

NOTE: This is a 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

Fiscal year

2020

The Board of Directors and the CEO of Dignitana AB (publ.) hereby submit the following annual report and consolidated accounts for the 2020 fiscal year.

The Annual Report has been prepared in Swedish kronor, SEK. Amounts in TSEK (SEK 1,000) unless otherwise specified. Amounts in parentheses refer to the previous year.

Board of Directors Report

Information about the operations

Dignitana is as of 31 December 2020 a group consisting of the parent Company Dignitana AB (publ), with head office in Lund and the fully owned subsidiary companies Dignitana Inc. Dallas, Texas, USA and Dignitana Srl. Milan, Italy.

Dignitana's shares are traded on Nasdaq First North Growth Stockholm, with Redeye AB as Certified Advisor.

Dignitana is a medical technology Company that develops, produces and markets The DigniCap® Scalp Cooling System, a patented medical cooling device that eliminates or greatly reduces hair loss for patients undergoing chemotherapy in order to improve their well-being and increase their quality of life.

The DigniCap Scalp Cooling System was invented in 1999 by a Swedish oncology nurse and the system is currently available in around 40 countries. DigniCap has had FDA clearance since 2015 to provide 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. Outside the U.S., DigniCap Delta is used in Australia, Italy, Spain, the UK, Israel, Bahrain, Peru and Germany.

In the fall of 2020, the AMA (American Medical Association) announced the introduction of CPT® codes (Current Procedural Terminology), which means that from July 2021, there are conditions placed on insurance compensation for patients in the U.S. This is an important regulatory event, on a par with the 2015 FDA clearance.

The Company registered office and head office is in Lund, Sweden.

Business model

Dignitana mainly has two business models: in the U.S. market, DigniCap Delta systems are leased out and the Company gains revenue from leasing fees and receives payment for treatments. Outside the U.S, sales of DigniCap Delta systems are more frequently combined with revenue generated from service and maintenance agreements. In addition to this, the Company also has revenues from the sale of individual caps as well as consumables and accessories, which is a new revenue stream enabled by the new DigniCap Delta system.

Significant events during the fiscal year

- An Extraordinary General Meeting was held on February 10, 2020, at which resolutions were passed on the issuance and transfer of a maximum of 2,500,000 warrants to key persons in accordance with the proposals of the Board of Directors. Assuming full exercise of issued options and previously outstanding options of series 2017/2020, the resulting dilutive effect will amount to approximately 4.5 percent of the total number of shares and votes in the Company.

-The Company has received an unsecured loan in the amount of USD 353,800 from the Payroll Protection Program, an economic stimulus initiative in response to Covid-19 in the United States. This loan may be forgiven, subject to approval by the Payroll Protection Program.

- The Company secured a new loan from Union Business Leasing (UBL) in the amount of USD 1.5 million at market rates and conditions.

- The Annual General Meeting, held on 25 June in Lund, adopted resolutions on all items in accordance with the previously published proposals. Ingrid Atteryd Heiman, William Cronin and Pontus Kristiansson were re-elected as Board members and Klas Arildsson, Ljubo Mrnjavac, Christian Lindgren and Richard DiIorio were newly elected as Board members. Klas Arildsson was also newly elected Chairman of the Board. PWC was re-appointed as auditor.

- The Company was granted an unsecured loan from Adma Förvaltning AB of SEK 20 million.

- The Company appointed Redeye as Certified Advisor.

- The Company appointed Karin Almqvist Liwendahl as CFO from November 1.

- The Company announced that the American Medical Association (AMA) will issue CPT® code(s) (Current Procedural Terminology) for scalp cooling valid from July 1, 2021.

- GenesisCare selects Dignitana as a supplier for its oncology centers in Australia.

- Dignitana announced a directed share issue of SEK 75 million before issue costs to accelerate growth and the strategic transition to DigniCap Delta. Meanwhile, it was announced that the Company is making an impairment of older generation units amounting to approximately SEK 7.8 million.

Significant events after the fiscal year

- Dignitana announced that the Extraordinary General Meeting held on January 11 approved the Board's decision on the directed share issue made on 22 December 2020.

- The Company has repaid the loan of SEK 20 million received from Adma Förvaltnings AB during the third quarter of 2020.

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. The model has been continuously developed through software updates and the cap was also redesigned in 2018, which has significantly improved the benefit for patients and consequently resulted in increased use of the model.

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. 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. The older generation C3 units will be gradually phased out in favor of DigniCap Delta.

Dignitana will continue to improve DigniCap Delta to increase efficiency. Dignitana will be initiating several new studies to investigate expanding the use of scalp cooling to new user groups.

The Company has capitalized R&D costs directly related to the development of DigniCap Delta, which amounted to SEK 739 thousand during the year. As of December 31, intangible assets in the Group amounted to TSEK 16,233 (22,595).

Financial comments

Revenue, profit and tax

The Dignitana Group's total revenue for full-year 2020 amounted to TSEK 46,630 (40,699), an increase of 15%. Parent Company net revenue was TSEK 31,324 (27,115).

The U.S. market continues to be the driver in the transition to DigniCap Delta and a revised business model where the units are leased to customers. During the year, 208 new DigniCap Delta units were installed, which yielded an installed fleet of 288 at the end of the year.

