



## **Financial Report Q3 - 2016**

## Results and financial position

Q3 Report - Summary:

<b>Key Ratios</b>					
	<b>Q3 2016</b>	<b>Q3 2015</b>	<b>Q1 – Q3 2016</b>	<b>Q1 – Q3 2015</b>	<b>Full year 2015</b>
<b>Dignitana Group</b>					
Net revenues, TSEK	2 807	529	4 900	4 472	4 749
Total revenues TSEK	2 843	601	5 001	5 070	5 801
Net profit after financial items, TSEK	-7 070	-4 183	-20 645	-11 306	-16 569
Cash and bank balances, TSEK	42 342	29 734	42 342	29 734	19 042
Earnings per share before and after dilution, SEK	-0,35	-0,25	-1,13	-0,76	-1,08
<b>Dignitana AB</b>					
Net revenues, TSEK	2 387	529	4 306	4 472	4 749
Total revenues TSEK	2 423	601	4 407	5 070	5 801
Net profit after financial items, TSEK	-7 121	-4 184	-20 750	-11 307	-16 570
Cash and bank balances, TSEK	42 145	28 896	42 145	28 896	18 622

## Significant events during the period

- Monthly pay per treatment revenue increased significantly versus Q2 as a result of increased unit utilization rates at existing installations and with new installations coming online on the US market.
- Dignitana continued the buildout of its US operation during the 3<sup>rd</sup> quarter. Significant new hires were made to increase capabilities in marketing, clinical and technical support and operations and technical support. These new hires, in addition to existing staff, will enable Dignitana, Inc. to better support both existing sites and new installs.
- Negotiations with some of the leading hospital groups in the US continued and resulted in agreements and orders in the beginning of November.
- Dignitana's European distributor, Sysmex Europe GmbH, has placed an order with deliveries in Q4, 2016 and Q1, 2017.



## **Significant events after the end of the period**

- Dignitana announced in November that Memorial Sloan Kettering Cancer Center (MSKCC) in New York, one of the most prestigious hospitals for cancer treatment in the US, signed a contract and ordered 17 DigniCap scalp cooling systems. Unit deliveries and training are scheduled to begin in December with patients to start treatments in January, 2017.
- In November the company announced the change of CEO. New CEO of Dignitana AB is Johan Ericsson and he brings an extensive product development background to the company. For Dignitana Inc. Bill Cronin was appointed as CEO and newly hired Jim McKinney as the new COO.

## **Scheduled financial reports**

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 scalp cooling 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 Semmy Rülff, Chairman, Dignitana AB (publ)**

Revenues from installations and treatments have increased by almost 200 % in Q3 compared to Q2. The number of monthly leasing fees increase as more and more systems are installed. In addition, pay per treatment fees are increasing as hospitals are increasing the number of patients treated on a monthly basis. We have now signed contracts with 53 sites across 17 states in the U.S and a total number of 76 DigniCap scalp cooling systems have been ordered. Even if it takes time to introduce a new treatment in the U.S., we are following our plans and we are very proud of what we have achieved so far.

We have been engaged in negotiations with larger hospital groups, resulting in the order from New York based hospital Memorial Sloan Kettering Cancer Center (MSKCC). This contract is one of the most important we have signed so far. The reputation MSKCC holds within the cancer treatment



community will be important for us and the order will be an acknowledgement that the DigniCap system belongs at the most prestigious cancer centers in the world.

Johan Ericsson has recently been appointed CEO of Dignitana AB. Johan has 25 years of experience within global engineering in product development and will enable us to respond more quickly to our partner site's unique needs and requirements. Johan has long experience in controlling and monitoring the whole development and supply chain of complex products and will help us develop both existing and new products in an effective way.

In order to meet the higher demands from US, we have built up the American organization by adding experienced healthcare professionals. We have been able to recruit excellent people and I am proud to say that we have two great teams (in Lund and Dallas) that will be able to efficiently and smoothly handle the increasing business.

One area where we have strengthened our resources is in marketing and promotion. We are now active on social media with daily posts on Facebook and Twitter reaching 500 to 1800 people per day. Our strategy to be featured locally in press and TV as we install is working well and media interest remains strong in patient-focused stories highlighting the success of DigniCap. At the regional and national level more than 16 television and digital media stories have featured DigniCap in the past 3 months. Visibility to patients has also increased through our support of various charitable events related to breast cancer research - with some specifically earmarking funds for DigniCap treatments such as Men for the Cure hosted by former Denver Broncos quarterback Peyton Manning.

