NOTE: This is an unofficial translation of the original report which is in Swedish. In case of discrepancies, the Swedish version shall prevail.

Annual Report

and

Consolidated accounts

for

Dignitana AB (publ.)

556730-5346

For the financial year

2019

The Board of Directors and the CEO of Dignitana AB (publ.) hereby submit the following annual report and consolidated accounts for the 2019 fiscal year.

The Annual Report has been prepared in Swedish kronor, SEK.

Administration Report

Information about the operations

Dignitana is a medical technology Company that develops, produces and markets the DigniCap® Scalp Cooling System, a patented medical cooling device that offers cancer patients the ability to eliminate or sharply reduce hair loss during chemotherapy, thus improving well-being and quality of life.

DigniCap has had FDA clearance since 2015 for providing continuous scalp cooling with high efficacy, safety and acceptable patient comfort. In 2017, Dignitana obtained expanded clearance from the FDA, which means DigniCap is permitted for use by patients undergoing chemotherapy for solid tumors in connection with breast cancer as well as those from prostate, ovarian, uterine, lung and other tissues. In 2019, Dignitana obtained a CE Marking and approval for sales in the EU as well as FDA clearance for use by care providers in the U.S. for the Company's new unit, DigniCap Delta, the fourth-generation scalp cooling system.

In addition to significant improvements for both patients and care staff, the Delta unit is moreover a new global revenue stream for the Company through the sales of individual caps. The Company's revenue comes from payments for treatment, lease payments, sales of machinery (outside the U.S.) and service agreements as well as sales of consumables and accessories.

Dignitana AB's registered office and head office is in Lund, Sweden, and its operations are based in Dallas, TX.

Dignitana's shares are traded on Nasdaq First North Growth Stockholm, with Erik Penser Bank as Certified Adviser.

Significant events during the fiscal year

During the first quarter, Dignitana signed a service agreement with a supplier, oneservice, for service and maintenance of clinics offering DigniCap scalp cooling systems in Europe.

The new DigniCap Delta scalp cooling system obtained market approval with its CE Marking. DigniCap Delta has thus been approved for sale in the EU, and the first European Delta unit was installed at the Gemelli hospital in Rome.

The Annual General Meeting was held on May 15, 2019 in Lund, at which resolutions were passed on all points in accordance with the proposals of the Board of Directors. Thomas Kelly, William Cronin, Ingrid Atteryd Heiman and Mikael Wahlgren were re-elected members of the Board for the period until the end of the next AGM, with Thomas Kelly as Chairman of the Board. Greg Dingizian and Pontus Kristiansson were elected as new Board members for the period until the end of the next AGM.

Dignitana obtained FDA clearance for DigniCap Delta, which can thus be used by care providers in the U.S. The first U.S. order for DigniCap Delta was signed with the large healthcare provider Atrium Health for installation at several of its clinics. The first U.S. installation took place at the University of California in San Francisco.

With an authorization from the AGM, Dignitana conducted a directed new issue of units in the third quarter that brought the Company SEK 42 million before issue expenses. The proceeds from the new share issue will be used to facilitate and aggressively increase the growth rate of the Company as well as the launch of the new Delta unit. The investors comprise institutional and private investors, both Swedish and international, and are managed by Nyenburgh Investment Partners. Stockholm Corporate Finance acted as adviser and sole bookrunner. Fredersen Advokatbyrå was the legal adviser.

In the fourth quarter, Dignitana obtained market approval for the new scalp cooling unit in Australia and Israel, followed by sales and installations in these markets.

During the same period, the Company signed a master contract with a large U.S. healthcare provider for placement of Delta units in up to eleven clinics in the Midwest region.

At year-end, a total of 140 new Delta units had been distributed. In 2019, the number of treatments increased 25 percent year-on-year.

The total number of shares outstanding at year-end 2019 was 55,059,155.

Significant events after the end of the financial year

On February 10, 2020, an Extraordinary General Meeting was held in Lund that, in accordance with the proposal from the Board of Directors, resolved on a transfer of a maximum of 2,500,000 warrants to key persons in the U.S. subsidiary, Dignitana Inc. Each warrant entitles the holder to subscribe for one share at a price of SEK 13 per share during the period from March 1–31, 2023. The warrants were transferred without charge. If the warrants in this resolution and the warrants issued as part of the 2017/2020 warrant program are fully exercised, the dilution effect will correspond to approximately 4.5 percent of the number of shares and the number of votes.

New Delta units have been installed in Italy, Spain, the UK and Israel.

In the first quarter, Dignitana signed a distribution agreement with MedPhy Technologies in India.

The outbreak of COVID-19 progressed rapidly in 2020, and the measures taken by various governments to reduce the spread of the virus have impacted economic activity across the globe. We remain focused on providing DigniCap products and services to our customers while conducting our operations in a way that safeguards the health and safety of everyone involved. In accordance with the recommendations on social distancing, our employees are working from home, thus primarily providing customer service and support in a virtual environment. We have also changed our cleaning instructions specifically for the coronavirus, which the clinics are following.

The COVID-19 situation is constantly changing for the groups we serve, and we are in close continual dialogue with our customers to stay one step ahead of the changes that could impact our operations. At the time of this writing, new installations in the U.S. have been delayed as a consequence of COVID-19. Certain customers, especially large hospitals, have limited their scalp cooling services owing to personnel restrictions and an ambition to limit patients' time in the medical center, thereby minimizing potential exposure to the coronavirus. We are seeing some easing of these restrictions, however, which will result in some clinics again offering scalp cooling for their breast cancer patients. Other clinics are offering the same level of scalp cooling as previously, and we continue to send deliveries to patients on a daily basis.

