

For Immediate Release

Dignitana decides on a Rights Issue of 42.6 MSEK

The Board of Directors of Dignitana AB ("Dignitana" or "The Company") has decided on a new share issue of 42.6 MSEK with preferential rights for existing shareholders (the "Issue"). The Issue decision requires approval at the Extraordinary General Meeting on December 4, 2017. Invitation to the General Meeting is published by a separate press release. The Rights Issue is secured through agreements on subscription and guarantee commitments to MSEK 34.3, corresponding to approximately 81 percent of the issue allowance.

Summary

- The Board of Directors of Dignitana has decided on a capitalization of approximately SEK 42.6 million through a new share issue with preferential rights for existing shareholders.
- Shareholders in Dignitana have the right to subscribe for one (1) new share per one (1) existing share held on the record date 7 December 2017.
- The subscription price amounts to SEK 2.10 per newly issued share.
- The Issue requires approval at the Extraordinary General Meeting on December 4, 2017, invitation to the General Meeting is published by a separate press release.
- The Issue is guaranteed up to SEK 34.3 million, equivalent to approximately 81 percent of the issue amount, through subscriptions from existing shareholders and emission guarantees from external investors.
- Record date for participation in the Issue is 7 December 2017.
- Subscription in the Issue will take place between 11 and 27 December 2017.

The Issue is subject to approval by an Extraordinary General Meeting of Shareholders, which will be held on December 4, 2017. A separate invitation for the Extraordinary General Meeting will be published shortly in Post och Inrikes Tidningar and on Dignitana's website. Advertising about the notice will also take place in Svenska Dagbladet. Information about the Issue will be available on Dignitana's website, www.dignitana.se and Erik Penser Bank's website, www.penser.se.

Background

Dignitana develops, markets and sells the scalp cooling system DigniCap[®], a product that counteracts hair loss in cancer patients undergoing chemotherapy. The Company sells DigniCap[®] in Europe, Asia and the U.S. directly or through distributors.

During the fall of 2017, Dignitana had challenges related to the production of DigniCap[®] as well as quality shortcomings in existing systems, which resulted in the Company's market introduction in the US being slower than estimated. In addition, the Company's working capital financing has been adversely affected when the Company's largest customer chose to renegotiate the agreements. Despite these disorders, both sales and number of treatments have increased month by month.

The Company is in need of new capital to continue its operational activities. Dignitana therefore carries out a forthcoming Rights Issue. The contributed capital secures operations in 2018 and provides scope for development of the DigniCap[®] system and provides a certain liquidity buffer. Development of the DigniCap[®] system aims to increase user-friendliness and reduce production costs.

The U.S. market, as a result of its business model and market size, represents a significant growth and profitability potential for the Company. The business model, where Dignitana takes out a monthly rental fee for the system, and charges a fee per treatment, will eventually result in a customer base that provides slow moving and predictable revenues.

Guarantees

In connection with the Issue, Dignitana has received subscription commitments from a number of existing shareholders totaling approximately 5.8 MSEK, corresponding to approximately 14 percent of the Issue. In addition, the Company has entered into agreements on emission guarantees with a number of external investors totaling MSEK 28.5, corresponding to approximately 67 percent of the Issue. In total, the Issue amounts to 34.3 MSEK of subscription commitments and issue guarantees, equivalent to approximately 81 per cent of the Issue.

Share structure and share capital

At full subscription of the Issue, the share capital will increase from SEK 20 274 112 to SEK 40 548 224 and the number of shares will increase by 20 274 112 from 20 274 112 shares to 40 548 224 shares. Dignitana will receive a full subscription of SEK 42.6 million before issue costs.

Dilution for shareholders who choose not to participate in the Issue consists in full subscription to 50 percent of the shares and votes in the Company.

Preliminary schedule

- 4 December 2017 *Extraordinary General Meeting.*
- 5 December 2017 *Last trading day including subscription rights.*
- 5 December 2017 *Estimated date for publication of prospectus.*
- 6 December 2017 *First trading day excluding subscription rights.*

- 7 December 2017 *Record date for participation in the rights issue.*
- 11 - 27 December 2017 *Subscription Period.*
- 11 - 21 December 2017 *Trading in subscription rights.*
- December 11, 2017 *Trading with paid subscribed shares (BTA) through the issue has been registered with the Swedish Bolagsverket.*
- 2 January 2018 *Estimated date for publication of the outcome of the Rights Issue.*

Advisors and consultants

Erik Penser Bank AB is financial adviser to Dignitana in connection with the Rights Issue and Law Firm Delphi is legal adviser.

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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 07:00 (CET), 2 November, 2017.