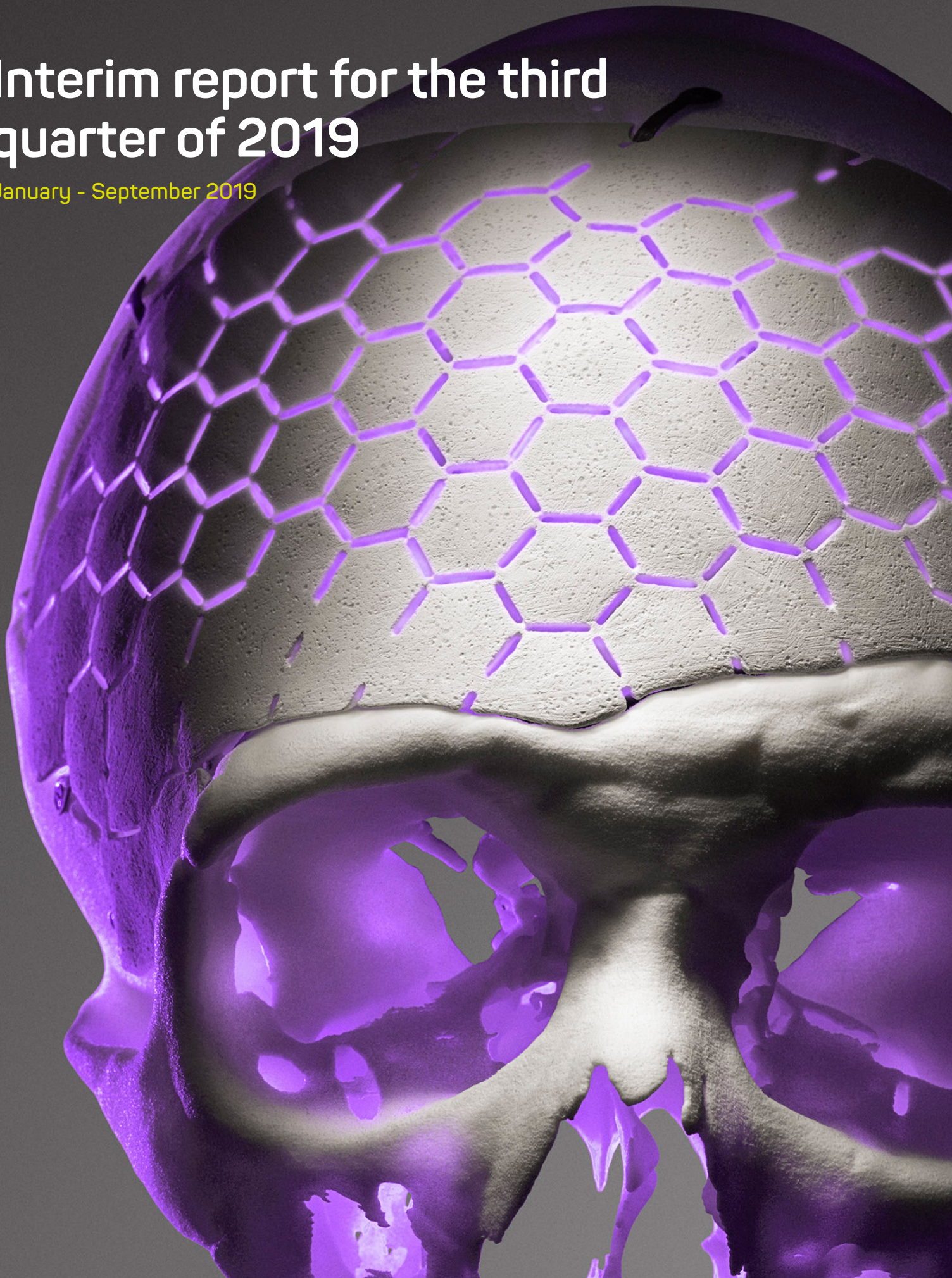


# Interim report for the third quarter of 2019

January - September 2019



# Interim report for the third quarter of 2019

January 1 – September 30, 2019

## The third quarter in figures

- Net sales amounted to TSEK 4 836 (3 420).
- Loss after taxes amounted to TSEK 19 709 (13 626).
- Loss per share was SEK 1,1 (2,8).
- Cash flow from current operations was TSEK -22 640 (-11 790).