Revenues in the U.S. Company includes subleasing and revenues from treatments, which constitute an increasing revenue stream. Outside the U.S, sales of DigniCap Delta systems are more frequently combined with revenue generated from service and maintenance agreements. In addition to this, the Company also has revenues from the sale of individual caps as well as from kit and accessories.

Dignitana's revenue and costs comprise different currencies such as USD, EUR, SEK, and others. Exchange rate differences are recognized in the income statement under other income, other expenses, other financial income and expenses and in the balance sheet under translation differences in equity.

Operating expenses increased during the year by TSEK 21,584 to TSEK 100,657 (79,073). Inventory impairment of SEK 3,277 thousand and amortization of C3 units of SEK 4,515 thousand together with exchange rate effects are factors that partly account for the increase. In terms of underlying costs, external costs have decreased during the year as a result of reduced travel and lower marketing communication costs. Personnel costs are higher, as the number of employees has increased.

Depreciation/amortization in the Group amounted to TSEK -20,764 (-10,267), which includes impairment of C3 units of TSEK -4,515. The increase should be considered in the context of the growth of the US market and the business model applied there, whereby the customer leases the scalp cooling unit from Dignitana, which retains ownership in its own balance sheet.

The operating loss after depreciation for the Group amounted to -50,700 KSEK (-36,528) and excluding depreciation and amortization of inventories and C3 units, the operating loss for 2020 would have been -42,908 KSEK.

The net financial position of the Group was -2 263 (KSEK) (-1 423) and consisted primarily of interest on loans.

The Group's net profit after financial items amounted to TSEK -52,963 (-37,950) and in the Parent Company TSEK -30,069 (-23,562), where the results in both the Group and the Parent Company were charged with depreciation/amortization and impairment of inventories as well as C3 units totaling MSEK

7,792.

Cash flows and financial position

Consolidated cash flows from operating activities during the year was TSEK -21,303 (-27,334) and cash and cash equivalents at the end of the year amounted to TSEK 78,770 (19,433). Cash and cash equivalents include TSEK 75,000 attributable to new share issue. However, these funds were not available to the Company until the issue was fully completed, which took place in January 2021.

During the year, the Company implemented a new share issue of TSEK 75,000 before issue costs, which significantly strengthened the Company's financial position.

The Board of Directors, together with management, has a conservative approach to risk and the Company has not used any financial instruments in 2020 to manage its currency exposure.

The Company fully repaid the loan of SEK 20 million received in the third quarter of 2020 from Adma Förvaltnings AB after the end of the financial year.

The Board and management continuously monitor the Company's financial position and work actively to secure liquidity. The overall assessment is that the ongoing cash flows generated by a growing business, in conjunction with the financial position of the Company, will be sufficient to meet liquidity requirements for the next 12 months at least.

Investments

The Group's investments during the year amounted to TSEK 20,404 (20,699) and mainly pertain to DigniCap Delta systems leased out in the U.S. market. Investments in intangible assets during the year amounted to TSEK 739 (8,495) and development costs for improvements to DigniCap Delta.

Employees

The number of employees increased by four during the year to 27 (23) as of 31 December, of whom 59% were women and 41% men, and the average number of employees during the year was 27.

Equal opportunity

Dignitana aims to be a workplace where all employees have the same rights and obligations and, based on their abilities, equal development opportunities.

Authorizations

At the Annual General Meeting on 25 June, it was resolved to authorize the Board of Directors to decide, with or without derogation from the shareholders' preferential rights, on new issues relating to shares, warrants or convertible bonds, whereby the number of securities issued is capped at 10 per cent of the outstanding number of shares and is carried out in accordance with market conditions.

Remuneration to the Board of Directors, CEO and senior executives

Fees and other remuneration to Board members, including the Chairman, are determined at the Annual General Meeting. At the Annual General Meeting on 25 June 2020, it was resolved that the Board remuneration for the Chairman of the Board shall amount to SEK 200,000 and for the other Board members to SEK 100,000 each. Auditor's fees are to be paid according to an approved invoice.

Dignitana shall provide competitive remuneration to enable the recruitment and retention of qualified senior executives. Remuneration to the CEO and senior executives may consist of fixed and variable remuneration as well as incentive programs, pensions, and any other benefits as decided by the Annual General Meeting. The fixed remuneration shall take into account each area of responsibility and shall be revised annually. The policy for the variable remuneration is set by the Board and revised annually.

Remuneration and other conditions for the CEO are set by the Board. There is a mutual notice period of 6 months for termination of the CEO. According to agreement, the CEO is entitled to 12 months' severance pay.

In addition to the CEO, other senior executives as of 31 December included three people. Their remuneration and other conditions of employment are in line with market rates.

Corporate governance

Dignitana internal corporate governance aims to ensure that the Company is managed in a responsible and efficient manner. Corporate governance is based on a combination of regulations, practices, and internal policy documents. The Company has a relatively informal control structure given the Company's size.