We expect that COVID-19 will impact our revenue. When that will happen, and the extent of the impact, cannot yet be determined. This depends on how long the pandemic lasts. The Board and management of the Company are monitoring these developments closely.

The governments in the countries where we operate have announced various financial support packages, and we routinely investigate whether we are entitled to receive this support.

Liquidity and financing

At the balance sheet date, the Group’s cash position was TSEK 19,433. The Board of Directors and management are continually and actively working to safeguard liquidity and the continued financing of operations under the most advantageous terms possible for the purpose of benefiting our shareholders’ long-term interests.

As a stage in this process, the Company has applied for and been granted employment aid totaling 354 KUSD in the U.S. Swedish staff have been put on temporary furlough with a 40 percent reduction in working hours.

After the end of the financial year, the Company also raised new loans totaling 1,500 KUSD on normal market terms from its former creditor, Union Business Leasing Inc.

It is the shared opinion of the Board and management that the cash flows continually generated by growing operations and owing to the new business model will be significant and sufficient for ensuring liquidity requirements for the next 12 months and beyond.

In the event delays arise between revenue and expenditures, the Board and management believe these delays in the cash flow will be bridged by one or more of the following measures, or a combination thereof: - New loans from both existing and new creditors, changes in terms of payment in relation to suppliers, a lower rate of growth and thereby reduced purchases of machinery, or alternately the establishment of a leasing model with machinery suppliers.

Research and development

DigniCap Scalp Cooling System is clinically approved for reducing hair loss among cancer patients undergoing chemotherapy for solid cancer tumors. The DigniCap model C3 has been on the market since 2009. In addition to temporary software upgrades, the most recent improvements of the system include the DigniTherm Click Cap, a product development designed for increased ease-of-use and fit and thus yield an improved result with less hair loss. The launch of Click Cap in the U.S. was concluded in March 2018 and the remainder of 2018 showed a steady increase in its use, after facilities had used the new cap and become acquainted with its improvements.

Since 2017, Dignitana has focused on developing DigniCap Delta, the next generation of scalp cooling unit. The new unit means significant improvements over other systems for scalp cooling in the market. The main improvements entail increased user-friendliness with individualized caps for patients, a smaller and more mobile unit, and a decreased need for handling.
The new individualized caps give each patient a flexible cooling wrap and an adjustable scalp hood designed to optimize scalp cooling results and to reduce the need for storage at clinics. The customized units are only half as large as the previous version. In addition, the intuitive interface means a decrease of up to 80 percent in time spent per patient for health care staff compared with the existing unit. In spring 2019, the new system received CE approval for sales in the EU and FDA clearance for use in the U.S.

Dignitana will be initiating several new studies to investigate expanding the use of scalp cooling to new user groups and show improvements with existing regimens that previously exhibited inferior results with scalp cooling.

Message from the CEO

Dignitana's operations during the year were marked by the launch of DigniCap Delta, the fourth-generation scalp cooling system. During the first half of the year, Dignitana obtained CE Marking and market approval for sales of DigniCap Delta in Europe, followed by FDA clearance for use by care providers in the U.S. The launch was very successful, since the new scalp cooling system was well received by both healthcare staff and patients.

In 2019, we obtained clear proof that there was great demand, and we have been continually installing new systems. We remain focused on the U.S., which is our largest and most important market. In this market, our strategy is to grow through upgrades and new installations among existing customers with numerous clinics. In addition to the U.S., our focus going forward will be on regions with the greatest growth potential such as Europe, Australia and Japan, where we already have many established relationships. Moreover, in 2019 we obtained market approval in Israel, which remains a market with significant potential. At year-end, we had shipped 140 new DigniCap Delta systems worldwide. We will continue to evaluate new opportunities and specific regional needs for continued global roll-out. Dignitana's vision is to establish clinically superior scalp cooling as a standard treatment in modern cancer care.

For the purpose of ensuring financing for its global expansion, Dignitana exercised the mandate granted by the 2019 Annual General Meeting. A directed new issue generated proceeds of SEK 42 million for the Company, which will facilitate the achievement of our long-term financial goals. The Board of Directors and management are actively working to safeguard liquidity and the continued financing of operations under the most advantageous terms possible for the purpose of benefiting our shareholders' long-term interests.

Revenue for 2019 increased 25 percent year-on-year as a result of growth in the pay-per-treatment and sales of consumables revenue streams, which were introduced as a result of the launch of DigniCap Delta.

2019 was characterized in its entirety by an extremely high tempo. With DigniCap Delta, we have taken a tremendous step forward in scalp cooling technology. We have also introduced a mutually advantageous long-term sustainable business model with our partners, thereby ensuring that as many patients as possible can be offered this important therapy option.

Altogether, the positive reception and growing demand for DigniCap Delta have given us confidence in the future, which was initially also confirmed in 2020. In pace with the global spread of COVID-19, Dignitana is closely following developments both globally and in individual markets. The health and safety of our patients, customers/care providers and employees is our top priority. Even under the prevailing extraordinary situation, we remain focused on offering DigniCap products and services to our customers while having implemented a number of extensive changes to continue conducting our operations responsibly for all parties involved.

Financial comments

Revenue – Dignitana Group
Group revenues are generated by direct sales of systems, pay-per-treatment fees, sales of caps and kits to patients, leased systems, service agreements and other revenue. The Dignitana Group's total revenue for full-year 2019 amounted to 42,545 TSEK (34,075), an increase of 25 percent over the same period 2018. The increase in revenue for the January–December period is the result of growth in patient treatments in the U.S. and revenue from unit rentals.

