



**Management Presentation**

**Increasing the quality of life for breast  
cancer patients undergoing  
chemotherapy  
by helping them keep their hair**

**Jan Richardsson, Dignitana AB**

***April 2016***

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Pubber  
SAMRÄTTESBOLAG

## AGENDA

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**1. The Company and go to market strategy**

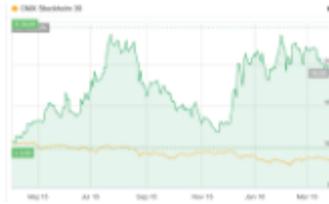
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- 2. The Market
- 3. Investment Case
- 4. Appendix



## Dignitana in short

- Dignitana, founded 2007, is a world leader in medical scalp cooling technology.
- The company is listed on Nasdaq First North
- DigniCap reduces hair loss when patients are going through chemotherapy is used worldwide.
- In December 2015, the DigniCap scalp cooling system was cleared by the FDA.
- Chairman of the board is Semmy Rulf, former Vitrolife, Jolife, ProstaLund, current board member Xvivo Perfusion and the CEO is Jan Richardsson, former Nederman, HemoCue and current board member in Phase Holographic Imaging.



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Dignitana	Full year 2015 (Group)	Full year 2014 (AB)
(KSEK)		
Total revenues	5 801	21 219
Net profit after financial items	-16 569	-10 914
Cash and bank balances	19 042	1 094

*During 2015 the main focus of the Company has been to receive the FDA-approval as well as build up an organization. These investments have obviously affected the sales activities during the year.*

Shareholder on 31 December 2015	Number of Shares	Percentage of capital and votes
Eurosund	3 750 122	22
Avanza Pension	2 112 906	13
C3 Device Partners LP	1 653 551	10
Nordnet Pension	641 756	4
Green Park & Golf Ventures	629 397	4
ML, Pierce, Fenner & Smith Inc.	371 064	2
Semmy Rulf	335 079	2
Citibank, CBNY-Charles Schwab, New York	254 233	2
Citibank, CBLDN-UBS, London	152 000	1
William Cronin	147 021	1
Others	6 727 035	40
<b>Sum</b>	<b>16 774 164</b>	<b>100</b>

## DigniCap – Components

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- The DigniCap-system consists of four main parts:
  - A cooling and control system (DigniC3).
  - A form-fitting silicone cap (DigniCap) connected through tubes to the cooling unit.
  - An isolated outer neoprene cap, which is placed over the silicone cap.



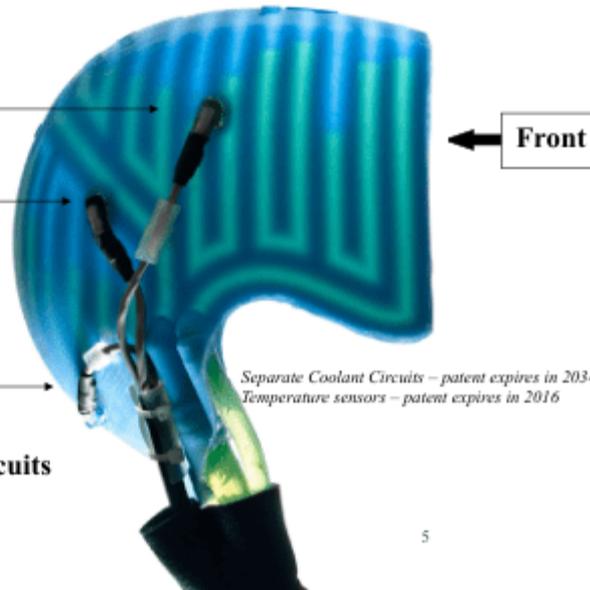
## Patents

### ✓ Temperature Sensors

Front sensor (green) - measures the temperature on the front of the scalp.

Safety sensor (black) - prevents subzero temperatures.

Rear sensor (blue) - measures the temperature on the rear part of the scalp.



### ✓ 2 Separate Coolant Circuits

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## Temperature Sensors

DigniCap™ has patented temperature sensors integral to the cap itself and which are positioned on the scalp – one at the front section, one at the rear and a safety sensor positioned midway between the two to prevent the temperature falling below 0°C, for example in a system failure.

The system has self-regulating functions to immediately detect and

adjust any temperature deviations.