## The first 9-months in figures

- Net sales amounted to TSEK 11 804 (9 044).
- Loss after taxes amounted to TSEK 55 379 (39 231).
- Loss per share was SEK 3,8 (8,2).
- Cash flow from current operations was TSEK -47 592 (-39 098).

## Important events during the third quarter

- Notification of intention to award contract received from National Health Service in the UK.
- Number of new accounts in the US increased by 29%.
- First surgeries with CranioPlug in the US, Germany and Sweden.
- OssDsign Cranial reimbursement price confirmed in France and first order received.
- BSI Recertification Assessment successfully conducted.

## Important events after the end of the third quarter

- UK National Health Service contract award received.
- OssDsign USA Inc is registered and listed as importer in the US by the FDA as part of ongoing transition from US master distributor to OssDsign USA Inc.
- First clinical experience with OssDsign implants on Japanese patients presented at the annual Japanese neurosurgery meeting in Osaka.
- The European Patent Office (EPO) granted OssDsign a new European Patent related to the company's ceramic material technology.
- FDA clearance for OssDsign Cranial PSI Accessories received.
- Updated Post Market Surveillance data on the outcome of 670 cranioplasties using OssDsign Cranial PSI are in line with previously published low rate of complications



## Financial overview

<i>The group</i>	2019	2018	2019	2018	2018
	1 Jul – Sept 30	Jul 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Dec 31
Net sales, TSEK	4 836	3 420	11 804	9 044	13 264
Operating profit, TSEK	-19 615	-11 823	-54 884	-34 391	-50 145
Profit for the period, TSEK	-19 709	-13 626	-55 379	-39 231	-56 011
Solidity, %	92%	62%	92%	62%	63%
Earnings per share, SEK	-1,1	-2,8	-3,8	-8,2	-11,0
Average number of employees	35,3	28,0	32,3	26,6	27,3



*“ To conclude it has been a busy and rewarding quarter which has seen the positive effects of the important investments in the US organization and transition of the business to OssDsign USA Inc. ”*

## CEO Statement

### US sales grow strongly

It's a pleasure to confirm that OssDsign AB (publ) has delivered a strong third quarter for sales of our patient specific cranial implants. Revenue grew with 41% compared to previous year, with US sales more than doubling (106%).

As communicated previously, the USA is the most important growth driver for sales in the near term and OssDsign is now taking over all commercial, legal and logistic responsibilities from its US master distributor. This is the key enabler of the Company's long-term growth in the USA. In the quarter we established an office in Columbia, Maryland, which will become the center for US operations.

The third quarter results also show that the investments made in a highly motivated, well-trained distributor network supported by a focused team of direct employees is a successful model for growth in the sophisticated and complex US neurosurgical market. Results to date demonstrate that the strategy communicated at the IPO has enabled OssDsign to reach both an increased number of accounts and within these accounts to reach more neurosurgeons which has increased sales volume. The recent FDA clearance of the OssDsign Cranial PSI Accessories will further differentiate OssDsign's surgical solutions and help drive sales across the US.

In Europe there is continued progress in key direct markets with the UK leading the way with an increase of 74% compared to previous year. A new important market in Europe is France, where OssDsign has recently received reimbursement approval. OssDsign Cranial is one of only three products on the market approved for patient specific cranial reconstruction and OssDsign has recorded the first order from a key French hospital. A national distribution partner will be appointed shortly.

Initial surgical procedures with CranioPlug, the recently launched off-the-shelf product, have been performed in the US and in direct European markets. In the US, CranioPlug will be subject to Value Analysis Committee (VAC) approval at many hospitals. More than 20 VAC-submissions have been submitted and the effect of future approvals are likely to be seen in the coming months.