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's revenue and costs comprise different currencies such as USD, EUR, SEK, and others. Foreign exchange translation differences are found on the Income Statement in Other Income, Other Operating Expenses, Other Financial Income and Expenses and Translation Differences in Equity.

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 11,559 TSEK for 2019. Gross margin for 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 had been included in operating expenses.

Profit and Loss – Dignitana Group
Consolidated EBIT for 2019 was (36,528) TSEK, compared to (24,020) TSEK for 2018. Net loss after financial items amounted to TSEK (37,950) (25,845). The decline in both EBIT and Net profit for the year was due primarily to increases in depreciation and amortization expenses associated with the amortization of the development costs for the Delta unit, the write-off of certain accounts receivable from prior years and additional personnel and operating expenses associated with the transition to the new Delta system.

Earnings per share for full year 2019 amounted to (0.76) SEK, which is a decrease compared with the preceding 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 18 months.

Cash flow and liquidity – Dignitana Group
Cash flow for the year totaled (2,868) TSEK (21,207). At the balance sheet date, the Group's cash position was 19,433 TSEK (22,161).

Revenue – Dignitana Parent Company
Dignitana Parent total revenues for full year 2019 amounted to 28,962 TSEK (25,392), an increase of 14.1 percent over year-earlier period.

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 for the Parent Company increased to 6,002 TSEK for full year 2019, primarily due to the removal of certain C3 systems from inventory earlier in the third quarter and to increases in freight, maintenance and repair costs as the Company transitioned to the DigniCap Delta system.

Parent EBIT for 2019 was (22,827) TSEK (25,096).

Net profit after financial items for 2019 amounted to (23,562) TSEK (25,796).

Operations subject to permit and reporting obligation in accordance with the Swedish Environmental Code

The Company does not conduct any operations subject to permit and reporting obligations under the Swedish Environmental Code.

Ownership structure

Name	Number of shares	Number of voting rights (%)
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 PENSIONSFÖRSÄKRING AB	1,542,940	2.8
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	39.68
TOTAL	55,059,155	100

Ownership structure at December 31, 2019.

Expected future development and material risks and uncertainty factors

An investment in securities is associated with risk. Dignitana's activities are affected, and may be affected, by a number of factors that cannot be completely controlled by the Company. There are risks both in terms of circumstances attributable to Dignitana and those that have no specific connection with the Company.

In no particular sequence and without claiming to be exhaustive, the following are a number of the risk factors and circumstances regarded as necessary for Dignitana's operations and future development. The risks described are not a definitive list of the risks to which the Company and its shareholders may be exposed. Additional risks that are currently not known to the Company or that the Company currently does not regard as relevant could also be of major significance to Dignitana's operations, financial position and earnings. Such risks could also lead to a sharp decline in the Company's share price and to investors losing their investment in full or in part. In addition to this section, investors should also consider, in its entirety, the other information in this document, and implement a general assessment.

Global effects on the world economy caused by the COVID-19 pandemic
At present, it is extremely difficult to predict how COVID-19 virus will impact the Company's operations and the global market in which the Company operates. This could constitute a risk factor for the Company's future performance and earnings.

The non-definitive list of the Company's risks pertains, but is 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 more detailed explanation of these risk factors, refer to the Company document from December 2018, which was published on https://investor.dignitana.com/new-issues/

Multi-year overview (TSEK)

Group	**2019**	**2018**	**2017**	**2016**	**2015**
Net sales	40,699	33,742	22,941	8,902	4,749
Total loss from financial investments	-37,950	-25,845	-42,415	-32,269	-16,569
Average number of employees	23	20	15	17	12
Balance sheet total	81,489	80,374	82,297	63,834	47,640
Return on equity (%)	neg.	neg.	neg.	neg.	neg.
Return on total capital (%)	neg.	neg.	neg.	neg.	neg.
Equity/assets ratio (%)	68	68	62	89	86

Parent Company	**2019**	**2018**	**2017**	**2016**	**2015**
Net sales	27,115	24,849	18,300	7,767	4,749
Total loss from financial investments	-23,562	-25,796	-42,277	-32,457	-16,570
Average number of employees	2	2	9	8	7
Balance sheet total	80,686	73,088	79,343	62,557	48,001
Return on equity (%)	neg.	neg.	neg.	neg.	neg.
Return on total capital (%)	neg.	neg.	neg.	neg.	neg.
Equity/assets ratio (%)	87	76	65	91	85

For definitions of key figures, please refer to Accounting and valuation policies.

Proposed treatment of accumulated loss

The Board of Directors proposes that the accumulated loss (SEK):

retained earnings	19,649,813
net loss for the year	-23,561,877
	-3,912,064

be treated as follows:	
to be carried forward	-3,912,064

The Group’s and Parent Company’s earnings and financial position are presented in the following income statements and balance sheets as well as the statement of cash flows with accompanying notes.

Consolidated Income statement

TSEK

	Note	Jan. 1, 2019 –Dec. 31, 2019	Jan. 1, 2018 –Dec. 31, 2018
Net sales	2	40,699	33,742
Other operating income	4	1,846	333
		42,545	**34,075**
Operating expenses			
Goods for resale		-11,559	-4,085
Other external expenses	5, 6, 7, 8	-34,985	-26,358
Personnel expenses	7, 8	-21,367	-19,556
Depreciation/amortization and impairment of tangible and intangible assets	3, 9	-10,267	-8,067
Other operating expenses		-895	-29
		-79,073	**-58,095**
Operating loss - EBITDA		**-36,528**	**-24,020**
Result from financial investments			
Other interest income and similar items	10	103	599
Interest expenses and similar items	11	-1,525	-2,424
		-1,422	**-1,825**
Total loss from financial investments		**-37,950**	**-25,845**
Loss before tax		**-37,950**	**-25,845**
Tax on net profit/loss for the year	12	-85	-176
Net loss for the year		**-38,035**	**-26,021**