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)	15,370,000	25.38
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	4,490,617	7.41
CBLDN-UBS FINANCIAL SERVICES INC (William Cronin & others)	4,189,739	6.92
EUROSUND AB (Johan Stormby)	3,036,036	5.01
SWEDBANK ROBUR FONDER	2,642,839	4.36
SKANDIA FÖRSÄKRINGS (Greg Dingizian & others)	2,132,684	3.52
HANDELSBANKEN FONDER	1,706,834	2.82
POURSAMAD, AMIR	1,520,095	2.51
RüLF, SEMMY	1,015,058	1.68
NORDNET PENSIONS FÖRSÄKRING AB	1,002,155	1.65
Total	37,106,057	61.26
OTHER SHAREHOLDERS	23,459,013	38.74
Total	60,565,070	100

At the end of the year, the Company had approximately 2,600 shareholders, the 10 largest of which are shown in the table above.

Dignitana AB has been listed on the Nasdaq First North Growth Market since November 2011 and was previously on the Spotlight Market in Stockholm since June 2009. The stock is traded under the abbreviation DIGN. At the end of 2020, the shares were listed at SEK 8.24 (8.58) and the total market value amounted to SEK 499 million. During the year, 19 million shares were traded, with a high share price of SEK 9.54 and a low of SEK 4.46

Dignitana has only one category of shares, where each share carries one vote and equal rights to the Company's assets and profits. As of December 31, the Company had 60,565,070 shares outstanding. The Company has made new issues and issued warrants overtime and in February 2020 an extraordinary general meeting was held where a decision was taken to issue a maximum of 2,500,000 employee warrants to key employees of the Company. The period for exercising the employee stock options will run from March 1, 2023 to March 31, 2023. Assuming that all outstanding employee stock options were converted, the total dilutive effect would amount to approximately 4.5 percent. The employee options were granted gratuitously and costs of SEK 960 thousand were recognized in 2020.

In December, the Board of Directors decided on a directed share issue of initially SEK 41,294,000 and an additional SEK 33,706,000 after approval by an Extraordinary General Meeting held in January 2021. Through the issue, which comprised 10,000,000 shares at a subscription price of SEK 7.50, the Company will receive TSEK 75,000 before issue costs. The injection of capital is intended to support the Company's continued growth and the strategic transition to DigniCap Delta. With the issue, in January 2021 the Company will have a total of 65,059,155 shares, which results in a dilution effect on shares and votes of 15%.

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 order 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.

Risk analysis and risk management

Dignitana operates in a competitive market with other global players that offer scalp cooling in connection with chemotherapy.

Through its operations, the Company is exposed to various types of risks and below are some of the risk factors that Dignitana is affected by or may be affected by. There are risks both in terms of circumstances attributable to Dignitana and those that have no connection with the Company. The non-definitive list of the Company's risks pertains, but is not limited, to: Patents, key personnel, growth management, management, restructuring, development costs, competitors, dependence on individual customers, customers, authorization and registration, chemotherapy without side effects, alternative cancer treatment methods, distributors and manufacturers, profitability and future capital requirements, political risk, pandemic risks, regulatory or change of laws, disputes and currency risks.

Risks related to Covid-19

The outbreak of Covid-19 in the spring of 2020 has affected the Company's opportunities to reach customers but also customers' ability to offer scalp cooling as a form of treatment. The Company has therefore been impacted financially, although it is not possible to make a full assessment.

There is uncertainty around the continued development of the Covid-19 pandemic and the Company's development and financial position may be affected, but at present it is not possible to assess fully the potential impact.

The Board is ultimately responsible for managing and monitoring these risks. Ongoing management is delegated to the CEO, who in turn reports to the Board.

Outlook

The Board and management's ambition is to develop the Company to maintain its position as a leading Company in scalp cooling by continuing to develop and deliver innovative products. In the coming

period, we will expand our market presence with a focus on Europe, Australia and selected parts of Asia. Dignitana has a positive growth trend and we expect to be able to provide a positive return in the foreseeable future.

Competence development and customer satisfaction are priority areas for the Company. Sustainability is also an area which management will be promoting as a priority, focusing on the entire product life cycle. These three main areas are the foundation for the Company's development where we plan for strong growth over time.

Multi-year overview (TSEK)

Group	2020	2019	2018	2017	2016
Net sales	46,630	40,699	33,742	22,941	8,902
Total loss from financial investments	-52,963	-37,950	-25,845	-42,415	-32,269
Average number of employees	27	23	20	15	17
Balance sheet total	137,889	81,489	80,374	82,297	63,834
Return on equity (%)	neg	neg	neg	neg	neg
Return on total capital (%)	neg	neg	neg	neg	neg
Equity/assets ratio (%)	56	68	68	62	89
Parent Company	2020	2019	2018	2017	2016
Net sales	31,324	27,115	24,849	18,300	7,767
Total loss from financial investments	-30,069	-23,562	-25,796	-42,277	-32,457
Average number of employees	2	2	2	9	8
Balance sheet total	148,499	80,686	73,088	79,343	62,557
Return on equity (%)	neg	neg	neg	neg	neg
Return on total capital (%)	neg	neg	neg	neg	neg
Equity/assets ratio (%)	75	87	76	65	91

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	118,853,309
net loss for the year	-30,069,355
	88,783,954
be treated as	
to be carried forward	88,783,954