The dialogue with the Japanese PMDA regarding regulatory approval is progressing according to plan, as are the commercial preparations. A market-entry strategy has been defined and dialogue has started with a number of potential business partners. In parallel, the first clinical experience under ethical approval with OssDsign implants in Japanese patients was recently presented by the highly respected Prof. Takuji Yamamoto at the 78th Annual Meeting of the Japan Neurosurgical Society held in Osaka.

To conclude it has been a busy and rewarding quarter which has seen the positive effects of the important investments in the US organization and transition of the business to OssDsign USA Inc. The market introduction of CranioPlug has been initiated and the plans for entering two important new markets, Japan and France are well under way. Now, halfway into the fourth quarter, the positive trend from the third quarter appears to be maintained and the Company anticipates an exciting end of 2019.

*Anders Lundqvist, CEO*

# Statement of Operations

OssDsign has developed a bioceramic material that, when implanted into a patient's body, is replaced by the patient's own bone during the healing process. Based on this bioceramic material, the company has developed patient-specific cranial and facial implants and an off-the-shelf product for burr hole filling. These products lead to an improved healing process with a low risk of complications, compared with competing products.

## Status

The company currently has regulatory approval in the EU and US and is successfully established in Europe. In the autumn of 2017, OssDsign initiated commercialization in the US, the world's largest medtech market. The company sees strong growth potential in the US and intends to carry out significant market initiatives there in the coming years. In addition, OssDsign will invest in continued growth in Europe and establishing a position in the Japanese market.

## Objectives and Market Potential

Successful market initiatives have generated significant interest in the company's products, resulting in significant sales growth in recent years. OssDsign has determined that there is good potential to establish the company's patient-specific and off-the-shelf implants as the standard treatment for cranial and facial defects resulting from trauma, radiation therapy, tumor, stroke or congenital defects. During the second quarter of 2019 OssDsign was successfully listed as publically traded company. The IPO raised 139 MSEK of new capital after transaction costs (for more information see note 4), providing OssDsign with the resources needed to establish the company as a fast-growing, profitable medtech company that creates value for customers while fulfilling our ambition to deliver meaningful benefit to patients.



# Development of profit and financial position

## THIRD QUARTER

### Net sales

Net sales for the third quarter amounted to TSEK 4 836 (3 420), an increase of 41%, which when cleared for currency effects shows that sales increased by 38%. The increase in sales was largely driven by a positive sales trend in the US (+106%), which delivered its strongest quarter since launch. The more established markets in Europe also contributed to the strong sales performance with the UK as the biggest contributing factor (+74%).

### Operating profit/loss

The operating loss for the period July-September 2019 amounted to TSEK -19 615 (-11 523), an increased loss of TSEK 7 792. The reduced operating profit is driven by increased investments mainly related to the sales organization in the USA and the production organization in Uppsala as part of manufacturing capacity scale up in order to meet increasing volumes. The operating loss is also impacted by a reduction in the capitalisation of own work.

### Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 159 162 and, at the end of the period, were TSEK 137 467. Cash flow from current operations for the period was negative by TSEK 22 589 (-11 811) of which changes in working capital amounted to TSEK - 3 645 (990). The negative operating cash flow was mainly a result of increased investment in the marketing, sales and production organizations. Financing activities including payment of premiums for warrants contributed TSEK 1 000 (+18 676). Total cash flow for the period was negative to the amount of TSEK 21 697 (5 325). Net investments in tangible assets for the period amounted to TSEK 109 (37) and mainly related to investments linked to the establishment of a US office. Investments in intangible assets for the period amounted to TSEK 0 (1 503).

## FIRST 9-MONTHS

### Net sales

Net sales for the first 9-months of 2019 amounted to TSEK 11 804 (9 044), an increase of 31%, cleared for currency effects sales increased by 25%. The increase in sales was largely driven by a positive sales trend in the USA (+36%). The more established markets in Europe also contributed to the strong sales performance, with the UK as the biggest contributing factor (+101%).

### Operating profit/loss

The operating loss for the period January-September 2019 amounted to TSEK -54 884 (-34 391), an increased loss of TSEK 20 494. The reduced operating profit is driven by increased investments mainly related to the sales organization in the USA and the production organization in Uppsala. Operating loss is also impacted by costs linked to the listing on Nasdaq First North and the reduction of the capitalisation of own work.

### Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 14 077 and, at the end of the period, were TSEK 137 467. Cash flow from current operations for the period was negative by TSEK 47 592 (-39 132) of which changes in working capital amounted to TSEK 5 945 (-1 110). The negative operating cash flow deteriorated mainly as a result of an increased loss driven by the increased investment in the market and production organization. Financing activities including the listing on First North in Q2 contributed a positive 171 218 TSEK (21 416). Total cash flow for the period was positive to the amount of TSEK 123 337 (-22 916). Net investments in tangible assets for the period amounted to TSEK 194 (781) and mainly related to investments in production as part of manufacturing capacity scale up in order to meet increasing volumes as well as office equipment. Investments in intangible assets for the period amounted to TSEK 95 (4 419).

## IMPORTANT EVENTS DURING THE QUARTER

### **Notification of intention to award contract received from the National Health Service (NHS)**

Earlier this year OssDsign submitted an application to participate in a national tender with NHS in the UK. On the 19th of July, OssDsign received notification from the NHS Supply Chain of their intention to award OssDsign a contract. This tender will establish a national specification for the supply of all Orthopedic products under a single National Framework Agreement which will be open to all NHS hospitals. Being on contract with NHS Supply Chain will be a significant step forward for OssDsign in the UK and could lead to an increase in sales as a result of harmonized ordering and pricing structures throughout the NHS in the UK.

### **Number of new accounts in the US increased by 29%**

During the third quarter, OssDsign has seen a significant increase in its US customer base. The number of new ordering hospitals represents an increase of 29% and is a reflection of the company's focused efforts on introducing OssDsign Cranial PSI to accounts with higher volume potential and the outcome of the more focused distribution strategy.

### **First surgeries with CranioPlug in the US, Germany and Sweden**

During the third quarter, the first clinical use of CranioPlug took place in the US, Germany and Sweden as part of a controlled launch to selected customers in these regions. Surgeon and patient feedback indicates that the products that have been

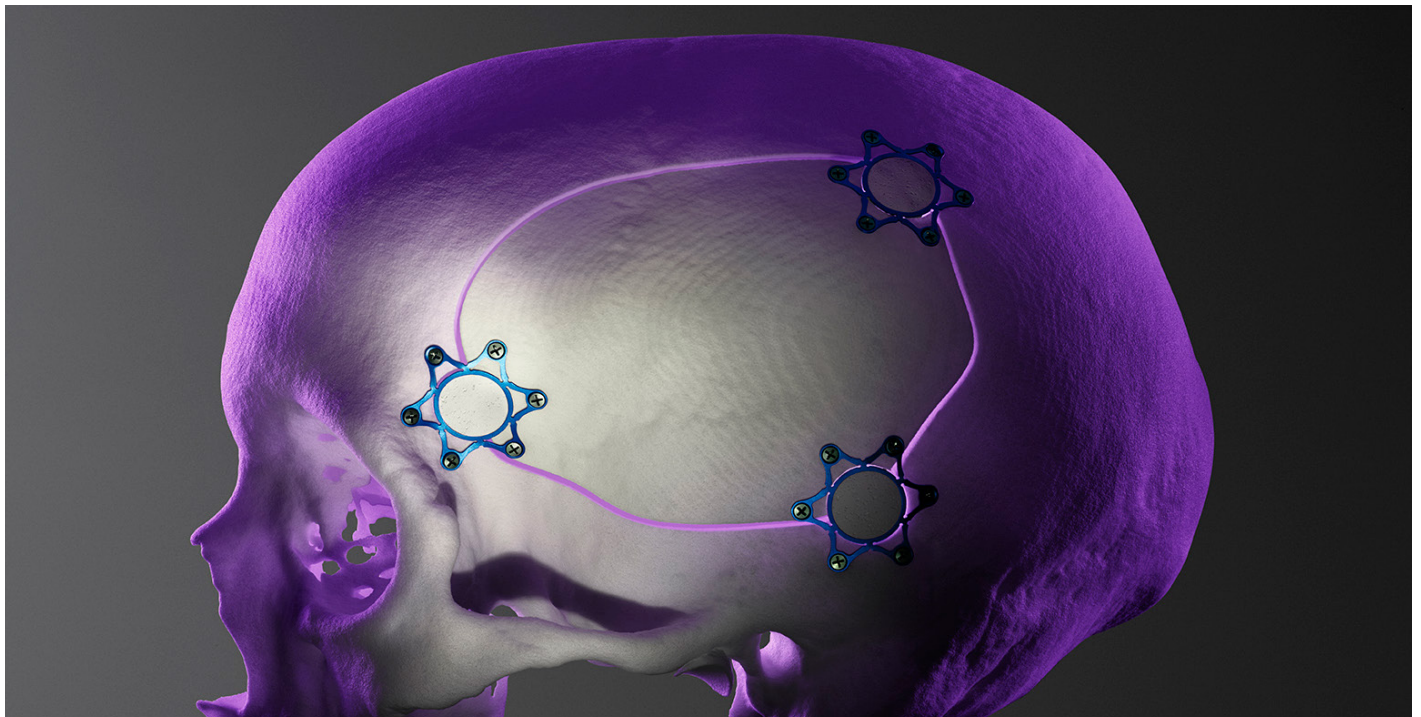
implanted have demonstrated positive results to date. The feedback from these and future initial surgical procedures with CranioPlug will be part of OssDsign's regulatory post-market surveillance protocol and will also provide input for a broader launch of CranioPlug, including distributor markets, during the year.