Consolidated Balance sheet

TSEK

	Note	Dec. 31, 2019	Dec. 31, 2018
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenses for development, net	3	22,595	19,029
		22,595	**19,029**
Tangible assets			
Equipment, tools and installations, net	9	22,214	14,747
		22,214	**14,747**
Total fixed assets		**44,809**	**33,776**
Current assets			
Inventories and similar			
Finished goods and goods for resale		9,391	6,309
		9,391	**6,309**
Current receivables			
Accounts receivable		4,410	7,318
Current tax assets		269	89
Other receivables		845	9,846
Prepaid expenses and accrued income	13	2,332	875
		7,856	**18,128**
Cash and bank balances	14	19,433	22,161
Total current assets		**36,680**	**46,598**
TOTAL ASSETS		**81,489**	**80,374**

Consolidated Balance sheet
TSEK

	Note	Dec. 31, 2019	Dec. 31, 2018
EQUITY AND LIABILITIES			
Equity	15		
Share capital		55,059	40,548
Unregistered share capital		0	8,051
Fund for development expenses		19,218	12,900
Retained earnings		18,861	-101,431
Other paid-in capital		0	120,918
Net loss for the year		-38,035	-26,021
Total equity		**55,103**	**54,965**
Long term liabilities			
Liabilities to credit institutions	16	1,917	2,929
		1,917	**2,929**
Current liabilities			
Liabilities to credit institutions	16	5,506	7,259
Accounts payable		8,888	8,090
Other liabilities		3,401	2,327
Accrued expenses and deferred income	17	6,674	4,804
		24,469	**22,480**
TOTAL EQUITY AND LIABILITIES		**81,489**	**80,374**

Consolidated statement of changes in equity

TSEK

	Share capital	Other contributed capital	Retained earnings, incl. net loss for the year	Total	Fund for development expenses	Total equity
Opening equity, Jan. 1, 2018	**40,548**	**99,128**	**-91,166**	**48,510**	**2,636**	**51,146**
New share issue	8,051	25,762		33,813		33,813
Issue expenses		-3,972		-3,972		-3,972
Development expenditure			-10,264	-10,264	10,264	0
Net loss for the year			-26,021	-26,021		-26,021
Change in translation difference relating to subsidiaries			-1	-1		-1
Closing equity, Dec. 31, 2018	**48,599**	**120,918**	**-127,452**	**42,065**	**12,900**	**54,965**
New share issue	6,460		35,530	41,990		41,990
Issue expenses			-3,381	-3,381		-3,381
Development expenditure			-6,318	-6,318	6,318	0
Net loss for the year			-38,035	-38,035		-38,035
Change in translation difference relating to subsidiaries			-436	-436		-436
Closing equity, Dec. 31, 2019	**55,059**	**120,918**	**-140,092**	**35,885**	**19,218**	**55,103**

Consolidated Statement of cash flows

TSEK

	Note	Jan. 1, 2019 –Dec. 31, 2019	Jan. 1, 2018 –Dec. 31, 2018
Operating activities			
Total loss from financial investments		-37,950	-25,845
Adjustments for items not affecting cash flows, etc.	18	9,667	8,067
Tax paid		-425	-52
Cash flow from operating activities before changes in working capital		**-28,708**	**-17,830**
Cash flow from changes in working capital			
Change in inventories		-3,082	-3,465
Change in current receivables		468	-3,310
Change in current liabilities		3,988	3,973
Cash flows from operating activities		**-27,334**	**-20,632**
Investing activities			
Investments in intangible assets	3	-8,495	-10,397
Proceeds from sale of intangible assets		819	0
Investments in tangible assets	9	-13,023	-691
Cash flows from investing activities		**-20,699**	**-11,088**
Financing activities			
New share issue		51,836	66,544
Issue expenses		-3,906	-7,928
Change in long term liabilities		-2,765	-5,689
Cash flow from financial activities		**45,165**	**52,927**
Cash flow for the year		**-2,868**	**21,207**
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at beginning of year		22,161	1,018
Exchange-rate differences in cash and cash equivalents			
Exchange-rate differences in cash and cash equivalents		140	-64
Cash and cash equivalents at end of year		**19,433**	**22,161**

Parent Company Income statement

TSEK

	Note	Jan. 1, 2019 –Dec. 31, 2019	Jan. 1, 2018 –Dec. 31, 2018
Net sales	2	27,115	24,849
Other operating income	4	1,847	544
		28,962	**25,393**
Operating expenses			
Goods for resale		-6,002	-4,086
Other external expenses	5, 6, 7, 8	-33,683	-34,973
Personnel expenses	7, 8	-1,574	-3,672
Depreciation/amortization and impairment of tangible and intangible assets	3, 9	-9,950	-7,884
Other operating expenses		-580	126
		-51,789	**-50,489**
Operating loss - EBITDA		**-22,827**	**-25,096**
Result from financial investments			
Interest expenses and similar items	11	-735	-700
		-735	**-700**
Total loss from financial investments		**-23,562**	**-25,796**
Loss before tax		**-23,562**	**-25,796**
Tax on net profit/loss for the year	12	0	0
Net loss for the year		**-23,562**	**-25,796**

