

DIGNITANA AB (PUBL) ANNOUNCES RIGHTS ISSUE AND DIRECTED EQUITY ISSUE

Dignitana AB to carry out new issues of approximately SEK 31.6M in a directed issue of approximately SEK 5.8M, a fully guaranteed rights issue of SEK 24.3M with preferential right for existing shareholders and another directed rights issue offsetting the guarantee fee of approximately SEK 1.4M.

The Board of Directors of Dignitana AB (“Dignitana” or the “Company”) decided today to carry out a capitalization of up to SEK 31.6M in a directed rights issue of approximately SEK 5.8M, a fully guaranteed rights issue of SEK 24.3M with preferential right for existing shareholders and another directed rights issue offsetting the guarantee fee of approximately SEK 1.4M to fund the Company’s continued expansion.

Dignitana announces that the Company’s Board of Directors, using the existing authorization to issue new shares, has decided to carry out a directed rights issue, of up to 1 380 500 shares at the subscription price SEK 4.20, a fully guaranteed rights issue of up to 5 792 603 shares at the subscription price SEK 4.20 and a directed off-set issue of up to 339 972 shares at the subscription price SEK 4.20. In total the Company issues approximately SEK 31.6M in the three rights issues. Upon full subscription of all rights issues as set out above the share capital will increase in total SEK 7 513 075 to SEK 48 061 299.

In the directed rights issue the Company receives approximately SEK 5.8M before costs related to the rights issue.

In the rights issue with preferential right for existing shareholders the Company receives approximately SEK 24.3M before costs related to the rights issue on the following terms.

- Rights issue with preferential rights for existing shareholders guaranteed to 100 percent through subscription commitments and guarantee commitments.
- Seven (7) existing shares grants the right to subscribe for one (1) new share.
- The subscription price is SEK 4.20 per share.
- Record date for participation in the rights issue with preferential right is 30 November 2018.
- Subscription period is 4 December up to and including 18 December 2018

The directed off-set issue of approximately SEK 1.4M, is to off-set the guarantee-fee in the fully guaranteed rights issue with preferential right.

Background and rationale

Dignitana is a Swedish medical device Company focused on a broad market launch in the U.S. of the DigniCap scalp cooling system, a product reducing hair loss in cancer patients undergoing cancer treatment using cytostatic drugs, significantly increasing patients’ well-being and quality of life. The vision is to make the Company the market leader within hair loss prevention through its scalp cooling system. The system was FDA cleared in December 2015 for sales in the U.S. market and the company has commenced a product launch on the U.S. market through a fully owned subsidiary. Furthermore, the system has a medical device clearance, CE-mark, for sales in Europe.

Dignitana has launched a business model in the U.S. under which its customers, cancer clinics, lease the machine and patients pay a per-treatment fee. This model has a significant impact on Dignitana’s ability to generate earnings but requires more working capital.

Dignitana requires additional working capital to fund its continued growth. Assuming full subscription of the preferential rights issue and the directed rights issues the company will receive SEK 31.6M before issue costs. The Company's opinion is that the current offering will be sufficient to

- fund the Company's operations throughout 2019,
- enable the Company to commercialize the new generation of the DigniCap-system and
- strengthen the Company's financial position.

The net proceeds from the Offering will be used to fund new unit orders, additional personnel, final R&D and marketing of the new generation DigniCap system.

Remaining funds from the issue will be used to increase the Company's liquidity buffer – which has been assessed to be necessary to promote the Company's continued growth and development.

“Dignitana is moving forward with positive momentum. We are confident that the new system will provide clear benefits to hospitals and patients and we look forward to accelerated growth with the launch of this new system in the first half of 2019.” – William Cronin, Chief Executive Officer

Directed rights issue

The Board of Directors has today, 16 November 2018, supported by its existing authorization resolved to carry out a directed rights issue of 1 380 500 shares (“the Issue”) at a subscription price of SEK 4.20 per share, increasing the share capital up to SEK 1 380 500. The Company will receive approximately SEK 5.8m through the directed rights issue. The Issue is fully subscribed for by a number of select investors. The dilution effect for current shareholders, if the directed rights issue is fully subscribed, will be approximately 3.3 percent.

The reason for the Issue, deviating from the shareholders' preferential rights, is to give the Board of Directors the required flexibility to finance and enable the continued rapid expansion on the U.S. market as well as secure additional working capital. The Company's existing shareholders are also given opportunity to subscribe for shares in the preferential rights issue described below.

Preferential rights issue

The Board of Directors has also today, 16 November 2018, supported by its existing authorization, resolved to offer existing shareholders to subscribe for shares in Dignitana at the same subscription price as in the directed Issue, SEK 4.20, in a preferential rights issue. The preferential rights issue comprises up to 5 792 603 shares, fully subscribed equivalent to an increase of the share capital of up to SEK 5 792 603 (“the Preferential Rights Issue”). The subscription price is SEK 4.20 and the total issue amount is up to SEK 24 328 932.60. The Preferential Rights Issue will be issued on the following terms:

The preemptive right to subscribe for new shares shall be in relation to the number of old shares that the shareholder owns, per each (1) existing share the shareholder receives one (1) subscription right. Seven (7) subscription rights are required to subscribe for one (1) new share. Those who are not current shareholders can also subscribe for shares in the preferential rights issue. For shares subscribed for without preferential right, allotment shall take place as follows:

1. First, to those others who have reported interest to subscribe for shares without use of subscription rights, and
2. Second, to those who have entered into issue guarantees.

Per each subscribed share, SEK 4.20 shall be paid. The record date, i.e. the day when shareholders must be entered into the share registry to receive preemptive right in the preferential rights issue is the 30 November 2018. The subscription period for new shares is from 4 December 2018 up to and until 18 December 2018. Subscription for shares with preemptive right are made by payment no later than 18 December 2018 and subscription without preemptive is made through Aktieinvest on a special subscription list. Payment for shares subscribed for without preemptive right shall be made no later than three (3) business days after the decision on allocation, according to special instructions the contract note. The Board of Directors is authorized to extend the subscription period and the time of payment. New shares are entitled to dividends for the first time on the dividend record date immediately following the registration of new shares with the Swedish Companies Registration Office (Sw. "Bolagsverket"). The Board of Directors, or an entity or person selected by the Board of Directors, reserves the right to make minor adjustments necessary for the registration at the Swedish Companies Registration Office and Euroclear Sweden AB. Full subscribed, the issues will increase the share capital by SEK 5 792 603 to SEK 46 340 827 and the number of shares will increase by 5 792 603 shares to 46 340 827 shares (before registration of the Issue). The dilution effect for shareholders not participating in the preferential rights issue will, if the issues are fully subscribed, be approximately 12.5 percent.

Subscription and guarantee commitments

Dignitana has in connection to the preferential rights issue received subscription and guarantee commitments from a number of the Company's shareholders amounting to approximately SEK 5.3M, equivalent to approximately 22 percent of the preferential rights issue. Furthermore, the Company has entered into agreements on guarantee commitments amounting to approximately SEK 19.0M, equivalent to approximately 78 percent of the preferential rights issue, which will be used to cover up to 100 percent subscription in the preferential rights issue, at a total amount of approximately SEK 24.3M.

Directed off-setting issue

The Board of Directors has decided to offer the guarantors the option to off-set their guarantee for new shares at a subscription price of SEK 4.20 through a directed issue in connection to the preferential rights issue. The off-setting issue is expected to include approximately 339 972 shares, which may increase the share capital by approximately SEK 339 972. The total off-set amount will be approximately SEK 1.4M. The dilution effect for current shareholders, if the directed off-setting rights issue is fully subscribed, will be approximately 0.9 percent.

The reason for the Issue, deviating from the shareholders' preferential rights, is to enable the Company to strengthen its financial position through offsetting the guarantee fee against shares and also to add new owners to the Company that in the Company's opinion can be important for the Company. The Board of Directors assesses that the guarantee fee in its entirety, considering its amount and structure, is fair and in line with market practice.

Preliminary timeline

28 November 2018	Last trading day excluding subscription rights
29 November 2018	First trading day including subscription rights
30 November 2018	Record date for the right to participate in the preferential rights issue

4 – 18 December 2018	Subscription period
4 December 2018	First trading day for trading of subscription rights and paid subscribed share
14 December 2018	Last trading day for trading in subscription rights
Around 19 December 2018	Announcement of the outcome of the preferential rights issue

Details concerning the preferential rights issue will be described in the memorandum which is estimated to be published by the latest 4 December 2018 and which will be available on the Company's web page, www.dignitana.com.

Investor meetings

Investor meetings will be held during the subscription period. Invitation to the investor meetings will be distributed and will also be presented on Dignitana's web page.

Advisors

Redeye AB (redeye.se) is financial advisor and Advokatfirman Delphi is legal advisor in the preferential rights issue, the directed rights issue and the directed off-setting issue. Aktieinvest is the Company's issuing agent in the issues.

Memorandum

A memorandum is expected to be published by the latest 3 December 2018. The complete set of forms and conditions, instructions as well as information about subscription- and guarantee commitments will be available in Dignitana's Information Memorandum which will be made public on the Company's, Redeye's and Aktieinvest's web pages (www.dignitana.com, www.redeye.se and www.aktieinvest.se).

Lund 2018-11-16

For further information, please contact:

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This is information that Dignitana AB (publ) 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 08:00 (CET), on 16 November 2018.

Important information

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Any investment decision in connection with the Rights Issue must be made on the basis of all publicly available information relating to the Company. Such information has not been independently verified by the financial advisors. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

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This press release is not a prospectus for the purposes of Directive 2003/71/EC (the "Prospectus Directive") and has not been approved by any regulatory authority in any jurisdiction. A prospectus regarding the Rights Issue described in this press release will be prepared and submitted to Swedish Financial Supervisory Authority (Sw. Finansinspektionen). Following the Swedish Financial Supervisory Authority's approval and registration of the prospectus, the prospectus will be published and kept available at Dignitana's website.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although

the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.

About Dignitana AB (publ)

Dignitana AB is the world leader in clinically superior scalp cooling technology. The company produces The DigniCap® Cooling System, a patented medical cooling device that offers cancer patients the ability to minimize hair loss during chemotherapy. FDA cleared since 2015, DigniCap provides continuous cooling with high efficacy, safety and acceptable patient comfort. Dignitana AB is listed on Nasdaq First North Stockholm in Sweden with headquarters in Lund, Sweden and operations based in Dallas, Texas in the United States. Company subsidiaries are Dignitana, Inc. in the United States and Dignitana S.r.l. in Italy. Erik Penser Bank is Certified Adviser. Learn more at www.dignitana.se and www.dignicap.com.