### **OssDsign Cranial receives reimbursement in France and first order received**

In August, OssDsign received notification from reimbursement authorities in France that OssDsign Cranial PSI has been granted nationwide reimbursement for cranioplasty in France. This is the only remaining key European market where OssDsign lacked reimbursement. Apart from OssDsign, only two other competitive products have been granted reimbursement on the French market. As a result OssDsign has intensified its launch preparations and before for appointing a distribution partner, the first order from a key French hospital was received.

### **BSI Recertification Assessment successfully conducted**

In September, a BSI re-certification audit was successfully conducted with continued approval for certification according to (ISO13485:2016, MDD 93/42/EEC Annex II 3.2 for another three years. The assessment was performed in line with the new MDR directives, affirming OssDsign's capacity to operate within the future regulatory regimen.



## IMPORTANT EVENTS AFTER THE END OF THE THIRD QUARTER

### **UK National Health Service (NHS) contract award received**

In October OssDsign received the final award contract from UK National Health Service (NHS) for the National Framework Agreement "Total Orthopaedic Solutions 2". Being awarded this contract means that all OssDsigns current products will be covered under a single National Framework Agreement open to all NHS hospitals in the UK. The contract to be valid from February 3rd, 2020 for a period of four years.

### **OssDsign USA Inc is registered and listed as importer in the US by the FDA as part of ongoing transition from US master distributor to OssDsign USA Inc.**

The ongoing transition of the US business from OssDsign's master distributor, Matador Medical, to OssDsign USA Inc is progressing according to plan as OssDsign USA Inc becomes registered and listed as importer by the FDA. As a result, the first products have been delivered from OssDsign USA Inc to US hospitals.

### **First clinical experience with OssDsign implants on Japanese patients presented at the annual Japanese neurosurgery meeting in Osaka**

The first clinical experience with OssDsign Cranial PSI implants in Japanese patients was recently presented by the highly respected Prof. Takuji Yamamoto at the 78th Annual Meeting of the Japan Neurosurgical Society held in Osaka in October and further surgeries on additional patients are being scheduled by Prof. Yamamoto during the fourth quarter. The clinical experience from these patients will form an important base for the introduction of OssDsign Cranial in Japan once the regulatory approval has been received.

### **European patent granted related to OssDsign's ceramic material technology**

In October, the European Patent Office (EPO) granted OssDsign a new European Patent related to the Company's ceramic material technology. The Patent provides further protection of the technology related to the unique biological properties of the OssDsign Implants. The Patent covers the European market and is valid to 2033. Previously Patents of the same family have been granted in other key markets including USA and Japan.