Parent Company Balance sheet

TSEK

	Note	Dec. 31, 2019	Dec. 31, 2018
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenses for development, net	3	22,562	19,011
		22,562	**19,011**
Tangible assets			
Equipment, tools and installations, net	9	21,719	14,230
		21,719	**14,230**
Financial fixed assets			
Participations in Group companies	19, 20	522	522
		522	**522**
Total fixed assets		**44,803**	**33,763**
Current assets			
Inventories and similar			
Finished goods and goods for resale		8,474	6,309
		8,474	**6,309**
Current receivables			
Accounts receivable		1,278	2,164
Receivables from Group companies		7,367	906
Current tax assets		314	69
Other receivables		832	10,028
Prepaid expenses and accrued income	13	501	330
		10,292	**13,497**
Cash and bank balances		17,117	19,519
Total current assets		**35,883**	**39,325**
TOTAL ASSETS		**80,686**	**73,088**

Parent Company Balance sheet

TSEK

	Note	Dec. 31, 2019	Dec. 31, 2018
EQUITY AND LIABILITIES			
Equity	15, 21		
Restricted equity			
Share capital		55,059	40,548
Unregistered share capital		0	8,051
Fund for development expenses		19,218	12,900
		74,277	**61,499**
Non-restricted equity			
Share premium reserve		83,595	48,065
Other non-restricted equity		-63,945	-28,450
Net loss for the year		-23,562	-25,796
		-3,912	**-6,181**
Total equity		**70,365**	**55,318**
Current liabilities			
Liabilities to credit institutions		0	1,028
Accounts payable		4,924	5,678
Liabilities to Group companies		0	6,933
Other liabilities		206	76
Accrued expenses and deferred income	17	5,191	4,055
Total current liabilities		**10,321**	**17,770**
TOTAL EQUITY AND LIABILITIES		**80,686**	**73,088**

Parent Company statement of changes in equity

TSEK

	Share capital	Fund for development expenses	Non-restricted equity	Total equity
Opening equity, Jan. 1, 2018	**40,548**	**2,636**	**8,088**	**51,272**
New share issue	8,051		25,763	33,814
Issue expenses			-3,972	-3,972
Development expenditure		10,264	-10,264	0
Net loss for the year			-25,796	-25,796
Closing equity, Dec. 31, 2018	**48,599**	**12,900**	**-6,181**	**55,318**
New share issue	6,460		35,530	41,990
Issue expenses			-3,381	-3,381
Development expenditure		6,318	-6,318	0
Net loss for the year			-23,562	-23,562
Closing equity, Dec. 31, 2019	**55,059**	**19,218**	**-3,912**	**70,365**

Parent Company Statement of cash flows

TSEK

	Note	Jan. 1, 2019 –Dec. 31, 2019	Jan. 1, 2018 –Dec. 31, 2018
Operating activities			
Total loss from financial investments		-23,562	-25,796
Adjustments for items not affecting cash flows	18	9,350	7,884
Tax paid		-245	131
Cash flow from operating activities before changes in working capital		**-14,457**	**-17,781**
Cash flow before changes in working capital			
Change in inventories		-2,165	-3,465
Change in current receivables		-5,871	-1,803
Change in current liabilities		-6,421	-2,008
Cash flows from operating activities		**-28,914**	**-25,057**
Investing activities			
Investments in intangible assets	3	-8,479	-10,379
Proceeds from sale of intangible assets		600	0
Investments in tangible assets	9	-12,735	-193
Proceeds from sale of tangible assets		224	0
Investments in financial assets		0	-102
Cash flows from investing activities		**-20,390**	**-10,674**
Financing activities			
New share issue		51,836	66,544
Repayment of borrowings		-1,028	0
Issue expenses		-3,906	-7,928
Change in long term liabilities		0	-3,972
Cash flow from financial activities		**46,902**	**54,644**
Cash flow for the year		**-2,402**	**18,913**
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at beginning of year		19,519	606
Cash and cash equivalents at end of year		**17,117**	**19,519**

Notes

TSEK

Note 1 Accounting and valuation policies

General information

The annual report and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

The accounting policies remain unchanged compared with the preceding year.

Unless otherwise indicated below, the Parent Company and the Group apply the same accounting policies.

Revenue recognition

The sale of goods is normally recognized as revenue when the significant risks and rewards associated with ownership of the goods has been transferred from the Company to the buyer.

Group revenues are generated by direct sales of systems, pay-per-treatment fees, sales of caps and kits to patients, leased systems, service agreements and other revenue.

Consolidated accounts

Consolidation method

The consolidated accounts were prepared in accordance with the acquisition method. This means that the identifiable assets and liabilities of the acquired operations are recognized at market value in accordance with the prepared acquisition analysis. If the cost of the operations exceeds the estimated market value of the anticipated net assets according to the acquisition analysis, the difference is recognized as goodwill.

Subsidiaries

In addition to the Parent Company, the consolidated financial statements comprise all companies in which the Parent Company, directly or indirectly, holds more than 50 percent of the voting rights or holds a controlling influence in some other manner and is thus entitled to shape the Company's financial and operational strategies in order to receive financial benefits.

Intra-Group transactions

Like unrealized gains, intra-Group receivables and liabilities as well as transactions among Group companies are eliminated in their entirety. Unrealized losses are also eliminated, provided the transaction does not match a need for impairment.

Changes to intra-Group profit during the fiscal year have been eliminated from the consolidated income statement.

Translation of foreign subsidiaries

The financial statements of foreign subsidiaries have been translated according to the current method. All balance sheet items have been translated at rates applying on the balance sheet date. All items in the income statement have been translated at the average rate during the fiscal year. Differences that arise are recognized directly in equity.

Intangible assets

The Company recognizes internally worked-up intangible assets according to the capitalization model. This means that all expenditures pertaining to the development of an internally worked-up intangible asset are capitalized and amortized over the estimated useful life of the asset, on condition that the criteria of BFNAR 2012:1 are met.

