

DIGNITANA

The Board of Directors of Dignitana resolves on rights issue, obtains bridge loan, and calls for Extraordinary General Meeting

The Board of Directors of Dignitana resolves on a 93 percent secured rights issue of shares of approximately SEK 19.1 million, obtains bridge loan of SEK 5 million and calls for an Extraordinary General Meeting

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The Board of Directors of Dignitana AB (publ) ("Dignitana" or the "Company") has today resolved on a rights issue of shares with pre-emption rights for the shareholders of approximately SEK 19.1 million, before issue costs (the "Rights Issue"). The Board's resolution on the Rights Issue is subject to the subsequent approval by an Extraordinary General Meeting intended to be held on 12 March 2024 (the "EGM"). The Rights Issue is guaranteed up to approximately 93.2 percent through subscription undertakings and underwriting undertakings. The purpose of the Rights Issue is to obtain working capital to finance the Company's ongoing expansion, increase sales and marketing initiatives, increase reimbursement program support, introduce service in the field in the US, expand the product portfolio and repay loans. Dignitana has on this day, in conjunction with the Rights Issue, also obtained a bridge loan of SEK 5 million from the largest shareholder Agarthia AB to finance the Company's working capital, reimbursement support, marketing, Distributor Academy and patent. The notice to the EGM will be published through a separate press release.

Summary

- The Board of Directors of the Company has, subject to the subsequent approval of the EGM, today resolved on the Rights Issue. Notice to the EGM will be published through a separate press release.
- The Rights Issue will, upon full subscription, provide Dignitana with approximately SEK 19.1 million, before issue costs.
- The Rights Issue is covered to approximately 35.7 percent by subscription undertakings and approximately 57.5 percent by underwriting undertakings. Thus, the Rights Issue is secured to approximately 93.2 percent. However, underwriting undertakings and subscription undertakings has not been secured through bank guarantees, pledges or similar arrangements.
- All existing shareholders receive one (1) subscription right per each share held on the record date on 14 March 2024, and seven (7) subscription rights give the right to subscribe for one (1) share. The subscription price is SEK 1.90 per share.

- The subscription period for the Rights Issue will run from and including 18 March 2024 up to and including 2 April 2024. Subscription rights that are not exercised during the subscription period become invalid and thereby lose their value.
- No prospectus will be registered with the Swedish Financial Supervisory Authority (*Sw: Finansinspektionen*) and no information memorandum will be published in connection with the Rights Issue. Conditions and instructions, as well as certain additional information to investors, will be published on the Company's website before the subscription period begins.

Motive for the Rights Issue and use of the issue proceeds

The motive for the Rights Issue is primarily to obtain working capital to finance the Company's ongoing expansion, increase sales and marketing initiatives, increase reimbursement program support, introduce service in the field in the US, expand the product portfolio and repay loans.

If the Rights Issue is fully subscribed, the Company will receive approximately SEK 19.1 million before deduction of issue costs which are estimated to amount to approximately SEK 0.8 million whereof approximately SEK 0.3 million is related to underwriting compensation. The proceeds from the Rights Issue are planned to be distributed according to the following order of priority and to the following extent, (all percentages approximate):

- Fees related to the Rights Issue: 4 percent.
- Conversion of loan from Agarth AB to shares: 30 percent.
- Repay bridge loan from Agarth AB taken in connection with the Rights Issue: 25 percent.*
- Working capital: 15 percent.
- Marketing and sales: 12.5 percent.
- Reimbursement support: 3 percent.
- Service in the field: 3 percent.
- Expand product portfolio: 7.5 percent.

*The bridge loan will be used for the Company's working capital, reimbursement support, marketing, Distributor Academy and patent.

Information about the Rights Issue

On 21 February 2024, the Board of Directors of Dignitana resolved, subject to the subsequent approval of the EGM, on a Rights Issue of a maximum of 10,067,736 shares with pre-emption rights for the shareholders. Upon full subscription in the Rights Issue, the Company will receive issue proceeds of approximately SEK 19.1 million before issue costs which amounts to approximately SEK 0.8 million. Through the Rights Issue, the share capital may increase by a maximum of SEK 1,006,773.60, from SEK 7,047,415.50 to SEK 8,054,189.10. The number of shares may increase by a maximum of 10,067,736 shares, from 70,474,155 shares to 80,541,891 shares. The dilution effect for shareholders who choose not to participate in the Rights Issue amounts to approximately 12.50 percent of the shares and votes (calculated as the number of new shares as a result of the Rights Issue divided by the number of shares in the Company after a fully subscribed Rights Issue).

All registered shareholders on the record date of 14 March 2024 have a pre-emption right to subscribe for shares in relation to their existing shareholdings, whereby each existing share in the Company entitles to one (1) subscription right and seven (7) subscription rights entitle to subscription of one (1) share. The subscription price is SEK 1.90 per share.

The subscription period runs from and including 18 March 2024, up to and including 2 April 2024. Subscription rights that are not exercised during the subscription period can no longer be used to subscribe for shares and therefore lose their value. Trading in subscription rights is expected to take place on Nasdaq First North Growth Market during the period from and including 18 March 2024, up to and including 26 March 2024 and trading in BTAs (paid subscribed shares) during the period from and including 18 March 2024 until the Rights Issue is registered with the Swedish Companies Registration Office (*Sw: Bolagsverket*).

If all shares are not subscribed for with the support of pre-emption rights, the Board of Directors shall resolve on allotment, within the limits of the maximum amount set out in the Rights Issue. Allotment will be determined on the following grounds:

- (i) firstly, to those who have subscribed for shares with the support of subscription rights and

- who wish to subscribe for additional shares (regardless of whether they were shareholders on the record date or not), and, to the extent that this cannot be done, by drawing lots;
- (ii) secondly, to others who have registered an interest in subscribing for shares without the support of subscription rights (and who are not covered by point a) above), and, to the extent that this cannot be done, by drawing lots; and
- (iii) thirdly, to persons who have provided underwriting undertakings regarding subscription of shares.

No prospectus will be registered with the Swedish Financial Supervisory Authority (*Sw: Finansinspektionen*) and no information memorandum will be published in connection with the Rights Issue. Conditions and instructions, as well as certain additional information to investors, are expected to be published on the Company's website on or about 15 March 2024.

Subscription- and underwriting undertakings

The Rights Issue is covered by subscription undertakings of approximately SEK 6.8 million, corresponding to approximately 35.7 percent of the Rights Issue, bottom underwriting undertakings of approximately SEK 6 million, corresponding to approximately 31.4 percent of the Rights Issue and top underwriting undertakings of approximately SEK 5 million, corresponding to approximately 26.1 percent of the Rights Issue. In total, circa 93.2 percent of the Rights Issue is covered by subscription undertakings and underwriting undertakings. However, underwriting undertakings and subscription undertakings has not been secured through bank guarantees, pledges or similar arrangements. Compensation for the bottom underwriting undertaking is paid with five (5) percent of the underwriting amount in cash, corresponding to SEK 0.3 million. No compensation is paid for the top underwriting undertakings or the subscription undertakings.

The bottom underwriting undertaking have been made by one external investor and the top underwriting undertaking has been made by a consortium of external investors led by Leo Ling. The subscription undertakings have been made by two of the Company's largest shareholders; Agartha AB and Handelsbanken Microcap Sverige. Agartha's undertaking corresponds to Agartha's outstanding claim on the Company of SEK 6 million and Agartha's undertaking refers to the claim being set off in the Rights Issue.

Preliminary timetable

12 March 2024	EGM to approve the Rights Issue
12 March 2024	Last day of trading in Dignitana's shares including the right to receive subscription rights
13 March 2024	First day of trading in Dignitana's shares excluding the right to receive subscription rights
14 March 2024	Record date for receiving subscription rights. Shareholders who are registered in the share register kept by Euroclear Sweden AB on this day, receive subscription rights for participation in the Rights Issue.
15 March 2024	Conditions and instructions published on the Company's website
18 March – 2 April 2024	Subscription period in the Rights Issue
18 March – 26 March 2024	Trading with subscription rights on Nasdaq First North Growth Market
18 March – registration of the Rights Issue at the Swedish Companies Registration Office	Trading with BTA on Nasdaq First North Growth Market
5 April 2024	Estimated date for publication of the outcome in the Rights Issue

Extraordinary General Meeting

The Board of Directors' resolution on the Rights Issue is subject to approval by the EGM on 12 March 2024. Notice to the EGM will be published in a separate press release.

Information on bridge loan agreement

Dignitana has today entered into an agreement regarding a bridge financing according to which the lender, consisting of the Company's largest shareholder Agarth AB, have committed to provide a loan of SEK 5 million. The loan is intended to be repaid with the proceeds from the Rights Issue and has an annual interest rate of 12 percent. The loan will be used to finance the Company's working capital, reimbursement support, marketing, Distributor Academy and patent.

Advisors

Fredersen Advokatbyrå AB is the legal advisor and Nordic Issuing AB is the issuing agent to Dignitana in connection with the Rights Issue.

Important Information

The publication, announcement or distribution of this press release may, in certain jurisdictions, be subject to legal restrictions and persons in the jurisdictions where this press release has been published or distributed should inform themselves about and comply with such legal restrictions. The recipient of this press release is responsible for using this press release and the information contained herein in accordance with the applicable rules in each jurisdiction. No action has been taken and no action will be taken to permit an offer to the public in jurisdictions other than Sweden.

Any investment decision in connection with the Rights Issue shall be made based on all publicly available information relating to the Company. The information in this press release is published only as background information and does not claim to be complete. Accordingly, an investor should not rely solely on the information in this press release or its accuracy or completeness.

This press release may not be announced, published, or distributed, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, Singapore, South Africa, South Korea, Russia, Belarus or in any other jurisdiction where the distribution of this press release would be unlawful. Nor does this press release constitute an offer to sell shares, subscription rights, BTAs or other securities to any person in a jurisdiction where it would not be permitted to make such an offer to such a person or where such action would require other prospectus, registration or other measures other than under Swedish law. The application form and other documents related to the Rights Issue may not be distributed in or to any country where such distribution or the Rights Issue requires measures as stated in the previous sentence or where they would be contrary to the rules of such country. Actions contrary to this instruction may constitute a violation of applicable securities laws.

None of the shares, subscription rights, BTAs or other securities have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state or other jurisdiction in the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, allotted, delivered or transferred, resold, assigned, delivered or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States.

As Dignitana has made the assessment that the Company conducts activities worthy of protection under The Foreign Direct Investment Screening Act (2023:560), certain investments in the Rights Issue may require review by the Swedish Inspectorate of Strategic Products. For more information, please visit the Swedish Inspectorate of Strategic Products' website, www.isp.se, or contact the Company.

Forward-looking statements

This press release may contain some forward-looking statements that reflects the Company's current view of future events and financial and operational development. Words such as "intend", "consider" "expect", "may", "plan", "believe", "estimate" and other expressions that imply indications or predictions of future developments or trends, and that are not based on historical facts, constitute forward-looking statements. By its nature, forward-looking statements involves known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking statements is not a guarantee of future results or development and actual outcomes may differ materially from those expressed in forward-looking statements. Neither the Company nor anyone else undertakes to review, update, confirm or publicly announce 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 required by law or the Nasdaq First North regulations for issuers.

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 21-02-2024 22:00 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 www.dignicap.com.