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
 Balance sheet**

TSEK

	Note	01/01/2020 -12/31/2020	01/01/2019 -12/31/2019
Net sales	2	46,630	40,699
Other operating income	4	3,327	1,846
		49,957	42,545
Operating expenses			
Goods for resale		-16,921	-11,559
Other external expenses	5, 6, 7, 8	-29,870	-34,985
Personnel expenses	7, 8, 9	-28,280	-21,367
Depreciation/amortization and impairment of tangible and intangible assets	3, 10	-20,764	-10,267
Other operating expenses		-4,822	-895
		-100,657	-79,073
Operating loss		-50,700	-36,528
Result from financial investments			
Other interest income and similar items	11	1	103
Interest expenses and similar items	12	-2,264	-1,525
		-2,263	-1,422
Total loss from financial investments		-52,963	-37,950
Loss before tax		-52,963	-37,950
Tax on net profit/loss for the year	13	0	-85
Net loss for the year		-52,963	-38,035

**Consolidated
 Balance sheet**

TSEK

	Note	12/31/2020	12/31/2019
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized expenses for development, net	3	16,233	22,595
		16,233	22,595
<i>Tangible assets</i>			
Equipment, tools and installations, net	10	27,501	22,214
		27,501	22,214
Total fixed assets		43,734	44,809
Current assets			
<i>Inventories and similar</i>			
Finished goods and goods for resale		7,455	9,391
		7,455	9,391
<i>Current receivables</i>			
Accounts receivable		5,435	4,410
Current tax assets		61	269
Other receivables		1,071	845
Prepaid expenses and accrued income	14	1,363	2,332
		7,930	7,856
<i>Cash and bank balances</i>	15	78,770	19,433
Total current assets		94,155	36,680
TOTAL ASSETS		137,889	81,489

**Consolidated
 Balance sheet**

TSEK

	Note	12/31/2020	12/31/2019
EQUITY AND LIABILITIES			
Equity	16		
Share capital		6,057	55,059
Unregistered share capital		449	0
Fund for development expenses		33,256	0
Other paid-in capital		189,436	153,067
Other equity including net income/loss for the year		-151,562	-153,023
Total equity		77,636	55,103
Provisions			
Other provisions		18	0
		18	0
Long-term liabilities			
Liabilities to credit institutions	17	1,661	1,917
		1,661	1,917
Current liabilities			
Liabilities to credit institutions	17	7,968	5,506
Accounts payable		13,327	8,888
Other liabilities		23,737	3,401
Accrued expenses and deferred income	18	13,542	6,674
		58,574	24,469
TOTAL EQUITY AND LIABILITIES		137,889	81,489

Consolidated Statement of changes in equity

TSEK

	Share- capital	Other contributed capital	Retained earnings, incl. net loss for the year	Total equity
Opening equity on 1/1/2019	48,599	120,918	-114,552	54,965
New share issue	6,460	35,530		41,990
Issue expenses		-3,381		-3,381
Net loss for the year			-38,035	-38,035
Change in translation difference relating to subsidiaries			-436	-436
Closing equity on 12/31/2019	55,059	153,067	-153,023	55,103
New share issue	551	40,744		41,294
Ongoing new share issue	449	33,256		33,706
Reduction of share capital	-49,553		49,553	0
Issue expenses		-4,564		-4,564
Issue of warrants		189		189
Option program 2020			960	960
Net loss for the year			-52,963	-52,963
Change in translation difference relating to subsidiaries			3,912	3,912
Closing equity on 12/31/2020	6,506	222,692	-151,562	77,636

**Consolidated
 Statement of cash flows**

TSEK

	Note	01/01/2020 -12/31/2020	01/01/2019 -12/31/2019
Operating activities			
Total loss from financial investments		-52,963	-37,950
Adjustments for items not affecting cash flows, etc	19	26,789	9,667
Tax paid		253	-425
Cash flow from operating activities before changes in working capital		-25,921	-28,708
Cash flow from changes in working capital			
Change in inventories		-1,509	-3,082
Change in other current receivables		-1,214	468
Change in other current liabilities		7,341	3,988
Cash flows from operating activities		-21,303	-27,334
Investing activities			
Investments in intangible assets	3	-739	-8,495
Proceeds from sale of intangible assets		0	819
Investments in tangible assets	10	-19,665	-13,023
Cash flows from investing activities		-20,404	-20,699
Financing activities			
New share issue		75,000	51,836
Issue expenses		-170	-3,906
Options issued		189	0
Change in long term liabilities		20,000	0
Change in long-term liabilities		3,487	-2,765
Cash flow from financial activities		98,506	45,165
Cash flow for the year		56,799	-2,868
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at beginning of year		19,433	22,161
Exchange-rate differences in cash and cash equivalents			
Exchange-rate differences in cash and cash equivalents		2,538	140
Cash and cash equivalents at end of year		78,770	19,433