Fixed assets
Intangible and tangible assets are recognized at cost less accumulated amortization/depreciation and any impairment.

Amortization/depreciation takes place on a straight-line basis over the estimated useful life of the asset taking the significant residual value into account. The following periods of depreciation/amortization are applied:

Intangible assets

Capitalized development expenditure	5 years

Tangible assets

Equipment, tools and installations, net	5 years

Financial instruments
Financial instruments are measured at cost. The instrument is recognized in the balance sheet when the Company becomes a party to its contractual conditions. Financial assets are derecognized from the balance sheet when the rights to collect cash flows from the instrument have expired or been transferred and the Company has transferred substantially all the risks and rewards associated with ownership. Financial liabilities are derecognized from the balance sheet when the contractual obligation has been fulfilled or extinguished in another manner.

Participations in subsidiaries
Participations in subsidiaries are recognized at cost less any impairment. Cost includes the purchase consideration paid for the shares and acquisition costs. Any capital contributions are added to the cost when they arise.

Accounts receivable/current receivables
Accounts receivable and current receivables are recognized as current assets at the amount expected to be paid after deduction of individually assessed doubtful receivables.

Loan liabilities and accounts payable
Loan liabilities and accounts payables are initially recognized at cost after deduction of transaction costs. If the carrying amount differs from the amount that will be repaid at maturity, the difference is allocated as interest expense over the term of the loan, using the instrument’s effective interest rate. In this manner, the carrying amount and the repayment amount will be the same on the maturity date.

Leases
The Company recognizes all leases, both finance and operating, as operating leases. Operating leases are recognized as a cost straight-line over the lease term.
Lease revenue is recognized straight-line over the lease term.

Inventories
Inventories are measured at the lower of cost and net realizable value on the balance sheet date. The net realizable value refers to the calculated sales price of the products less selling expenses. The selected valuation method means that inventory obsolescence has been taken into consideration.

Income tax
Total tax consists of current tax. Taxes are recognized in profit or loss, except when the underlying transaction is reported directly in equity, whereby the associated tax effects are recognized in equity.

Current tax

Current tax refers to income tax for the current fiscal year and the portion of previous taxable income tax that has not yet been recognized. Current tax is calculated based on the tax rate applicable on the balance sheet date.

Employee benefits

Remuneration of employees refers to all forms of remuneration the Company offers to employees. Short-term benefits include salaries, holiday pay, paid absence, bonuses, options and post-employment benefits (pension). Short-term benefits are recognized as an expense and a liability when there is a legal or informal obligation to pay remuneration as a result of an earlier event and a reliable estimate of the amount can be made.

Post-employment benefits

The Company has only defined-contribution pension plans. Defined-contribution plans are classified as plans in which established contributions are paid and there is no further payment obligation in addition to these contributions.

Expenditure for defined-contribution plans is recognized as an expense during the period in which the employees perform the services covered by the obligation.

Statement of cash flows

The statement of cash flows has been prepared using the indirect method. The recognized cash flow includes only transactions involving inflows and outflows of cash.

In addition to cash funds, the Company classifies the following as cash and cash equivalents: balances available in banks and other credit institutions as well as short-term liquid investments listed in a marketplace with a maturity of less than three months from the date of acquisition. Changes to restricted funds are recognized in the investing activities.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) in relation to the balance sheet total.

Return on total capital

Profit/loss before deductions for interest expenses in relation to the balance sheet total.

Return on equity

Total loss from financial investments in relation to equity and untaxed reserves (less deferred tax).

Estimates and judgements

Dignitana has chosen not to capitalize tax assets in respect of loss carryforwards because the Company is of the opinion that it will not be possible to utilize the carryforwards in the foreseeable future.

Dignitana has loss carryforwards amounting to 247,639 TSEK (209,689).

Note 2 Distribution of net sales
Group

	2019	2018
Net sales by geographic market		
Outside the EU, excl. U.S.	1,565	1,935
U.S.	35,333	25,718
Inside the EU, excl. Sweden	3,608	5,885
Sweden	193	204
	40,699	**33,742**

Parent Company

	2019	2018
Net sales by geographic market		
Outside the EU, excl. U.S.	1,565	1,935
U.S.	21,748	16,825
Inside the EU, excl. Sweden	3,608	5,885
Sweden	193	204
	27,114	**24,849**

Note 3 Capitalized development expenses
Group

	2019	2018
Opening cost	44,735	34,338
Capitalized expenditure for the year, purchases	8,495	10,397
Sales/disposals	-672	0
Closing accumulated cost	**52,558**	**44,735**
Opening amortization	-25,606	-22,838
Sales/disposals	672	0
Amortization for the year	-4,929	-2,768
Closing accumulated amortization	**-29,863**	**-25,606**
Opening impairment	-100	-100
Closing accumulated impairment	**-100**	**-100**
Closing carrying amount	**22,595**	**19,029**

Parent Company

	2019	2018
Opening cost	44,717	34,338
Capitalized expenditure for the year, purchases	8,479	10,379
Sales/disposals	-672	0
Closing accumulated cost	**52,524**	**44,717**
Opening amortization	-25,606	-22,838
Sales/disposals	672	0
Amortization for the year	-4,929	-2,768
Closing accumulated amortization	**-29,863**	**-25,606**
Opening impairment	-100	-100
Closing accumulated impairment	**-100**	**-100**
Closing carrying amount	**22,561**	**19,011**

Note 4 Other income

Group

	2019	2018
Foreign exchange gains	858	106
Rental income	446	0
Other	543	227
	1,847	**333**

Parent Company

	2019	2018
Foreign exchange gains	858	317
Rental income	446	0
Other	543	227
	1,847	**544**

Note 5 Auditors’ fees
Group

Audit engagement refers to the examination of the annual accounts and accounting records, as well as the administration of the Board of Directors and the CEO, other tasks incumbent on the Company’s auditor as well as advice and other assistance occasioned by observations made in the course of such examination or the performance of such other tasks.