## Benefits:

<sup>35</sup><sub>17</sub> Software picks up temperature variations

<sup>35</sup><sub>17</sub> Controlled temperature regulation

<sup>35</sup><sub>17</sub> Constant temperature regulation

<sup>35</sup><sub>17</sub> Measurable temperature regulation

<sup>35</sup><sub>17</sub> Optimum, system-regulated cooling front and back

<sup>35</sup><sub>17</sub> Automated temperature regulation with minimal interruption to and supervision by Nursing staff

<sup>35</sup><sub>17</sub> Patient safety

## **2 Separate Coolant Circuits**

DigniCap™ has two independent sections – Front and Rear.

The front of the scalp is naturally warmer on any person and can become warmer, perhaps due to stress, worry, physical reactions to anti-emetics/ pre-meds and vesicant, irritant and active drugs. The DigniCap™ system sensors and software, instantly record and correct any temperature variations on the patients scalp i.e. the correct amount of coolant is provided to whichever fluid labyrinth to stabilize and maintain an even scalp temperature. A pulse function has been

implemented for even distribution of the liquid coolant through.

<sup>35</sup>/<sub>17</sub> Optimum cooling front

<sup>35</sup>/<sub>17</sub> Optimum cooling back

## **Conclusion**

The DigniCap™ system sensors and software, instantly record and correct any temperature variations on the patients scalp i.e. the correct amount of coolant is provided to whichever fluid labyrinth to stabilize and maintain an even scalp temperature.

## A high demand for scalp cooling

- Hair loss associated with chemotherapy is a very distressing side effect – reducing hair loss contributes significantly to the increased well-being and quality of life for patients.
- Most will lose their hair during chemotherapy.
- Approximately 3 out 4 patients who use Dignitana's system when treated with chemotherapy for breast cancer can keep their hair.
- 400 systems have been delivered worldwide and more than 15,000 patients have been treated.



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## Business Model Worldwide

Dignitana	Region/Sales Channel	Comments
		Lease & Pay per treatment
		Sold as stand-alone systems
		Sold as stand-alone systems - Own sales force in Sweden

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## Business Model U.S.

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- U.S. is the main market for the Company and represents half of the total medical device market.
- The Company has since the FDA (Dec. 2015) clearance established its own organization in the U.S with headquarter in Dallas.
  - Taking over personnel who previously worked with scalp cooling enabled direct access to customers.
  - Standard contract: two year lease at 600-1,000 USD/month plus 175-350 USD/treatment.
  - Service agreement with Siemens.



## Signed Sites since Jan.-16 in the U.S.

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- Charleston Hematology Oncology Associates
- Chesapeake Oncology and Hematology Associates
- Florida Cancer Specialists & Research Institute
- Mount Sinai Comprehensive Cancer Center
- Orange County Blood and Cancer Care
- The Angeles Clinic and Research Institute, an affiliate of Cedars-Sinai
- Toledo Clinic Cancer Center
- UCSF Helen Diller Family Comprehensive Cancer Center
- UT Health Science Center San Antonio's Cancer Therapy & Research Center
- Wake Forest Baptist Medical Center



**Approx. 80 quotations** have been sent to customers

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## Target USA

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- Target Comprehensive Cancer Centers (42) –reference sites
- 2016: > 100 units delivered
- 2017: > 250 units delivered
- 2016: > 4,000 treatments
- 2017: > 20,000 treatments
- Reimbursement ready by 2017



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## Production in Sweden

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- There are no bottlenecks in production
- Cooling unit: Scanfil, Åtvidaberg Sweden
- Cooling cap: GGF, Gotland Sweden
- Potential: 3000 units/year



## Market size breast cancer

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- Breast cancer is the most common malignancy in women worldwide.
- Approx. 1.5 million new breast cancer patients are diagnosed worldwide each year.
- The US market for scalp cooling is worth approx. \$400 million/year.
  - Approx. 235,000 new breast cancer patients are diagnosed per year in the United States, of which approx. 60% can use DigniCap.



HEALTHY LIVING

### The FDA Just Approved Something That Could Make Cancer More Bearable

Scalp cooling caps could help breast cancer patients keep their hair.