#### Financial comments

- Revenues in Q3 more than doubled compared to Q1-Q2 due to systems that were placed during the first half of the year generate both the monthly leasing fees as well as an increasing number of pay per treatments.
- As of September 2015 Dignitana AB, the parent company of the Dignitana group, reports consolidated group financials, including the subsidiary Dignitana, Inc. in USA. 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. Since Dignitana AB continue to own the systems, part of the revenue will be transferred to the parent company.
- 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.



- Fixed tangible assets continue to increase since systems leased to customers in the US will be capitalized as assets and depreciated over five years.

## Staff

Company staff in Dignitana AB totaled 9 (7) people as of 30 September 2016. Dignitana Group totaled 18 (7) people as of 30 September 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 US 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 20,274,112 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	
Magnus Nilsson	32 904	



Erik von Schenck	10 769	
Johan Ericsson	6 384	
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, 24 November 2016

Dignitana AB (publ) - Board of Directors

Semmy Rulf	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>Q3 2016</b>	<b>Q3 2015</b>	<b>Q1 – Q3 2016</b>	<b>Q1 – Q3 2015</b>	<b>Full year 2015</b>
<b>Operating income</b>					
Net revenues	2 806 925	529 388	4 900 469	4 472 254	4 748 987
Own work capitalized	23 734	66 235	65 131	463 031	899 772
Other income	<u>12 363</u>	<u>4 880</u>	<u>35 300</u>	<u>134 280</u>	<u>152 031</u>
<b>Total income</b>	<b>2 843 022</b>	<b>600 503</b>	<b>5 000 900</b>	<b>5 069 565</b>	<b>5 800 790</b>
<b>Operating expenses</b>					
Goods for resale	640 676	170 961	1 922 058	2 563 971	2 820 735
Other external expenses	4 923 680	3 178 573	12 189 202	8 118 014	11 203 674
Personnel expenses	3 403 073	1 531 383	9 813 874	5 427 962	7 736 718
Depreciation of tangible and intangible assets	1 186 741	84 762	2 627 146	250 855	655 386
Other operating expenses	<u>89 909</u>	<u>17 065</u>	<u>174 889</u>	<u>167 280</u>	<u>179 681</u>
<b>Total operating expenses</b>	<b>10 244 079</b>	<b>4 982 744</b>	<b>26 727 169</b>	<b>16 528 083</b>	<b>22 596 194</b>
<b>Operating profit/loss</b>	<b>-7 401 057</b>	<b>-4 382 241</b>	<b>-21 726 269</b>	<b>-11 458 518</b>	<b>-16 795 404</b>
<b>Result from financial investments</b>					
Interest income and similar items	333 115	242 462	1 086 653	256 129	255 680
Interest expenses and similar items	<u>-1 763</u>	<u>-43 500</u>	<u>-4 929</u>	<u>-103 715</u>	<u>-29 108</u>
<b>Total income from financial investments</b>	<b>331 352</b>	<b>198 962</b>	<b>1 081 724</b>	<b>152 414</b>	<b>226 572</b>
<b>Net profit after financial items</b>	<b>-7 069 705</b>	<b>-4 183 278</b>	<b>-20 644 545</b>	<b>-11 306 104</b>	<b>-16 568 832</b>
<b>Results for the Period</b>	<b>-7 069 705</b>	<b>-4 183 278</b>	<b>-20 644 545</b>	<b>-11 306 104</b>	<b>-16 568 832</b>
<b>Total shares at the period-end before and after dilution *</b>	<b>20 274 112</b>	<b>16 774 164</b>	<b>20 274 112</b>	<b>16 774 164</b>	<b>16 774 164</b>
<b>Average number of shares before and after dilution *</b>	<b>20 274 112</b>	<b>16 774 164</b>	<b>18 314 644</b>	<b>14 819 130</b>	<b>15 307 889</b>
<b>Earnings per share before and after dilution *</b>	<b>-0,35</b>	<b>-0,25</b>	<b>-1,13</b>	<b>-0,76</b>	<b>-1,08</b>

\* No dilution during the period



# Dignitana AB, publ

Corporate registration number: 556730-5346

## Dignitana Group

<b>Statement of Financial Position, SEK</b>	<b>2016-09-30</b>	<b>2015-09-30</b>	<b>2015-12-31</b>
<b>Fixed assets</b>			
<u>Intangible assets</u>			
Capitalized expenses for development	13 568 166	12 792 823	13 884 250
<u>Tangible assets</u>			
Equipment, tools, and installations	7 664 553	1 731 707	2 066 318
<b>Total Fixed Assets</b>	<b>21 232 719</b>	<b>14 524 530</b>	<b>15 950 568</b>
<b>Current Assets</b>			
<u>Inventories and similar</u>			
Finished goods and goods for resale	3 389 246	5 928 051	9 260 407
Advance payments to suppliers	<u>1 106 214</u>	<u>142 321</u>	<u>817 035</u>
	4 495 460	6 070 372	10 077 442
<u>Current receivables</u>			
Accounts receivable	1 334 196	436 754	325 291
Current tax assets	371 064	264 028	88 169
Other current receivables	592 855	1 004 059	1 634 700
Prepaid expenses and accrued income	<u>786 813</u>	<u>568 899</u>	<u>522 025</u>
	3 084 928	2 273 740	2 570 185
<u>Cash and bank balances</u>	42 342 013	29 734 120	19 042 062
<b>Total Current Assets</b>	<b>49 922 401</b>	<b>38 078 232</b>	<b>31 689 689</b>
<b>Total Assets</b>	<b>71 155 120</b>	<b>52 602 762</b>	<b>47 640 257</b>





# Dignitana AB, publ

Corporate registration number: 556730-5346

## Dignitana Group

<b>Statement of Financial Position, SEK</b>	<b>2016-09-30</b>	<b>2015-09-30</b>	<b>2015-12-31</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<u>Restricted equity</u>			
Share Capital (20,274,112 shares par value SEK 1, previous year 16,774,164)	20 274 112	16 774 164	16 774 164
Fond for development expenses	1 182 037	-	-
<u>Non-restricted equity</u>			
Other paid-in capital	66 649 664	40 610 303	40 580 968
Results for the period	<u>-20 644 545</u>	<u>-11 306 104</u>	<u>-16 568 832</u>
<b>Total Equity</b>	<b>67 461 268</b>	<b>46 078 363</b>	<b>40 786 300</b>
<b>Current liabilities</b>			
Accounts payable	1 782 009	4 909 780	5 221 138
Other current liabilities	313 991	331 356	234 742
Accrued expenses and deferred income	<u>1 597 852</u>	<u>1 283 263</u>	<u>1 398 077</u>
<b>Total current liabilities</b>	<b>3 693 852</b>	<b>6 524 399</b>	<b>6 853 957</b>
<b>Total Equity and Liabilities</b>	<b>71 155 120</b>	<b>52 602 762</b>	<b>47 640 257</b>



# Dignitana AB, publ

Corporate registration number:  
556730-5346

## Dignitana Group

<b>Changes in equity, SEK</b>	<b>Q3 2016</b>	<b>Q3 2015</b>	<b>Q1 – Q3 2016</b>	<b>Q1 – Q3 2015</b>	<b>Full year 2015</b>
Opening balance	72 742 473	22 328 914	40 786 300	14 578 346	14 578 346
New share issue	2 032 065	27 766 588	52 499 220	42 425 552	44 994 463
Issue expenses	-252 153	-	-5 554 273	-	-2 608 911
Subscribed warrants	-	166 460	358 050	380 890	380 890
Translation difference on consolidation	8 588	-	16 516	-	10 344
Results for the period	<u>-7 069 705</u>	<u>-4 183 599</u>	<u>-20 644 545</u>	<u>-11 306 425</u>	<u>-16 568 832</u>
<b>Closing balance</b>	<b>67 461 268</b>	<b>46 078 363</b>	<b>67 461 268</b>	<b>46 078 363</b>	<b>40 786 300</b>