	2019	**2018**
PwC		
Audit engagement	275	275
Auditing activities in addition to audit engagement	56	78
Tax advisory services	275	77
Other services	317	225
	923	**655**

Parent Company

	2019	**2018**
PwC		
Audit engagement	275	275
Auditing activities in addition to audit engagement	56	78
Tax advisory services	275	77
Other services	317	225
	923	**655**

Note 6 Leases
Group

Lease expenses for the year amounted to 2,847 TSEK (1,184).

Future lease payments, for non-cancellable leases, fall due for payment as follows:

	2019	**2018**
Within one year	2,326	1,184
Later than one year but within five years	612	573
Later than five years	0	0
	2,938	**1,757**

Parent Company

Lease expenses for the year amounted to 2,274 TSEK (733).

Future lease payments, for non-cancellable leases, fall due for payment as follows:

	2019	**2018**
Within one year	2,235	733
Later than one year but within five years	612	550
Later than five years	0	0
	2,847	**1,283**

Note 7 Employees and personnel costs
Group

	2019	**2018**
Average number of employees		
Women	12	11
Men	11	9
	23	**20**
Salaries and other benefits		
Board of Directors and CEO	3,422	3,203
Other employees	15,348	15,144
	18,770	**18,347**
Social security expenses		
Pension costs for the Board of Directors and CEO	0	0
Pension costs for other employees	147	127
Other statutory and contractual social security contributions	2,979	2,053
	3,126	**2,180**
Total salaries, remuneration, social security expenses and pension costs	**21,896**	**20,527**

Other remuneration to the Board of Directors and CEO includes consultancy fees in addition to Board fees. For more information, refer to Note 8.

Gender distribution among senior executives		
Percentage women on the Board	17%	25%
Percentage men on the Board	83%	75%
Percentage of women among other senior executives	0%	0%
Percentage of men among other senior executives	100%	100%

Parent Company

	2019	2018
Average number of employees		
Women	0.0	0.0
Men	2.5	2.0
	2.5	**2.0**
Salaries and other benefits		
Board of Directors and CEO	727	1,174
Other employees	1,030	1,878
	1,757	**3,052**
Social security expenses		
Pension costs for the Board of Directors and CEO	0	0
Pension costs for other employees	179	127
Other statutory and contractual social security contributions	345	989
	524	**1,116**
Total salaries, remuneration, social security expenses and pension costs	**2,281**	**4,168**

Other remuneration to the Board of Directors and CEO includes consultancy fees in addition to Board fees. For more information, refer to Note 8.

Gender distribution among senior executives		
Percentage women on the Board	17%	25%
Percentage men on the Board	83%	75%
Percentage of women among other senior executives	0%	0%
Percentage of men among other senior executives	100%	100%

The period of notice for the CEO is six months in respect of both resignation by the executive and dismissal by Dignitana.

Agreement on severance pay
An agreement with the CEO was signed in early 2019.

Note 8 Remuneration of senior executives
Group

	Board fees and salaries	Other remuneration	Total
William Cronin (CEO)	2,247	0	2,247
Thomas Kelly (Chairman of the Board)	112	0	112
Ingrid Atteryd-Heiman (Board member)	100	145	245
Mikael Wahlgren (Deputy Managing Director Dignitana AB and Board member)	100	382	482
Anette Cronstroem	112	0	112
Thomas Joyce	112	0	112
Glenn Callen	112	0	112
Total	**2,895**	**527**	**3,422**

Parent Company

	Board fees	Other remuneration	Total
Ingrid Atteryd-Heiman (Board member)	100	145	245
Mikael Wahlgren (Deputy Managing Director Dignitana AB and Board member)	100	382	482
Total	**200**	**527**	**727**

Other remuneration pertains to market-based consultancy fees for work performed in addition to the Board assignment in conjunction with Investor Relations and financing matters. The fee was decided by the Board of Directors jointly.

Note 9 Equipment, tools and installations, net
Group

	2019	2018
Opening cost	30,340	29,692
Purchases	13,023	893
Sales/disposals	-471	-245
Closing accumulated cost	**42,892**	**30,340**
Opening depreciation	-15,593	-10,336
Sales/disposals	253	42
Depreciation for the year	-5,338	-5,299
Closing accumulated depreciation	**-20,678**	**-15,593**
Closing carrying amount	**22,214**	**14,747**

Of the total closing accumulated costs, 35,986 TSEK pertains to systems for leasing.

Of the total closing accumulated depreciation, 14,444 TSEK pertains to systems for leasing.

Parent Company

	2019	2018
Opening cost	29,482	29,331
Purchases	12,735	396
Sales/disposals	-471	-245
Closing accumulated cost	**41,746**	**29,482**
Opening depreciation	-15,252	-10,178
Sales/disposals	246	42
Depreciation for the year	-5,021	-5,116
Closing accumulated depreciation	**-20,027**	**-15,252**
Closing carrying amount	**21,719**	**14,230**

Of the total closing accumulated costs, 35,986 TSEK pertains to systems for leasing.

Of the total closing accumulated depreciation, 14,444 TSEK pertains to systems for leasing.

