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For Immediate Release

DIGNITANA CLARIFIES THE COMPANY'S POSITION

Lund, Sweden—10 October 2017—Dignitana AB (publ) today announces additional details about the company's financial and market situation to provide clear information to the market.

On 29 September 2017, Dignitana announced production delays due to changes at a subcontractor's operations which will cause a 4 million SEK decline in sales in the second half year of 2017. It mainly concerns postponements of deliveries and invoicing to non-US distributors.

Dignitana's target for 2017 is now to have about 130 installed systems on the U.S. market by year-end. Dignitana had previously stated a goal of 200 systems. The reasons for this are several:

- There is always a slow start up phase when introducing new medical technology. The market introduction of DigniCap® has taken longer than expected.
- Some systems have had quality defects, which has caused a delay in machine deliveries. Since Johan Ericsson and an additional Quality Manager were added in early 2017, they have worked with our contract manufacturer to identify and dramatically reduce production- related quality issues.
- Customers now have more than one supplier to choose from. Most sites want to quote multiple suppliers and evaluate them for a longer period.
- The systems take time to install and require training of staff at the clinics. Dignitana has therefore introduced a new integration program to make the process as smooth and efficient as possible. That has required a larger organization which has led to increased costs.

Despite the delays of installed systems, both sales and number of treatments have increased month-over-month in 2017 and continue to do so.

On 3 October 2017, Dignitana announced additional growth in the U.S. with The DigniCap® Scalp Cooling System available at 95 clinical sites across 21 states. Due to confidentiality agreements, all 95 sites are not included on the availability list on the DigniCap website.

Since its' clearance in 2015 the DigniCap System has had a number of enhancements and improvements. These ongoing product developments are undertaken to enhance patient outcomes and improve clinical efficiencies. Dignitana is committed to providing the best product and scalp cooling treatment on the market. Therefore, the company is developing a next-generation system, which is expected to be introduced to the market in 2018. The system is based on a new platform and has additional features and a lower production cost. It will be smaller and offered for single use. It will also be easier for customers to install and handle.

Dignitana has previously stated that break-even was expected to be reached in the first quarter of 2018. Today, the company estimates that break-even can be reached by the end of 2018.

On 29 August 2017, Dignitana announced that the company received a loan from Union Business Leasing, Inc. to finance existing systems installed on the US market in the form of a credit facility valued at up to \$2.5 million. To date, Dignitana has utilized \$1.5 million of that total. Continued credit utilization is dependent on installed systems. Borrowings are amortized and repaid under a rolling 30-month term schedule.

Dignitana is evaluating a range of financing solutions in the near future to ensure continued operations and growth.

About Dignitana AB (publ)

Dignitana is a Swedish public company based in Lund and manufacturer of the medical cooling device DigniCap[®]. Dignitana AB is listed on Nasdaq First North Stockholm and has appointed Erik Penser Bank as Certified Adviser. Headquartered in Dallas Texas, **Dignitana, Inc.** is the U.S. subsidiary of Dignitana AB. For more information visit www.dignitana.se

About The DigniCap[®] Scalp Cooling System

DigniCap[®] is a patented scalp cooling system that offers cancer patients the ability to keep their hair during chemotherapy. DigniCap[®] provides continuous cooling with high efficacy, safety and acceptable patient comfort. www.dignicap.com

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This information is information that Dignitana AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, by the above contact, for publication at 19:30 (CET), 10 October, 2017.