
| Advance payment to suppliers | | |
| | 8,473,678 | 6,308,536 |
| <u>Current Receivables</u> | | |
| Accounts Receivable | 1,277,591 | 2,164,404 |
| Current Receivables from group companies | (163,218) | 905,822 |
| Current Tax Assets | 269,467 | 68,818 |
| Other current receivables | 831,934 | 10,027,537 |
| Prepaid expenses and accrued income | 466,768 | 330,382 |
| | 2,862,542 | 13,496,963 |
| <u>Cash and Bank Balances</u> | 17,116,918 | 19,519,192 |
| Total Current Assets | 28,273,138 | 39,324,691 |
| <u>Long Term Loan – group</u> | – | – |
| Total Assets | 73,076,362 | 73,087,769 |
| 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 |
| Unregistered share capital | – | 8,050,931 |
| Fund for development expenses | 19,218,072 | 12,899,975 |
| | 74,277,227 | 61,499,130 |
| <u>Non-restricted equity</u> | | |
| Retained Earnings | (51,819,834) | (19,705,674) |
| Share premium reserves | 83,594,504 | 48,064,504 |
| Issue expense | (12,124,860) | (8,743,945) |
| Results for the period | (23,561,874) | (25,796,060) |
| | (3,912,064) | (6,181,175) |
| Total Equity | 70,365,163 | 55,317,955 |
| Current Liabilities | | |
| Accounts payable | 4,923,861 | 5,678,280 |
| Other current liabilities | 171,790 | 76,245 |
| Liabilities to credit institutions | – | 1,027,530 |
| Current payable to group company | (7,529,860) | 6,933,127 |
| Accrued expenses and deferred income | 5,145,408 | 4,054,632 |
| Total current liabilities | 2,711,199 | 17,769,814 |
| Long Term Liabilities | | |
| Total Equity and Liabilities | 73,076,362 | 73,087,769 |

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

| | |
|-------------------------|------------------------|
| 9 April 2020 | Annual Report |
| 28 May 2020 | Annual General Meeting |
| 28 May 2020 | Q1 Interim Report |
| 20 August 2020 | Q2 Interim Report |
| 19 November 2020 | Q3 Interim Report |
| 18 February 2021 | 2020 Year End Report |

All financial reports are available at www.dignitana.se

Contact information

Dignitana AB

Traktörgränden 3, 226 60 Lund
+46 (0) 46-16 30 90
info@dignitana.se
investorrelations@dignitana.com
www.dignitana.se

Certified Adviser

Erik Penser Bank AB
+46 (0) 8 463 83 00
certifiedadviser@penser.se
www.penser.se