Note 10 Other interest income and similar items

Group

	2019	2018
Other interest income	103	1
Exchange-rate differences	0	598
	103	**599**

Note 11 Interest expenses and similar items

Group

	2019	2018
Other interest expenses	-1,031	-1,223
Exchange-rate differences	-494	-1,201
	-1,525	**-2,424**

Parent Company

	2019	2018
Other interest expenses	-12	-8
Exchange-rate differences	-723	-692
	-735	**-700**

Note 12 Current and deferred tax
Group

	2019	2018
Tax on net profit/loss for the year		
Current tax	-85	-176
Total recognized tax	**-85**	**-176**

Reconciliation of effective tax

	2019		2018	
	%	**Amount**	**%**	**Amount**
Recognized loss before tax		-37,950		-25,845
Tax at applicable tax rate	21.40	8,121	22.00	5,686
Non-deductible expenses	-0.89	-337	-0.74	-190
Tax effect on non-capitalized loss carryforwards for the year	-20.74	-7,869	-21.95	-5,672
Effect of foreign tax rates			0.00	0
Recognized effective tax rate	**-0.22**	**-85**	**-0.68**	**-176**

Parent Company

	2019	2018
Tax on net profit/loss for the year		
Current tax	0	0
Total recognized tax	**0**	**0**

Reconciliation of effective tax

	2019		2018	
	%	**Amount**	**%**	**Amount**
Recognized loss before tax		-23,562		-25,796
Tax at applicable tax rate	21.40	5,042	22.00	5,675
Non-deductible expenses	-0.45	-106	-0.01	-3
Tax effect on non-capitalized loss carryforwards for the year	-20.95	-4,936	-21.99	-5,672
Recognized effective tax rate	**0.00**	**0**	**0.00**	**0**

Note 13 Prepaid expenses and accrued income

Group

	Dec. 31, 2019	Dec. 31, 2018
Prepaid rental charges	237	187
Prepaid insurance	231	295
Prepaid taxes	59	0
Other items	1,805	393
	2,332	**875**

Parent Company

	Dec. 31, 2019	Dec. 31, 2018
Prepaid rental charges	191	187
Prepaid insurance	5	0
Other items	305	143
	501	**330**

Note 14 Bank overdraft facilities

Group

	Dec. 31, 2019	Dec. 31, 2018
Bank overdraft facilities granted amount to	417	222
Utilized credit facilities amount to	329	0

Note 15 Number of shares and quotient value

Parent Company

Name	Number of shares	Quotient value
Number of shares	55,059,155	1
	55,059,155	

Note 16 Liabilities recognized in several items

Group

	Dec. 31, 2019	Dec. 31, 2018
Long term liabilities		
Other liabilities to credit institutions, due within 1–5 years	1,917	2,929
	1,917	**2,929**
Current liabilities		
Other liabilities to credit institutions	5,506	7,259
	5,506	**7,259**

Note 17 Accrued expenses and deferred income

Group

	Dec. 31, 2019	Dec. 31, 2018
Accrued salaries	0	1,022
Accrued fees	190	225
Accrued vacation pay	80	34
Accrued social security contributions	159	510
Advance payment to suppliers/Deferred income	3,076	0
Other items	3,169	3,013
	6,674	**4,804**

Parent Company

	Dec. 31, 2019	Dec. 31, 2018
Accrued fees	190	225
Accrued vacation pay	80	34
Accrued social security contributions	153	510
Accrued expenses/Advance payment to suppliers	2,738	2,640
Other items	2,029	645
	5,190	**4,054**

Note 18 Adjustments for items not affecting cash flows

Group

	Dec. 31, 2019	Dec. 31, 2018
Depreciation and amortization	10,267	8,067
Gains from sale of intangible assets	-600	0
	9,667	**8,067**

Parent Company

	Dec. 31, 2019	Dec. 31, 2018
Depreciation and amortization	9,950	7,884
Gains from sale of intangible assets	-600	0
	9,350	**7,884**

Note 19 Participations in Group companies

Parent Company

	Dec. 31, 2019	Dec. 31, 2018
Opening cost	522	420
Purchases	0	102
Closing accumulated cost	**522**	**522**
Closing carrying amount	**522**	**522**

Note 20 Specification of participations in Group companies
Parent Company

Name	Share of equity	Share of votes	Number of shares	Carrying amount, Dec. 31, 2019	Carrying amount, Dec 31, 2018
Dignitana Inc	100	100	1,000	420	420
Dignitana Srl	100	100	10,000	102	102
				522	**522**

	Corp. Reg. No.	Reg. office
Dignitana Inc	47-4817382	Delaware, U.S.
Dignitana Srl	IT1041963096	Italy

Note 21 Appropriation of profit or loss
Parent Company

	Dec. 31, 2019
Proposed treatment of accumulated loss	
The Board of Directors proposes that the accumulated loss (SEK):	
retained earnings	19,649,813
net loss for the year	-23,561,877
	-3,912,064
be treated as follows:	
to be carried forward	-3,912,064

Note 22 Significant events after the end of the fiscal year
Group

For more information, refer to the Administration Report under Expected future development and material risks and uncertainty factors.

The income statement and balance sheet will be presented for approval by the Annual General Meeting.

Lund, May 12, 2020

Thomas Kelly
Chairman of the Board

Mikael Wahlgren

Ingrid Atteryd Heiman

Greg Dingizian

Pontus Kristiansson

William Cronin
CEO

Our audit report was submitted on May 13, 2020

Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant

Auditor’s report

To the general meeting of the shareholders of Dignitana AB (publ), corporate identity number 556730-5346

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Dignitana AB (publ) for the year 2019.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company and the Group as of 31 December 2019, and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the Group.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and CEO are responsible for the preparation of the annual accounts and consolidated accounts, and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for the assessment of the company’s and the Group’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting, The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen’s website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor’s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of Dignitana AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss be managed in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Malmö, 13 May 2020

Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant