



## **Financial Report Q2 - 2016**

## Results and financial position

Q2 Report - Summary:

<b>Key Ratios</b>					
	<b>Q2 2016</b>	<b>Q2 2015</b>	<b>Q1 - Q2 2016</b>	<b>Q1 - Q2 2015</b>	<b>Full year 2015</b>
<b>Dignitana Group *</b>					
Net revenues, TSEK	957	980	2 108	3 943	4 749
Total revenues TSEK	966	1 213	2 173	4 469	5 801
Net profit after financial items, TSEK	-7 672	-4 383	-13 575	-7 123	-16 569
Cash and bank balances, TSEK	51 541	6 938	51 541	6 938	19 042
Earnings per share before and after dilution, SEK	-0,43	-0,31	-0,78	-0,51	-1,08
* No consolidated group report during Q2 2015, the figures represent Dignitana AB.					
	<b>Q2 2016</b>	<b>Q2 2015</b>	<b>Q1 - Q2 2016</b>	<b>Q1 - Q2 2015</b>	<b>Full year 2015</b>
<b>Dignitana AB</b>					
Net revenues, TSEK	801	980	1 919	3 943	4 749
Total revenues TSEK	809	1 213	1 983	4 469	5 801
Net profit after financial items, TSEK	-7 702	-4 383	-13 629	-7 123	-16 570
Cash and bank balances, TSEK	50 691	6 938	50 691	6 938	18 622

## Significant events during the period

- In the beginning of June, the company participated at the annual cancer congress organized by the American Society of Clinical Oncology (ASCO) in Chicago. About 35,000 oncology professionals visited the congress. The DigniCap scalp cooling system created high interest and Dignitana received numerous leads.
- The company has successfully completed a new share issue of 52,5 MSEK consisting of two private placements totaling 33,1 MSEK and a rights issue of 19,5 MSEK from existing shareholders in order to finance further expansion in the US. The rights issue was oversubscribed by 75%.
- The board has decided to issue a total of 165,000 warrants according to the remuneration program that was decided on at the Annual General Meeting. The price for the warrant has according to the Black&Scholes formula been set to 2,17 SEK. Each warrants carry the right to purchase one share in the period 1 to 30 June, 2019 for the price of 29 SEK.
- The company continued its US launch and has continuously signed contracts with new customers.



## Significant events after the end of the period

- Dignitana released in July that the company so far has signed agreements with 32 hospitals in the US for the DigniCap system, with several early adopters ordering additional units within months of initial set up.

## Scheduled financial reports

Interim Financial Report Q3 – 2016      24 November 2016

Year-end report for 2016                      23 February 2017

## Information about operations

Dignitana operates in the field of medical technology. Dignitana has developed a patented medical scalpcooling system, DigniCap®, which reduces the risk of chemotherapy-induced hair loss.

DigniCap® provides continuous cooling with high efficacy, safety and acceptable patient comfort and contributes to the well-being of patients during a very difficult period of their lives.

Dignitana has offices in Lund, Sweden and Dallas, Texas, USA. The rest of the world markets are operated through well-established distributors.

## Comments from Jan Richardsson, CEO, Dignitana AB (publ)

Q2 has shown consistent order intake and an increased quotation pipeline.

Since the start of Dignitana, Inc. we have signed contracts with 32 hospitals and placed well over 40 systems in the US. We see a great interest from doctors, nurses and patients but sometimes the legal and insurance process with the hospital takes time which can delay signing. The number of treatments are growing month by month.

The business model has been accepted (lease + pay-per-treatment), it will gradually grow our revenues on a long term basis. All our hospitals where we have installed DigniCap are up and running, but not all of them in full scale yet. Scalp cooling is a new treatment for the hospitals and they need to establish their internal routines as well as invoicing procedure towards the patients.

We have recently installed four New York hospitals which is important since installations in New York will give media coverage. We are continuing to focus our sales activities on comprehensive cancer centers and cooperation's which manage infusion centers.

We have used this quarter to further develop our US organization in order to provide both our partner sites and their patients with the level of support they require. We have employed a very experienced and respected oncology nurse in order to support our sales team and the clinical staff at each of our installations. We have employed our own marketing person who supports the hospitals marketing the new the scalp cooling method among their patients. We have also brought on as a consultant an experienced health care professional who is supporting in getting the contracts negotiated and signed.

The process of getting scalp cooling reimbursed continues and we are slowly working our way through the insurance system. So far the hospitals have priced the treatments at approximately 500 USD/treatment.

The rights issue was successful and we secured 52,5 MSEK through one rights issue to existing shareholders and two private placements. The rights issue was oversubscribed by 75%. We attracted a new major American investor into our investor roster, Hodges Capital Management, this shows the potential that investors see in our company.

#### Financial comments

- As of September 2015 Dignitana AB reports consolidated group financials, including the subsidiary Dignitana, Inc. Comparative figures for Q1-Q2, 2015 in the group relates to the parent company. Costs related to the subsidiary are now being paid by Dignitana, Inc. Other costs such as regulatory, quality, FDA and product development will continue to be paid by the parent company.
- Every month Dignitana Inc. will invoice the customers a fixed rental fee for DigniCap and a pay per treatment fee based on the number of completed treatments. Dignitana AB will continue to own the systems and will invoice Dignitana Inc. a monthly rental fee for DigniCap and part of the pay per treatment fee.
- A transfer pricing agreement has been established between Dignitana AB and Dignitana Inc. to determine how the result will be shared between the companies. Other external expenses in Dignitana AB include costs related to the transfer price agreement between the companies.
- Inventory has decreased since year-end due to large deliveries to the US. Since systems delivered to the US will be rented to customers, they will be capitalized as tangible assets and depreciated over five years.
- A rights issue to existing shareholders and two private placements have been completed. The issues raised a total of 52.5 million SEK before issuance costs of approximately 5.3 million SEK.



## Staff

Company staff in Dignitana AB totaled 9 (7) people as of 30 June 2016. Dignitana Group totaled 14 (7) people as of 30 June 2016.

## Future Prospects

Dignitana is in an intensive product launch phase in several markets, which may cause sales to differ from one quarter to the next. The company will primarily focus on the American market where the potential for the DigniCap scalp cooling system is high. In order to meet the new requirements from the market a new development project has been launched.

## The share

Shares in Dignitana AB (publ) were listed on the Nasdaq First North listing of the Stockholm Stock Exchange on 30 November 2011 after having been listed at Aktietorget since June 2009. Total shares in the company are 20,138,641 after the shares issue during May-June 2016 and there is one class of share. Every share carries an equal right to shares of company assets and profit, and the right to a single vote at the annual general meeting of shareholders. There are 387,000 warrants issued in the company. The warrants carry the right to purchase 222,000 shares in the period 1 to 30 June 2018 and 165,000 shares in the period 1 to 30 June 2019 and will, on full exercise, increase the company share capital by SEK 387,000. Erik Penser Bank act as Certified Adviser for the company.

## Related party shareholdings

	Shareholding	Warrants
Johan Stormby via Eurosund AB	4 130 726	
William Cronin	1 939 229	30 000
Semmy Rülff	380 654	
Jan Richardsson	43 666	200 000
Magnus Nilsson	32 904	
Erik von Schenck	10 769	
Erika Bågeman	7 988	30 000



Madelaine Roos	6 909	20 000
Tobias Fritz	6 285	15 000
Susanne Ljungström	0	10 000

## **Review by auditors**

This financial report has not been subject to review by the company auditors.

## **Policies for preparation of the interim financial report**

Swedish Annual Accounts Act (1995:1554) and Swedish Accounting Standards Board General Recommendations BFNAR 2012:1 Annual reporting and consolidated financial statements (K3).

## **Submission of the interim financial report**

Lund, 25 August 2016

Dignitana AB (publ) - Board of Directors

Semmy Rölf Chairman

Johan Stormby Director

Magnus Nilsson Director

Erik von Schenck Director

William Cronin Director



# Dignitana AB, publ

Corporate registration number:  
556730-5346

## Dignitana Group

<b>Income statement, SEK</b>	<b>Q2 2016</b>	<b>Q2 2015</b>	<b>Q1 - Q2 2016</b>	<b>Q1 - Q2 2015</b>	<b>Full year 2015</b>
<b>Operating income</b>					
Net revenues	957 111	980 483	2 108 462	3 942 866	4 748 987
Own work capitalized	-	198 496	41 397	396 796	899 772
Other income	<u>9 101</u>	<u>34 448</u>	<u>22 935</u>	<u>129 400</u>	<u>152 031</u>
<b>Total income</b>	<b>966 212</b>	<b>1 213 427</b>	<b>2 172 794</b>	<b>4 469 062</b>	<b>5 800 790</b>
<b>Operating expenses</b>					
Goods for resale	727 394	478 654	1 281 446	2 393 010	2 820 735
Other external expenses	4 155 651	2 921 034	7 273 680	4 939 441	11 203 674
Personnel expenses	3 507 096	2 070 784	6 417 055	3 896 579	7 736 718
Depreciation of tangible and intangible assets	1 074 604	83 046	1 440 545	166 093	655 386
Other operating expenses	<u>9 269</u>	<u>9 568</u>	<u>84 980</u>	<u>150 216</u>	<u>179 681</u>
<b>Total operating expenses</b>	<b>9 474 014</b>	<b>5 563 086</b>	<b>16 497 706</b>	<b>11 545 339</b>	<b>22 596 194</b>
<b>Operating profit/loss</b>	<b>-8 507 802</b>	<b>-4 349 660</b>	<b>-14 324 912</b>	<b>-7 076 278</b>	<b>-16 795 404</b>
<b>Result from financial investments</b>					
Interest income and similar items	753 150	13 427	753 538	13 667	255 680
Interest expenses and similar items	<u>82 955</u>	<u>-46 886</u>	<u>-3 166</u>	<u>-60 215</u>	<u>-29 108</u>
<b>Total income from financial investments</b>	<b>836 105</b>	<b>-33 459</b>	<b>750 372</b>	<b>-46 548</b>	<b>226 572</b>
<b>Net profit after financial items</b>	<b>-7 671 697</b>	<b>-4 383 119</b>	<b>-13 574 540</b>	<b>-7 122 826</b>	<b>-16 568 832</b>
<b>Results for the Period</b>	<b>-7 671 697</b>	<b>-4 383 119</b>	<b>-13 574 540</b>	<b>-7 122 826</b>	<b>-16 568 832</b>
<b>Total shares at the period-end before and after dilution *</b>	<b>20 138 641</b>	<b>14 274 164</b>	<b>20 138 641</b>	<b>14 274 164</b>	<b>16 774 164</b>
<b>Average number of shares before and after dilution *</b>	<b>17 895 656</b>	<b>14 274 164</b>	<b>17 334 910</b>	<b>13 841 614</b>	<b>15 307 889</b>
<b>Earnings per share before and after dilution *</b>	<b>-0,43</b>	<b>-0,31</b>	<b>-0,78</b>	<b>-0,51</b>	<b>-1,08</b>

\* No dilution during the period

## Dignitana AB, publ



## Dignitana Group

<b>Statement of Financial Position, SEK</b>	<b>2016-06-30</b>	<b>2015-06-30</b>	<b>2015-12-31</b>
<b>Fixed assets</b>			
<u>Intangible assets</u>			
Capitalized expenses for development	13 856 702	12 411 558	13 884 250
<u>Tangible assets</u>			
Equipment, tools, and installations	6 889 165	1 577 536	2 066 318
<b>Total Fixed Assets</b>	<b>20 745 867</b>	<b>13 989 095</b>	<b>15 950 568</b>
<b>Current Assets</b>			
<u>Inventories and similar</u>			
Finished goods and goods for resale	4 408 909	3 377 130	9 260 407
Advance payments to suppliers	<u>1 190 261</u>	<u>227 481</u>	<u>817 035</u>
	5 599 170	3 604 611	10 077 442
<u>Current receivables</u>			
Accounts receivable	865 092	225 220	325 291
Current tax assets	308 901	212 704	88 169
Other current receivables	1 637 770	571 739	1 634 700
Prepaid expenses and accrued income	<u>415 846</u>	<u>517 492</u>	<u>522 025</u>
	3 227 609	1 527 155	2 570 185
<u>Cash and bank balances</u>	51 541 216	6 937 716	19 042 062
<b>Total Current Assets</b>	<b>60 367 995</b>	<b>12 069 481</b>	<b>31 689 689</b>
<b>Total Assets</b>	<b>81 113 862</b>	<b>26 058 576</b>	<b>47 640 257</b>





# Dignitana AB, publ

Corporate registration number: 556730-5346

## Dignitana Group

<b>Statement of Financial Position, SEK</b>	<b>2016-06-30</b>	<b>2015-06-30</b>	<b>2015-12-31</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<u>Restricted equity</u>			
Share Capital (20,138,641 shares par value SEK 1, previous year 14,274,164)	20 138 641	14 274 164	16 774 164
<u>Non-restricted equity</u>			
Retained earnings	24 377 814	3 113 914	3 290 718
Share premium reserve	41 800 558	12 063 662	37 290 250
Results for the period	<u>-13 574 540</u>	<u>-7 122 826</u>	<u>-16 568 832</u>
	52 603 832	8 054 750	24 012 136
<b>Total Equity</b>	<b>72 742 473</b>	<b>22 328 914</b>	<b>40 786 300</b>
<b>Current liabilities</b>			
Accounts payable	5 687 106	1 967 014	5 221 138
Other current liabilities	584 204	322 595	234 742
Accrued expenses and deferred income	<u>2 100 079</u>	<u>1 440 053</u>	<u>1 398 077</u>
<b>Total current liabilities</b>	<b>8 371 389</b>	<b>3 729 662</b>	<b>6 853 957</b>
<b>Total Equity and Liabilities</b>	<b>81 113 862</b>	<b>26 058 576</b>	<b>47 640 257</b>



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## Dignitana Group

<b>Changes in equity, SEK</b>	<b>Q2 2016</b>	<b>Q2 2015</b>	<b>Q1 - Q2 2016</b>	<b>Q1 - Q2 2015</b>	<b>Full year 2015</b>
Opening balance	34 871 881	26 513 554	40 786 300	14 578 346	14 578 346
New share issue	50 467 155	-	50 467 155	16 869 463	44 994 463
Issue expenses	-5 302 120	-15 950	-5 302 120	-2 210 499	-2 608 911
Subscribed warrants	358 050	214 430	358 050	214 430	380 890
Translation difference on consolidation	19 204	-	7 628	-	10 344
Results for the period	<u>-7 671 697</u>	<u>-4 383 119</u>	<u>-13 574 540</u>	<u>-7 122 826</u>	<u>-16 568 832</u>
<b>Closing balance</b>	<b>72 742 473</b>	<b>22 328 914</b>	<b>72 742 473</b>	<b>22 328 914</b>	<b>40 786 300</b>



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## Dignitana Group

<b>Statement of cash flows, SEK</b>	<b>Q2 2016</b>	<b>Q2 2015</b>	<b>Q1 - Q2 2016</b>	<b>Q1 - Q2 2015</b>	<b>Full year 2015</b>
<b>Operating Activities</b>					
Operating income before financial items	-8 507 802	-4 349 660	-14 324 912	-7 076 278	-16 795 404
Adjustments for items not affecting cash flows	1 074 604	83 047	1 399 148	166 093	99 574
Interest received	-86 077	13 427	418	13 667	-
Interest paid	82 955	-46 886	-3 166	-60 215	-15 932
Income tax paid	-	-	-	-	-
	<b>-7 436 320</b>	<b>-4 300 073</b>	<b>-12 928 512</b>	<b>-6 956 732</b>	<b>-16 711 762</b>
Changes in inventories	-706 223	-754 542	-541 645	-66 820	-7 399 552
Changes in other current receivables	-807 858	2 162 830	95 696	3 180 528	2 393 177
Changes in other current liabilities	<u>4 479 803</u>	<u>-191 267</u>	<u>1 517 432</u>	<u>-2 814 892</u>	<u>296 228</u>
<b>Cash flows from operating activities</b>	<b>-4 467 598</b>	<b>-3 083 052</b>	<b>-11 857 029</b>	<b>-6 657 916</b>	<b>-21 421 909</b>
<b>Investing activities</b>					
Acquisition of fixed assets	<u>-826 182</u>	<u>-771 419</u>	<u>-1 174 530</u>	<u>-2 371 975</u>	<u>-3 407 030</u>
<b>Cash flows from investing activities</b>	<b>826 182</b>	<b>-771 419</b>	<b>-1 174 530</b>	<b>-2 371 975</b>	<b>-3 407 030</b>
<b>Financing activities</b>					
New share issue of share capital	3 364 477	-	3 364 477	2 595 302	5 095 302
New share issue premium reserves	47 102 678	-	47 102 678	14 274 161	39 899 161
Issuance costs	-5 302 120	-15 950	-5 302 120	-2 210 499	-2 608 911
Subscribed warrants	<u>358 050</u>	<u>214 430</u>	<u>358 050</u>	<u>214 430</u>	<u>380 890</u>
<b>Cash flows from financial activities</b>	<b>45 523 085</b>	<b>198 480</b>	<b>45 523 085</b>	<b>14 873 394</b>	<b>42 766 442</b>
<b>Cash flows in the period</b>	<b>40 229 305</b>	<b>-3 655 991</b>	<b>32 491 526</b>	<b>5 843 503</b>	<b>17 937 503</b>
<b>Cash and cash equivalents at start of the period</b>	<b>11 292 707</b>	<b>10 593 707</b>	<b>19 042 062</b>	<b>1 094 213</b>	<b>1 094 213</b>
<b>Translation difference on cash and cash equivalents</b>	<b>19 207</b>	<b>-</b>	<b>7 628</b>	<b>-</b>	<b>10 346</b>
<b>Cash and cash equivalents period-end</b>	<b>51 541 216</b>	<b>6 937 716</b>	<b>51 541 216</b>	<b>6 937 716</b>	<b>19 042 062</b>



# Dignitana AB, publ

Corporate registration number:  
556730-5346

## Parent Company

<b>Income statement, SEK</b>	<b>Q2 2016</b>	<b>Q2 2015</b>	<b>Q1 - Q2 2016</b>	<b>Q1 - Q2 2015</b>	<b>Full year 2015</b>
<b>Operating income</b>					
Net revenues	800 516	980 483	1 919 111	3 942 866	4 748 987
Own work capitalized	-	198 496	41 397	396 796	899 772
Other income	<u>8 970</u>	<u>34 448</u>	<u>22 760</u>	<u>129 400</u>	<u>152 031</u>
<b>Total income</b>	<b>809 486</b>	<b>1 213 427</b>	<b>1 983 268</b>	<b>4 469 062</b>	<b>5 800 790</b>
<b>Operating expenses</b>					
Goods for resale	706 892	478 654	1 225 132	2 393 010	2 820 735
Other external expenses	4 913 138	2 921 034	8 927 343	4 939 441	11 379 367
Personnel expenses	2 648 943	2 070 784	4 695 466	3 896 579	7 568 634
Depreciation of tangible and intangible assets	1 069 505	83 046	1 430 195	166 093	648 455
Other operating expenses	<u>9 269</u>	<u>9 568</u>	<u>84 980</u>	<u>150 216</u>	<u>179 681</u>
<b>Total operating expenses</b>	<b>9 347 747</b>	<b>5 563 086</b>	<b>16 363 116</b>	<b>11 545 339</b>	<b>22 596 872</b>
<b>Operating profit/loss</b>	<b>-8 538 261</b>	<b>-4 349 660</b>	<b>-14 379 848</b>	<b>-7 076 278</b>	<b>-16 796 082</b>
<b>Result from financial investments</b>					
Interest income and similar items	753 150	13 427	753 538	13 667	255 680
Interest expenses and similar items	<u>82 955</u>	<u>-46 886</u>	<u>-3 166</u>	<u>-60 215</u>	<u>-29 108</u>
<b>Total income from financial investments</b>	<b>836 105</b>	<b>-33 459</b>	<b>750 372</b>	<b>-46 548</b>	<b>226 572</b>
<b>Net profit after financial items</b>	<b>-7 702 156</b>	<b>-4 383 119</b>	<b>-13 629 476</b>	<b>-7 122 826</b>	<b>-16 569 510</b>
<b>Results for the period</b>	<b>-7 702 156</b>	<b>-4 383 119</b>	<b>-13 629 476</b>	<b>-7 122 826</b>	<b>-16 569 510</b>



# Dignitana AB, publ

Corporate registration number: 556730-5346

## Parent Company

<b>Statement of Financial Position, SEK</b>	<b>2016-06-30</b>	<b>2015-06-30</b>	<b>2015-12-31</b>
<b>Fixed assets</b>			
<u>Intangible assets</u>			
Capitalized expenses for development	13 856 702	12 411 558	13 884 250
<u>Tangible assets</u>			
Equipment, tools, and installations	6 843 461	1 577 536	2 010 934
<u>Financial assets</u>			
Participations in group companies	420 010	-	420 010
Receivables from group companies	<u>-</u>	<u>-</u>	<u>417 620</u>
	420 010	0	837 630
<b>Total Fixed Assets</b>	<b>21 120 173</b>	<b>13 989 095</b>	<b>16 732 814</b>
<b>Current Assets</b>			
<u>Inventories and similar</u>			
Finished goods and goods for resale	4 408 909	3 377 130	9 260 407
Advance payments to suppliers	<u>1 190 261</u>	<u>227 481</u>	<u>817 035</u>
	5 599 170	3 604 611	10 077 442
<u>Current receivables</u>			
Accounts receivable	571 003	225 220	325 291
Current receivables from group companies	393 481	-	-
Current tax assets	308 901	212 704	88 169
Other current receivables	1 636 074	571 739	1 633 030
Prepaid expenses and accrued income	<u>360 356</u>	<u>517 492</u>	<u>522 025</u>
	3 269 815	1 527 155	2 568 514
<u>Cash and bank balances</u>	50 691 337	6 937 716	18 621 895
<b>Total Current Assets</b>	<b>59 560 322</b>	<b>12 069 481</b>	<b>31 267 852</b>
<b>Total Assets</b>	<b>80 680 495</b>	<b>26 058 576</b>	<b>48 000 666</b>



# Dignitana AB, publ

Corporate registration number: 556730-5346

## Parent Company

### Statement of Financial Position, SEK

<b>Equity and Liabilities</b>	<b>2016-06-30</b>	<b>2015-06-30</b>	<b>2015-12-31</b>
<b>Equity</b>			
<u>Restricted equity:</u>			
Share Capital (16,774,164 shares par value SEK 1, previous year 11,678,862)	20 138 641	14 274 164	16 774 164
<u>Non-restricted equity:</u>			
Retained earnings	24 359 164	3 113 914	3 280 374
Share premium reserves	47 102 678	14 274 161	39 899 161
Issue expenses	-5 302 120	-2 210 499	-2 608 911
Results for the Period	<u>-13 629 476</u>	<u>-7 122 826</u>	<u>-16 569 510</u>
	52 530 246	8 054 750	24 001 114
<b>Total Equity</b>	<b>72 668 887</b>	<b>22 328 914</b>	<b>40 775 278</b>
<b>Current liabilities</b>			
Accounts payable	5 344 670	1 967 014	4 467 051
Current liabilities to group companies	-	-	1 132 402
Other current liabilities	584 204	322 595	227 858
Accrued expenses and deferred income	<u>2 082 734</u>	<u>1 440 053</u>	<u>1 398 077</u>
<b>Total current liabilities</b>	<b>8 011 608</b>	<b>3 729 662</b>	<b>7 225 388</b>
<b>Total Equity and Liabilities</b>	<b>80 680 495</b>	<b>26 058 576</b>	<b>48 000 666</b>



## **Contact information**

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