Parent Company
Balance sheet

TSEK

	Note	01/01/2020 -12/31/2020	01/01/2019 -12/31/2019
Net sales	2	31,324	27,115
Other operating income	4	3,448	1,847
		34,772	28,962
Operating expenses			
Goods for resale		-10,257	-6,002
Other external expenses	5, 6, 7, 8	-26,372	-33,683
Personnel expenses	7, 8	-2,301	-1,574
Depreciation/amortization and impairment of tangible and intangible assets	3, 10	-20,483	-9,950
Other operating expenses		-4,510	-580
		-63,923	-51,789
Operating loss		-29,151	-22,827
Result from financial investments			
Interest expenses and similar items	12	-918	-735
		-918	-735
Total loss from financial investments		-30,069	-23,562
Loss before tax		-30,069	-23,562
Tax on net profit/loss for the year	13	0	0
Net loss for the year		-30,069	-23,562

Parent Company

Note

12/31/2020

12/31/2019

Balance sheet

TSEK

ASSETS

Fixed assets

Intangible assets

Capitalized expenses for development, net

3

16,207

22,562

16,207

22,562

Tangible assets

Equipment, tools and installations, net

10

27,223

21,719

27,223

21,719

Financial fixed assets

Participations in Group companies

20, 21

522

522

Receivables from Group companies

22

409

0

931

522

Total fixed assets

44,361

44,803

Current assets

Inventories and similar

Finished goods and goods for resale

6,143

8,474

6,143

8,474

Current receivables

Accounts receivable

1,775

1,278

Receivables from Group companies

18,207

7,367

Current tax assets

61

314

Other receivables

911

832

Prepaid expenses and accrued income

14

536

501

21,490

10,292

Cash and bank balances

76,505

17,117

Total current assets

104,138

35,883

TOTAL ASSETS

148,499

80,686

Parent Company
Balance sheet

Note **12/31/2020** **12/31/2019**

TSEK

EQUITY AND LIABILITIES

Equity	16, 23		
<i>Restricted equity</i>			
Share capital		6,057	55,059
Unregistered share capital		449	0
Fund for development expenses		15,631	19,218
		22,137	74,277
<i>Non-restricted equity</i>			
Share premium reserve		222,692	83,595
Other non-restricted equity		-103,839	-63,945
Net loss for the year		-30,069	-23,562
		88,784	-3,912
Total equity		110,921	70,365
Current liabilities			
Accounts payable		8,620	4,924
Other liabilities		20,120	206
Accrued expenses and deferred income	18	8,838	5,191
Total current liabilities		37,578	10,321
TOTAL EQUITY AND LIABILITIES		148,499	80,686

Parent Company statement of changes in equity

TSEK

	Share- capital	Fund for development - expenses	Balance sheet	Total equity
Opening equity on 01/01/2019	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 on 12/31/2019	55,059	19,218	-3,912	70,365
New share issue	551		40,744	41,294
Ongoing new share issue	449		33,256	33,706
Reduction of share capital	-49,553		49,553	0
Issue expenses			-4,564	-4,564
Issue of warrants			189	189
Development expenditure		-3,588	3,588	0
Net loss for the year			-30,069	-30,069
Closing equity on 12/31/2020	6,506	15,631	88,784	110,921

Parent Company
Statement of cash flows

TSEK

	Note	01/01/2020 -12/31/2020	01/01/2019 -12/31/2019
Operating activities			
Total loss from financial investments		-30,069	-23,562
Adjustments for items not affecting cash flows	19	24,647	9,350
Tax paid		253	-245
Cash flow from operating activities before changes in working capital		-5,169	-14,457
Cash flow from changes in working capital			
Change in inventories		-941	-2,165
Change in accounts receivable		-344	0
Change in current receivables		-11,418	-5,871
Change in accounts payable		3,696	0
Change in current liabilities		-1,152	-6,421
Cash flows from operating activities		-15,328	-28,914
Investing activities			
Investments in intangible assets	3	-739	-8,479
Proceeds from sale of intangible assets		0	600
Investments in tangible assets	10	-19,564	-12,735
Proceeds from sale of tangible assets		0	224
Cash flows from investing activities		-20,303	-20,390
Financing activities			
New share issue		75,000	51,836
Change in long term liabilities		20,000	0
Repayment of borrowings		0	-1,028
Issue expenses		-170	-3,906
Options issued		189	0
Cash flow from financial activities		95,019	46,902
Cash flow for the year		59,388	-2,402
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at beginning of year		17,117	19,519
Cash and cash equivalents at end of year		76,505	17,117

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.
- it is probable that the financial benefits that the Company will receive from the transaction will flow to the Company and the expenses that have arisen or that are expected to arise as a result of the transaction can be calculated in a reliable manner.

Group revenues are generated by direct sales of systems, leased systems, pay-per treatment fees, revenues from service and maintenance agreements, sales of individual caps and kit accessories.

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. The units that are leased out to the customer are also recognized under tangible assets. Five year periods of depreciation/amortization are applied.

Impairment of intangible and tangible assets

The carried values of the Company's assets related to DigniCap Delta, where the Company retains the asset on its own balance sheet, are reviewed annually to assess any indication of a requirement for impairment. In which case, the recoverable amount of the asset is calculated and an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount.

An impairment is reversed if there is an indication that the need for impairment no longer exists and there has been a change in the assumptions that formed the basis for the previous calculation of the recoverable amount.

Impairment of goodwill is not reversed.