 21 hours ago

December 8 2015, source: huffpost

## Consumer (online) Survey US Market

- 400 females was selected:
  - All ethnicities
  - All states
  - Wide range of household incomes
  - Without pre-knowledge of previous diagnoses diseases
  - Age:

Age	n=400
40-49	125
50-59	175
60-older	100



March 19, 2016 source: facebook

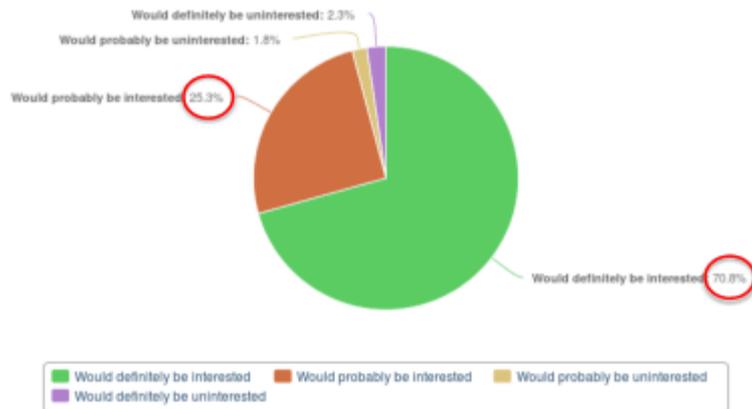
Free Celebrity Endorsement

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## Interest Level on Scalp Cooling

After a short introduction on scalp cooling, among 400 females:  
**96.1%** would be interested in scalp cooling



## Ranking of Chemotherapy Side-Effects

- Among 36 who have been diagnosed with cancer



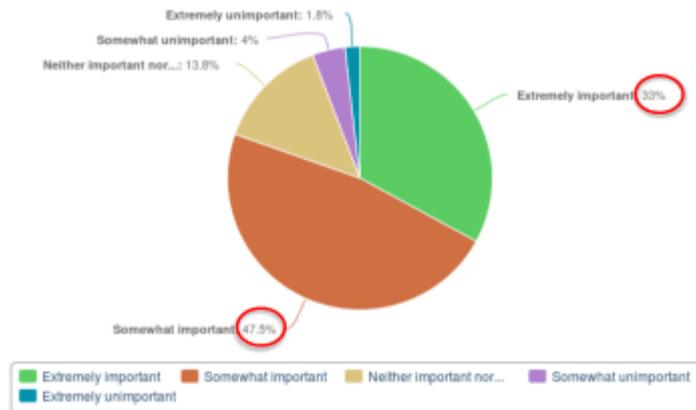
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## Selection of Medical Center

After a short introduction on scalp cooling, among 400 females:

**80.5%** find the availability of scalp cooling important



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# Dignitana Media Strategy

ABC  
Cooling cap offers hope for chemo patients

Bloomberg  
Lies on Gel Cap That Prevents Hair Loss

CBS Morning News  
Device May Spare Hair Of Cancer Patients

NBC Nightly News  
FIGHTING CANCER

- In addition the DigniCap-system has also been included in New York Times Science

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## The people to execute the business plan

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### Board Dignitana:

#### **Semmy Rülff**

*Born 1950*

Chairman of the board since 2014  
Others: Board member Xvivo Perfusion AB and Incentive AB. Former CEO of Axis and ProstaLund (holds 335 079 shares in the company)

#### **Johan Stormby**

*Born 1961*

Chairman of the board EuroSund AB, major shareholder in Dignitana AB.

Others: Member of the board in Procella AB, Nactilus AB, Pervac AB and Technovobis AB.

(holds 3 835 676 shares in the company)

#### **Erik von Schenk**

*Born 1964*

VP Physio-Control Inc

Others: Chairman of the boardAvidicare, member of the board Xvivo Perfusion, Sensodect AB & Captera Medtech AB. Former CEO Jolife AB & Jostra AB

(holds 10 000 shares in the company)

### Board Dignitana:

#### **Magnus Nilsson**

*Born 1956*

CEO Xvivo Perfusion AB

Others: CEO Vitrolife AB and senior positions at KaroBio and Pharmacia & Upjohn AB

Others: Chairman of the boardAvidicare, member of the board Xvivo Perfusion, Sensodect AB & Captera Medtech AB. Former CEO Jolife AB & Jostra AB

(holds 30 554 shares in the company)

#### **Bill Cronin**

*Born 1961*

COO Dignitana Inc

Others: Former CEO Direct Trading Institutional and Managing Director at Knight Capital Group. Founder Chemo Cold Cap

(holds 1 800 572 shares in the company)

## The people to execute the business plan, cont.

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Management Dignitana:

**Jan Richardsson**

CEO Dignitana AB

*Born 1960*

Others: Former VP Sales Nederman Holding AB, Sales Director HemoCue AB. Board member Phase Holographic Imaging, Morast Fastighets AB

(holds 40 547 shares and 100 000 warrants in the company)

