

Dignitana announces directed share issue of approximately SEK 25 million

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The Board of Directors of Dignitana AB (publ) ("Dignitana" or the "Company") has, based on the authorization granted by the Annual General Meeting of the Company that was held on 19 May 2022, resolved on a directed share issue of 5,415,000 new shares at a subscription price of SEK 4.59 per share to Agarth AB, Handelsbanken Fonder and Swedbank Robur (the "New Share Issue"). The subscription price corresponds to today's closing price. Through the New Share Issue, the Company receives approximately SEK 25 million before transaction costs. The proceeds from the New Share Issue will support Dignitana's ongoing growth initiatives.

Dignitana's business in the US is developing well where sales increased with approximately 30 percent in the second quarter contributing to the Company reaching a positive EBIT during the period. The growth is driven by a strong demand for scalp cooling treatments in the US together with an increasing access to reimbursement. The proceeds from the New Share Issue will be used to finance ongoing growth initiatives and working capital requirements. The continued growth is expected to result in sustained profitability in the Company.

The Board of Directors have thoroughly considered alternative financing possibilities, there amongst, the possibility to carry out a new issue of shares with pre-emption rights for the shareholders instead of a directed new share issue. When the possibilities to carry out a new issue with pre-emption rights were investigated, it was apparent that there were larger possibilities for the Company to carry out a capital raise on favourable terms through a directed new issue of shares.

The reasons for the deviation from the shareholder's pre-emption rights are therefore to ensure the most time- and cost-effective financing of the Company's continued development, to strengthen the shareholder base and due to the fact that the conditions are deemed not to exist to carry out a new issue of shares with pre-emption rights for the shareholders on favourable terms. It is also deemed to be beneficial to avoid exposure to fluctuations in the market. It is therefore the Board of Directors' assessment that the reasons stated clearly and strongly outweigh the reasons that justify the main principal that new share issues shall be carried out with pre-emption rights for existing shareholders. A new share issue with deviation from the shareholders' pre-emption rights is, therefore, deemed to be in the interest of the Company and all shareholders. The subscription price was established through a negotiation process conducted by Danske Bank where multiple investors were given the opportunity to submit offers. It is therefore the Board of Directors' assessment that the subscription price has been determined in accordance with market conditions.

The New Share Issue entails that the total number of shares and votes in Dignitana increases by 5,415,000, from 65,059,155 to 70,474,155, and that the share capital increases by SEK 541,500, from SEK 6,505,915.5 to SEK 7,047,415.5, which entails a dilution effect for existing shareholders of approximately 7.7 percent based on the total number of shares and votes in the Company after the New Share Issue.

In connection with the New Share Issue, the Company has agreed to a lock-up undertaking on future share issuance for a period of 180 days from the announcement of the New Share Issue, subject to customary exceptions. In addition, all Board members who own shares or other securities in the Company, as well as the Company's CEO, have undertaken to not sell any shares or other securities in Dignitana during the same period, subject to customary exceptions.

Advisers

In connection with the New Share Issue, the Company has retained Danske Bank as Sole Global Coordinator and Bookrunner and Fredersen Advokatbyrå AB as legal adviser.

IMPORTANT INFORMATION

This press release is not and does not form a part of any offer for sale of securities. Copies of this communication may not be made in, and may not be distributed or sent into, Australia, Canada, Hong Kong, Japan, Singapore, South Africa, South Korea, New Zealand, Switzerland, the United States, Russia, Belarus or any other jurisdiction in which distribution of this press release would be unlawful or would require registration or other measures than such measures that follow from Swedish regulations. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities law. The Company does not intend to register any part of the directed new share issue in the United States or to conduct a public offering of shares in the United States.

The securities referred to herein have not been and will not be registered under the applicable securities laws of Australia, Canada, Hong Kong, Japan, Singapore, South Africa, South Korea, New Zealand, Switzerland, the United States, Russia or Belarus and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in, Australia, Canada, Hong Kong, Japan, Singapore, South Africa, South Korea, New Zealand, Switzerland, the United States, Russia or Belarus. There will be no public offering of the securities described herein in Australia, Canada, Hong Kong, Japan, Singapore, South Africa, South Korea, New Zealand, Switzerland, the United States, Russia or Belarus.

This press release is not a prospectus for purposes of Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and its delegated and implemented regulations (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of securities in any EEA Member State and no prospectus has been or will be prepared in connection with the directed new share issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

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.

Any investment decision in connection with the directed new share issue must be made on the basis of all publicly available information relating to the Company and the issued shares. 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. This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the Company or the new shares.

None of the Company, the Sole Global Coordinator and Bookrunner or any of their respective affiliates directors, officers, employees, agents, affiliates or advisers is under any obligation to update, complete, revise or keep current the information contained in this press release to which it relates or to provide the recipient of with access to any additional information that may arise in connection with 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, unless it is not required by law or Nasdaq First North Growth Market rule book for issuers.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Dignitana have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and, together with the EU Target Market Assessment, the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Dignitana may decline and investors could lose all or part of their investment; the shares in Dignitana's offer no guaranteed income and no capital protection; and an investment in the shares in Dignitana is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the directed new share issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Sole Global Coordinator and Bookrunner will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Dignitana.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Dignitana and determining appropriate distribution channels.

Every care has been taken into consideration when translating this press release into English. In the event of differences between the English version and the Swedish original, the Swedish version shall apply.

This disclosure contains information that Dignitana AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 18-10-2022 19:57 CET.

For More Information Contact

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About Dignitana

Dignitana AB is the world leader in clinically superior scalp cooling technology. The company produces The DigniCap® Scalp 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 patient comfort. Hailed internationally as a life-changing medical advancement for cancer patients, The DigniCap Scalp Cooling System was invented in 1999 by a Swedish Oncology nurse and has been available in Europe since 2001. Dignitana AB is listed on Nasdaq First North Growth Market in Sweden with headquarters in Lund, Sweden and US 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. Certified Adviser is Redeye AB. Learn more at www.dignitana.com or