Depreciation/amortization is done on a straight-line basis over the expected useful life, taking into account significant residual value. The following depreciation percentage is 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. 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 to employees refers to all forms of remuneration the Company offers to employees, including salaries, options program and paid holidays. 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.

Severance pay

Severance pay is paid only when employment is terminated before retirement or when an employee accepts voluntary redundancy in exchange for severance pay.

The Company reports severance pay when termination occurs according to a formal plan without the possibility of being revoked or as the result of an offer. Liabilities falling due more than a year after the balance sheet date are discounted to their present value.

Post-employment benefits

The Company only has 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.

Public grants

The Company has applied BFNAR 2021:1 and reports the income in the fiscal year to which the support relates.

Grants from the state are reported at fair value when it is reasonable and certain that the grant will be received, and the Company will meet the conditions associated with the grant. Grants intended to

cover investments in tangible or intangible fixed assets reduce the cost of the assets and accordingly the amount of depreciation.t.

Where there is no requirement for future service to obtain the grant, public grants are recognized as revenue when the conditions for obtaining the grant are met. Public grants are calculated at the fair value of what has been received or will be received.

Public grants are recognized as revenue when the conditions for obtaining the grant are met. Where the grant is received before the service is rendered, it is recognized as a liability on the balance sheet. Public grants are calculated at the fair value of what has been received or will be received.

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.

In the cash flow statement, reclassifications have been made relative to the year-end report 2020 that impacted cash flow from operating activities and cash flow from 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.

The Parent Company has tax deficits amounting to TSEK 262,861 (232,755).

**Note 2 Distribution of net sales
Group**

	2020	2019
Net sales by geographic market		
Outside the EU excluding USA	1,072	1,565
USA	38,667	35,333
Within the EU excluding Sweden	6,789	3,608
Sweden	102	193
	46,630	40,699

Parent Company

	2020	2019
Net sales by geographic market		
Outside the EU excluding USA	1,072	1,565
USA	25,018	21,749
Within the EU excluding Sweden	5,132	3,608
Sweden	102	193
	31,324	27,115

Of the Parent Company's revenues, TSEK 25,696 relates to intra-Group revenues, of which TSEK 25,018 is leasing revenues from Inc and TSEK 678 is from machines/spare parts sold to S.R.L. During the year, the Parent Company's intra-Group purchases from Inc amounted to TSEK 17,057. No intra-Group purchases have been made from S.R.L.

**Note 3 Capitalized development expenses Group
 Group**

	2020	2019
Opening cost	52,558	44,735
Capitalized expenditure for the year, purchases	739	8,495
Sales/disposals	0	-672
Translation differences	2	0
Closing accumulated acquisition cost	53,299	52,558
Opening amortization	-29,863	-25,606
Sales/disposals	0	672
Amortization for the year	-7,097	-4,929
Translation differences	-6	0
Closing accumulated amortization	-36,966	-29,863
Opening impairment	-100	-100
Closing accumulated impairment	-100	-100
Closing carrying amount	16,233	22,595
Parent Company		
	2020	2019
Opening cost	52,524	44,717
Capitalized expenditure for the year, purchases	739	8,479
Sales/disposals	0	-672
Closing accumulated cost	53,263	52,524
Opening amortization	-29,863	-25,606
Sales/disposals	0	672
Amortization for the year	-7,093	-4,929
Closing accumulated amortization	-36,956	-29,863
Opening impairment	-100	-100
Closing accumulated impairment	-100	-100
Closing carrying amount	16,207	22,561

**Note 4 Other income
Group**

	2020	2019
Foreign exchange gains	2,849	858
Rental income	292	446
Other	186	543
	3,327	1,847

Parent Company

	2020	2019
Foreign exchange gains	2,849	858
Rental income	292	446
Other	307	543
	3,448	1,847

**Note 5 Leases
Group**

Lease expenses for the year amounted to TSEK 3,560 (2,847).

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

	2020	2019
Within one year	3,547	2,326
Later than one year but within five years	864	612
Later than five years	0	0
	4,411	2,938

Parent Company

Lease expenses for the year amounted to TSEK 2,770 (2,274).

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

	2020	2019
Within one year	2,126	2,235
Later than one year but within five years	864	612
Later than five years	0	0
	2,990	2,847

Note 6 Auditor's fees
Group

The audit assignment refers to the review of the financial statements 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 an examination or the performance of such other tasks.

	2020	2019
PwC		
Audit engagement	300	275
Auditing activities in addition to audit engagement	29	56
Tax advisory services	165	275
Other services	432	317
	926	923

Parent Company

	2020	2019
PwC		
Audit engagement	300	275
Auditing activities in addition to audit engagement	29	56
Tax advisory services	165	275
Other services	432	317
	926	923

Note 7 Employees and personnel costs
Group

	2020	2019
Average number of employees		
Women	16	12
Men	11	11
	27	23
Salaries and other benefits		
Board of Directors and CEO	3,299	3,422
Other employees	22,048	15,348
	25,347	18,770
Social security expenses		
Pension costs for the Board of Directors and CEO	0	0
Pension costs for other employees	341	147
Other statutory and contractual social security contributions	3,057	2,979
	3,398	3,126
Total salaries, remuneration, social security expenses and pension costs	28,745	21,896