**Tobias Fritz**

*Born 1979*

COO Dignitana AB, in charge of production, development

Others: Master of Science, Lunds University

(holds 5836 shares and 10 000 warrants in the company)

Management Dignitana:

**Erika Bågeman**

*Born 1979*

Clinical Affairs Director Dignitana AB

Others: Master of Science Biomedical Chemistry, PhD Experimental Oncology

(holds 7988 shares and 10 000 warrants in the company)

**Madelaine Roos**

*Born 1979*

CFO

Others: Master of Science Business Administration and Economics

(holds 6416 shares and 10 000 warrants in the company)

**Susanne Ljungström**

*Born 1964*

Quality Assurance Director

Others: Master of Science Biotechnology. Research Scientist & QA manager within device and pharmaceutical industry at AstraZenica and Gambro

(holds no shares in the company)

## Investment case

### *- Large market potential in the U.S.*

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- Breakthrough in December 2015 with FDA clearance.
- First mover advantage.
- Own organization established in the U.S.
- Improved business model in U.S., pay-per-treatment + leasing of the machine.
  - High margins.
- Ten contracts already signed in the USA as of end of march.
- The US market is valued to approx. \$400 m yearly.

## Investment case

### *- High demand with proven effect*

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- Approx. 400 systems world wide have been delivered and more than 15,000 patients have been treated worldwide with DigniCap.
  - Excellent new management with proven track record from the medical device sector.
    - Chairman Semmy Rülff has a long experience from the medtech-sector.
    - CEO Jan Richardsson previously VP sales Nederman and HemoCue with proven track record from developing sales organizations.
    - In the USA Bill Cronin is the COO of the US office and is also a large shareholder. Former CEO Managing Director at Knight Capital Group. Founder Chemo Cold Cap.
  - Large media coverage in the USA since the launch drives market demand from patients and clinics.
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## The Offer and Use of Proceeds

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The Offer		Use of proceeds	
Transaction:	Directed Share Issue	U.S. Operations	20-30 MSEK
Total transaction size:	40 MSEK	Product development	10-15 MSEK
New shares in directed share issue:	about 1.9m-2.5m	Other activities	5-10 MSEK
Dilution:	about 10%-15%		
Pre-money valuation:	340 MSEK		
Subscription price:	Book building		
Subscription period (preliminary):	Second half of April 2016		
Payment date (preliminary):	End May 2016		

- *After the directed share issue is completed, the Company intends to carry out a rights issue of about 15 MSEK at same terms as in the directed share issue.*

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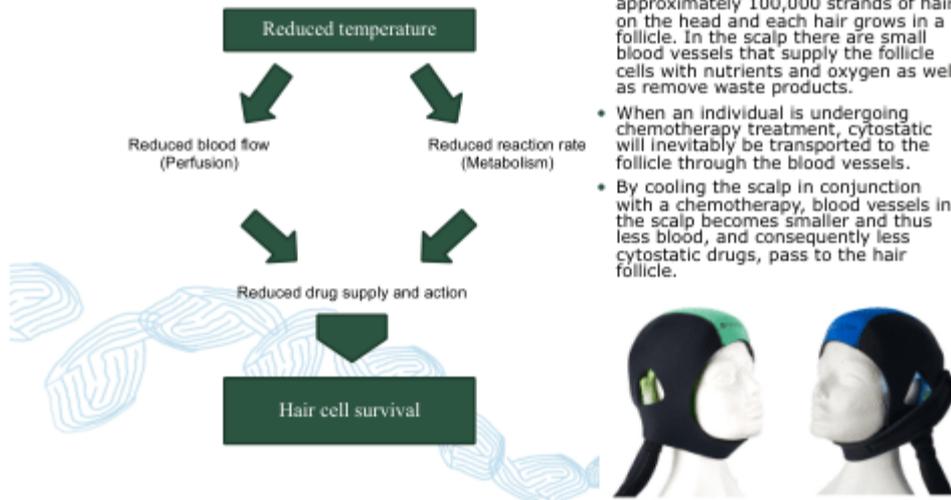
STOCKHOLM  
CORPORATE  
FINANCE

## The Share

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<b>Volume wheighted average share price:</b>	<b>SEK</b>
15-d	19,2
30-d	21,3
Since beginning year	20,9
<b>Share volume:</b>	
15-d	479 575
30-d	508 319
Since beginning year	906 996

## Principle of Scalp Cooling



 **DIGNITANA**  
PRESERVING DIGNITY OF LIFE



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ALFA LASER  
SÄKERHETSOLAG