

Product Development

Development of the next generation DigniCap machine is progressing on schedule. Additional information on the device will be released later this year.

Transition of Operations

The transition of operations from Lund to the U.S. is now complete and the office in Lund remains critical to our company as the hub for European Sales and Logistics. The initiative has proven to be very beneficial with the centralization of functions such as Quality Affairs and Accounting, allowing the organization to operate more efficiently and effectively.

DigniCap in the Middle East

Our Middle East Distributor, Tesla Medical Solutions, continues to actively market DigniCap, making progress toward documentation for sales in Saudi Arabia, Oman, Kuwait, Armenia and Egypt. As of today, [Tesla has placed DigniCap machines](#) in Iraq, Qatar and Dubai.

DigniCap in Asia

Conversations with Konica Minolta Medical are ongoing regarding plans to seek approval from the Japan Pharmaceuticals and Medical Devices Agency (PMDA) to begin marketing DigniCap there.

DigniCap in Europe

European operations present significant growth potential to the company, with sales to new facilities as well as management of the 70 medical facilities in 11 countries acquired from Sysmex in April. To adequately service these accounts and supplement the support provided by Lund staff, we will be looking to hire for several Europe-based roles in the near future.

DigniCap in the U.S.

The DigniCap Scalp Cooling System is now [available](#) at 103 locations in the U.S. representing 137 machines. Each DigniCap machine can treat two patients simultaneously. Three facilities have recently added DigniCap:

- Florida Cancer Specialists Winter Park - FL
- Northwestern Medical Lake Forest - IL
- Charleston Hematology Oncology Mt. Pleasant – SC

Growing with our health care providers is an exciting opportunity, and in June New York Presbyterian Hospital/Weill Cornell moved into a new, cutting-edge facility, the New York-Presbyterian David H. Koch Center. The infusion center expanded the scalp cooling program and has already added an additional DigniCap machine to meet the increasing demand at this location.

MASCC Conference

Scalp Cooling was a familiar topic to attendees at the [Multinational Association of Supportive Care in Cancer](#) (MASCC) conference in Vienna, and the 3-hour workshop on the treatment was well attended. The conference provided a valuable platform to discuss increasing awareness and availability of the technology with existing customers while also introducing prospective new users to DigniCap.

U.S. Insurance Coverage

In June The American Medical Association announced that it would not issue a unique CPT code for scalp cooling to aid in the processing of claims for insurance coverage at this time. Their decision was based on the limited use of this technology to date.

As patient advocates we were disappointed by this decision, however the lack of a CPT code does not impact our primary business strategy or our commitment to growth in the United States.

In making the CPT code application Dignitana took a critical step for the industry in initiating a dialogue with the AMA about scalp cooling. Additionally, we gained a greater understanding of what the panel is looking for when issuing a code. Health insurance in the U.S. is complex, and the insights we have gained from this initial application will be very valuable as we gather additional data and determine when best to resubmit.

In the meantime, we will continue to work toward making scalp cooling more accessible for all chemotherapy patients. Currently insurance companies are reimbursing some patients for scalp cooling. There is no guarantee of coverage and reimbursement occurs at varying levels, with the burden on the patient to initiate a claim and file the appropriate documentation.

Investor Relations Communication

1. The email address for investor relations is investorrelations@dignitana.com. Emails will receive a response within 24 hours.
2. Per MAR guidelines, inside information will be posted at www.dignitana.se and distributed to Nasdaq OMX, First North Stockholm, Nordic News Agencies, EU Transparency, and financial websites.
3. IN BRIEF is the monthly newsletter for Dignitana Shareholders. The first week of each month IN BRIEF will be posted at www.dignitana.se/newsletter.

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