# Dignitana AB, publ

Corporate registration number:  
556730-5346

## Dignitana Group

### Statement of cash flows, SEK

	Q3 2016	Q3 2015	Q1 – Q3 2016	Q1 – Q3 2015	Full year 2015
<b>Operating Activities</b>					
Operating income before financial items	-7 401 057	-4 382 241	-21 726 269	-11 458 518	-16 795 404
Adjustments for items not affecting cash flows	1 222 487	84 762	2 939 172	250 855	99 574
Interest received	288	242 462	705	256 129	-
Interest paid	-1 763	-43 500	-4 929	-103 715	-15 932
Income tax paid	-	-	-	-	-
	<b>-6 180 045</b>	<b>-4 098 517</b>	<b>-18 791 321</b>	<b>-11 055 249</b>	<b>-16 711 762</b>
Changes in inventories	61 159	-2 465 761	-1 173 966	-2 532 582	-7 399 552
Changes in other current receivables	475 508	-746 906	571 205	2 433 622	2 393 177
Changes in other current liabilities	<u>-4 849 517</u>	<u>2 794 737</u>	<u>-3 332 086</u>	<u>-20 154</u>	<u>296 228</u>
<b>Cash flows from operating activities</b>	<b>-10 492 895</b>	<b>-4 516 447</b>	<b>-22 726 168</b>	<b>-11 174 363</b>	<b>-21 421 909</b>
<b>Investing activities</b>					
Acquisition of fixed assets	<u>-494 808</u>	<u>-620 197</u>	<u>-1 293 395</u>	<u>-2 992 172</u>	<u>-3 407 030</u>
<b>Cash flows from investing activities</b>	<b>-494 808</b>	<b>-620 197</b>	<b>-1 293 395</b>	<b>-2 992 172</b>	<b>-3 407 030</b>
<b>Financing activities</b>					
New share issue of share capital	135 471	2 500 000	3 499 948	5 095 302	5 095 302
New share issue premium reserves	1 896 594	25 625 000	48 999 272	39 899 161	39 899 161
Issuance costs	-252 153	-358 412	-5 554 272	-2 568 911	-2 608 911
Subscribed warrants	-	166 460	358 050	380 890	380 890
<b>Cash flows from financial activities</b>	<b>1 779 912</b>	<b>27 933 048</b>	<b>47 302 998</b>	<b>42 806 442</b>	<b>42 766 442</b>
<b>Cash flows in the period</b>	<b>-9 207 791</b>	<b>22 796 404</b>	<b>23 283 435</b>	<b>28 639 907</b>	<b>17 937 503</b>
<b>Cash and cash equivalents at start of the period</b>	<b>51 541 216</b>	<b>6 937 716</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>8 588</b>	<b>-</b>	<b>16 516</b>	<b>-</b>	<b>10 346</b>
<b>Cash and cash equivalents period-end</b>	<b>42 342 013</b>	<b>29 734 120</b>	<b>42 342 013</b>	<b>29 734 120</b>	<b>19 042 062</b>



# Dignitana AB, publ

Corporate registration number:  
556730-5346

## Parent Company

<b>Income statement, SEK</b>	<b>Q3 2016</b>	<b>Q3 2015</b>	<b>Q1 – Q3 2016</b>	<b>Q1 – Q3 2015</b>	<b>Full year 2015</b>
<b>Operating income</b>					
Net revenues	2 387 324	529 388	4 306 435	4 472 254	4 748 987
Own work capitalized	23 734	66 235	65 131	463 031	899 772
Other income	<u>12 355</u>	<u>4 880</u>	<u>35 115</u>	<u>134 280</u>	<u>152 031</u>
<b>Total income</b>	<b>2 423 413</b>	<b>600 503</b>	<b>4 406 681</b>	<b>5 069 565</b>	<b>5 800 790</b>
<b>Operating expenses</b>					
Goods for resale	605 314	170 961	1 830 446	2 563 971	2 820 735
Other external expenses	5 987 584	3 180 942	14 914 927	8 120 383	11 379 367
Personnel expenses	2 021 554	1 531 383	6 717 020	5 427 962	7 568 634
Depreciation of tangible and intangible assets	1 171 265	83 047	2 601 460	249 140	648 455
Other operating expenses	<u>89 909</u>	<u>17 065</u>	<u>174 889</u>	<u>167 280</u>	<u>179 681</u>
<b>Total operating expenses</b>	<b>9 875 626</b>	<b>4 983 398</b>	<b>26 238 742</b>	<b>16 528 737</b>	<b>22 596 872</b>
<b>Operating profit/loss</b>	<b>-7 452 213</b>	<b>-4 382 895</b>	<b>-21 832 061</b>	<b>-11 459 172</b>	<b>-16 796 082</b>
<b>Result from financial investments</b>					
Interest income and similar items	333 115	242 462	1 086 653	256 129	255 680
Interest expenses and similar items	<u>-1 763</u>	<u>-43 500</u>	<u>-4 929</u>	<u>-103 715</u>	<u>-29 108</u>
<b>Total income from financial investments</b>	<b>331 352</b>	<b>198 963</b>	<b>1 081 724</b>	<b>152 415</b>	<b>226 572</b>
<b>Net profit after financial items</b>	<b>-7 120 861</b>	<b>-4 183 932</b>	<b>-20 750 337</b>	<b>-11 306 758</b>	<b>-16 569 510</b>
<b>Results for the period</b>	<b>-7 120 861</b>	<b>-4 183 932</b>	<b>-20 750 337</b>	<b>-11 306 758</b>	<b>-16 569 510</b>