Gender distribution among senior executives

Percentage women on the Board	14 %	17 %
Percentage men on the Board	86 %	83 %
Percentage of women among other senior executives	33.3 %	0 %
Percentage of men among other senior executives	67.7 %	100 %

Parent Company

	2020	2019
Average number of employees		
Women	0.5	0.0
Men	2.0	2.5
	2.5	2.5
Salaries and other benefits		
Board of Directors and CEO	699	727
Other employees	1,399	1,030
	2,098	1,757
Social security expenses		
Pension costs for the Board of Directors and CEO	0	0
Pension costs for other employees	265	179
Other statutory and contractual social security contributions	449	345
	714	524
Total salaries, remuneration, social security expenses and pension costs	2,812	2,281

Gender distribution among senior executives

Percentage women on the Board	14 %	17 %
Percentage men on the Board	86 %	83 %
Percentage women among other senior executives	33.3 %	0 %
Percentage men among other senior executives	67.7 %	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. According to agreement, the CEO is entitled to 12 months' severance pay.

Note 8 Remuneration of senior executives

Group

	Board- fees and salaries	Other remuneration	Total
William Cronin (CEO)	1,866	685	2,551
Klas Arildsson (Chairman of the Board)	100	242	342
Anette Croenstroem (Board member)	49	0	49
Pontus Kristiansson (Board member)	50	0	50
Ingrid Atteryd-Heiman (Board member)	50	107	157
Christian Lindgren (Board member)	50	0	50
Ljubo Mrnjavac (Board member)	50	0	50
Richard DiIorio (Board member)	50	0	50
Total	2,265	1,034	3,299

Parent Company

	Board- fees	Other remuneration	Total
Klas Arildsson (Chairman of the Board)	100	242	342
Pontus Kristiansson (Board member)	50	0	50
Ingrid Atteryd-Heiman (Board member)	50	107	157
Christian Lindgren (Board member)	50	0	50
Ljubo Mrnjavac (Board member)	50	0	50
Richard DiIorio (Board member)	50	0	50
Total	350	349	699

Other remuneration refers to market-based consultancy fees for work performed in addition to the Board assignment in conjunction with Investor Relations, financing matters, and other matters of strategic importance to the Company. The fee was decided by the Board of Directors jointly. Other remuneration to the CEO relates to bonus and part of employee stock options granted in 2020.

Note 9 Options program

Group

At an Extraordinary General Meeting in February 2020, it was decided to issue and allocate a maximum of 2,500,000 warrants to key Company employees. Approximately 2,000,000 of these have been awarded to key employees of Dignitana Inc. The option rights have been granted gratuitously and have a value per option of SEK 1.44. The program runs until 2023 and the period for redeeming options runs from 1 March 2023 to 31 March 2023. At year-end 2020, 960 KSEK have been expensed, which corresponds to 1/3 of the value of the options granted.

In January 2019, it was decided to grant synthetic options to key employees of Dignitana Inc. A total of 477,500 options have been granted and the program, which has a term of three years, will end on 31 January 2022. The value per option is set at SEK 4 and the holders of the options are entitled to a cash payment based on the share price at the date of exercise less the value of the option. In 2020, no option holder exercised any options and in the balance sheet SEK 1 million is recorded as accrued expenses corresponding to the commitments expected by the Company at the end of December.

Note 10 Equipment, tools and installations, net Group

	2020	2019
Opening cost	42,892	30,340
Purchases	19,653	13,023
Sales/disposals	-23,567	-471
Translation differences	-139	0
Closing accumulated cost	38,839	42,892
Opening depreciation	-20,678	-15,593
Sales/disposals	22,895	253
Depreciation for the year	-13,634	-5,338
Translation differences	79	0
Closing accumulated depreciation	-11,338	-20,678
Closing carrying amount	27,501	22,214

Of the total closing accumulated costs, TSEK 31,983 (35,986) pertains to systems for leasing.

Of the total closing accumulated depreciation, TSEK 4,894 (14,444) pertains to systems for leasing.

Parent Company

	2020	2019
Opening cost	41,746	29,482
Purchases	19,565	12,735
Sales/disposals	-23,567	-471
Reclassifications	0	0
Closing accumulated cost	37,744	41,746
Opening depreciation	-20,027	-15,252
Sales/disposals	22,895	246
Depreciation for the year	-13,389	-5,021
Closing accumulated depreciation	-10,521	-20,027
Closing carrying amount	27,223	21,719

Of the total closing accumulated costs, TSEK 31,983 (35,986) pertains to systems for leasing.

Of the total closing accumulated depreciation, TSEK 4,894 (14,444) pertains to systems for leasing.