# Dignitana AB, publ

Corporate registration number: 556730-5346

## Parent Company

Statement of Financial Position, SEK	2016-09-30	2015-09-30	2015-12-31
<b>Fixed assets</b>			
<u>Intangible assets</u>			
Capitalized expenses for development	13 568 166	12 792 823	13 884 250
<u>Tangible assets</u>			
Equipment, tools, and installations	7 531 649	1 671 872	2 010 934
<u>Financial assets</u>			
Participations in group companies	420 010	420 010	420 010
Receivables from group companies	<u>-</u>	<u>419 410</u>	<u>417 620</u>
	420 010	839 420	837 630
<b>Total Fixed Assets</b>	<b>21 519 825</b>	<b>15 304 115</b>	<b>16 732 814</b>
<b>Current Assets</b>			
<u>Inventories and similar</u>			
Finished goods and goods for resale	3 389 246	5 928 051	9 260 407
Advance payments to suppliers	<u>1 106 214</u>	<u>142 321</u>	<u>817 035</u>
	4 495 460	6 070 372	10 077 442
<u>Current receivables</u>			
Accounts receivable	702 661	436 754	325 291
Current receivables from group companies	218 131	-	-
Current tax assets	371 064	264 028	88 169
Other current receivables	425 481	1004 059	1 633 030
Prepaid expenses and accrued income	<u>582 054</u>	<u>568 899</u>	<u>522 025</u>
	2 299 391	2 273 740	2 568 514
<u>Cash and bank balances</u>	42 144 558	28 895 887	18 621 895
<b>Total Current Assets</b>	<b>48 939 409</b>	<b>37 239 999</b>	<b>31 267 852</b>
<b>Total Assets</b>	<b>70 459 234</b>	<b>52 544 114</b>	<b>48 000 666</b>



# Dignitana AB, publ

Corporate registration number: 556730-5346

## Parent Company

### Statement of Financial Position, SEK

Equity and Liabilities	2016-09-30	2015-09-30	2015-12-31
<b>Equity</b>			
<u>Restricted equity:</u>			
Share Capital (16,274,112 shares par value SEK 1, previous year 14,274,164)	20 274 112	16 774 164	16 774 164
Fond for development expenses	<u>1 182 037</u>	<u>-</u>	<u>-</u>
	21 456 149	16 774 164	16 774 164
<u>Non-restricted equity:</u>			
Retained earnings	23 177 127	3 280 374	3 280 374
Share premium reserves	48 999 272	39 899 161	39 899 161
Issue expenses	-5 554 273	-2 568 911	-2 608 911
Results for the Period	<u>-20 750 337</u>	<u>-11 306 758</u>	<u>-16 569 510</u>
	45 871 789	29 303 866	24 001 114
<b>Total Equity</b>	<b>67 327 938</b>	<b>46 078 030</b>	<b>40 775 278</b>
<b>Current liabilities</b>			
Accounts payable	1 252 126	4 758 322	4 467 051
Current liabilities to group companies	-	93 143	1 132 402
Other current liabilities	313 991	331 356	227 858
Accrued expenses and deferred income	<u>1 565 179</u>	<u>1 283 263</u>	<u>1 398 077</u>
<b>Total current liabilities</b>	<b>3 131 296</b>	<b>6 466 084</b>	<b>7 225 388</b>
<b>Total Equity and Liabilities</b>	<b>70 459 234</b>	<b>52 544 114</b>	<b>48 000 666</b>



## **Contact information**

### **Dignitana AB**

Traktorgränden 3

226 60 Lund, Sweden

Phone: +46 (0) 46-16 30 91

[www.dignitana.se](http://www.dignitana.se)

[info@dignitana.se](mailto:info@dignitana.se)

### **Certified Advisor**

Erik Penser Bank

+46 (0) 8 463 8000

[www.penser.se](http://www.penser.se)