Note 11 Other interest income and similar items Group

	2020	2019
Other interest income	1	103
Exchange-rate differences	0	0
	1	103

**Note 12 Interest expenses and similar items
 Group**

	2020	2019
Other interest expenses	-1,965	-1,031
Exchange-rate differences	-299	-494
	-2,264	-1,525

Parent Company

	2020	2019
Other interest expenses	-619	-12
Exchange-rate differences	-299	-723
	-918	-735

**Note 13 Current and deferred tax
 Group**

	2020	2019
Tax on net profit/loss for the year		
Current tax	0	-85
Total recognized tax	0	-85

Reconciliation of effective tax

	2020		2019	
	Percent	Amount	Percent	Amount
Recognized loss before tax		-52,963		-37,950
Tax at applicable tax rate	21,40	11,334	21,40	8,121
Non-deductible expenses	-0,01	-8	-0,89	-337
Tax effect on non-capitalized loss carryforwards for the year	-21,39	-11,326	-20,74	-7,869
Recognized effective tax rate	0,00	0	-0,22	-85

Parent Company

	2020	2019
Tax on net profit/loss for the year		
Current tax	0	0
Total recognized tax	0	0

Reconciliation of effective tax

	2020		2019	
	Percent	Amount	Percent	Amount
Recognized loss before tax		-30,069		-23,562
Tax at applicable tax rate	21,40	6,435	21,40	5,042
Non-deductible expenses	-0,03	-8	-0,45	-106
Tax effect on non-capitalized loss carryforwards for the year	-21,37	-6,427	-20,95	-4 936
Recognized effective tax rate	0,00	0	0,00	0

**Note 14 Prepaid expenses and accrued income
 Group**

	12/31/2020	12/31/2019
Prepaid rental charges	141	237
Prepaid insurance	256	231
Prepaid taxes	0	59
Other items	966	1,805
	1,363	2,332

Parent Company

	12/31/2020	12/31/2019
Prepaid rental charges	141	191
Prepaid insurance	26	5
Other items	369	305
	536	501

**Note 15 Bank overdraft facilities
 Group**

	12/31/2020	12/31/2019
Bank overdraft facilities granted amount to	0	417
Utilized credit facilities amount to	0	329

**Note 16 Number of shares and quotient value
 Parent Company**

Name	Number of shares	Quotient- value 12/31/20
Number of shares	60,565,070	0,1
	60,565,070	

**Note 17 Liabilities recognized in several items
 Group**

Revenue earnings from Dignitana Inc. have been provided as security for the loan held by Union Business Leasing.

	12/31/2020	12/31/2019
Long-term liabilities		
Other liabilities to credit institutions, due within 1-5 years	1,661	1,917
	1,661	1,917
Current liabilities		
Other liabilities to credit institutions	7,968	5,506
	7,968	5,506

**Note 18 Accrued expenses and deferred income
 Group**

	12/31/2020	12/31/2019
Accrued salaries	526	0
Accrued fees	1,218	190
Accrued vacation pay	216	80
Accrued social security contributions	52	159
Accrued issue costs	4,712	0
Advance payment to suppliers/Deferred income	6,678	3,076
Other items	140	3,169
	13,542	6,674

Parent Company

	12/31/2020	12/31/2019
Accrued fees	0	190
Accrued vacation pay	216	80
Accrued social security contributions	52	153
Accrued issue costs	4,712	0
Advance payment to suppliers/Deferred income	3,840	2,739
Other items	18	2,029
	8,838	5,191

**Note 19 Adjustments for items not affecting cash flows
 Group**

	12/31/2020	12/31/2019
Depreciation and amortization	24,036	10,267
Exchange-rate losses	57	0
Loss on sale of fixed assets	672	0
Gains from sale of intangible assets	0	-600
Customer losses	-153	0
Options program	1,840	0
Other	337	0
	26,789	9,667

Parent Company

	12/31/2020	12/31/2019
Depreciation and amortization	23,754	9,950
Exchange-rate losses	56	0
Loss on sale of fixed assets	672	0
Gains from sale of intangible assets	0	-600
Customer losses	-153	0
Other	318	0
	24,647	9,350

Note 20 Participations in Group companies
Parent Company

	12/31/2020	12/31/2019
Opening cost	522	522
Closing accumulated cost	522	522
Closing carrying amount	522	522

Note 21 Specification of participations in Group companies

Parent Company

Name	Share of- equity	Share of- votes	Number of shares	Carrying amount 12/31/20	Carrying amount 12/31/19
Dignitana Inc	100	100	1,000	420	420
Dignitana Srl	100	100	10,000	102	102
				522	522

	Corp. Reg. No.	Registered office
Dignitana Inc	47-4817382	Delaware, USA
Dignitana Srl	IT1041963096	Italy

Note 22 Receivables from group companies

Parent Company

	12/31/2020	12/31/2019
Opening cost	0	0
Reclassifications	409	
Closing accumulated cost	409	0
Closing carried forward	409	0

Note 23 Appropriation of profit or loss

Parent Company

12/31/2020

Proposed treatment of accumulated loss

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

retained earnings	118,853,309
net loss for the year	-30,069,355
	88,783,954
be treated as to be carried forward	88,783,954

**Note 24 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 4/7/2021

Klas Arildsson
Chairman

Ingrid Atteryd Heiman

Pontus Kristiansson

Richard Armand Di Iorio

Christian Lindgren

Ljubo Mrnjavac

William Cronin
CEO

Our audit report was submitted on 2021-

Öhrlings PricewaterhouseCoopers AB

Cecilia Andréén Dorselius
Authorized Public Accountant