### **FDA clearance for OssDsign Cranial PSI Accessories received**

Also in October, the US Food and Drug Administration (FDA) granted 510(k) clearance to market (K190523) for OssDsign Cranial PSI Accessories in the US. The cleared products are a set of 3D-printed, patient specific accessory devices designed to support and expand clinical use of OssDsign's patient specific cranioplasty implant already cleared by the FDA. The accessories are designed to make cranial reconstructions safer and easier and to enable new solutions for patients in need of complex cranial reconstructions. The FDA clearance will enable OssDsign to continue to drive growth in the US by gaining access to additional cohorts of patients with complex cranial defects and by further differentiating the OssDsign product.

### **Updated Post Market Surveillance data on the outcome of 670 cranioplasties using OssDsign Cranial PSI in line with previously published low rate of complications**

As part of continuous post-market surveillance following introduction of OssDsign Cranial PSI, an updated report has been compiled describing the outcome of 670 cranioplasties using OssDsign Cranial PSI. The data, collected in Europe, US and selected Asian markets, shows 2.4% of patients experiencing infections requiring re-operation (compared to 7-12% reported for traditional implants in published studies). This data continues to be in line with previously published data on the low rate of complications with OssDsign Cranial PSI.

## OTHER DISCLOSURES

### Ownership structure

At the end of the third quarter there were approximately 1227 shareholders in OssDsign AB, of which the three largest accounted for 45,9% of the capital and voting rights. The total number of shares amounted to 17 733 168. The largest shareholders as of Sept 30, 2019, were Karolinska Development AB, SEB Ventures and Fourier Transform AB.

### Group structure

OssDsign AB is the parent company of the Group, which in addition to OssDsign AB consists of the wholly owned subsidiaries OssDsign Ltd with its registered office in UK and OssDsign USA Inc with its registered office in Delaware, USA.

OssDsign's operations are mainly conducted through the parent company OssDsign AB, based in Uppsala. During the third quarter, an operating office for OssDsign USA Inc was opened in Columbia, Maryland, which will become the center of US operations.

### Employees

At the close of the period, there were a total of 37 (28) employees, of whom 38% were women. This includes employees at the office and production plant in Uppsala, as well as sales representatives in Germany, the UK and USA.

### Financing

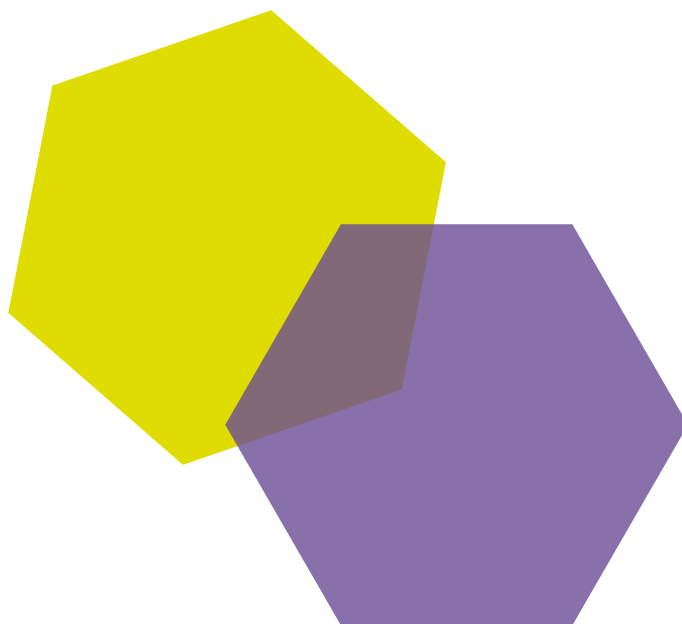
The board of directors regularly reviews the Company's current and forecast cash flows to ensure it has the necessary funds and resources to conduct operations and work in the strategic direction agreed by the board. The Company's long-term cash requirement is largely determined by how successful current products are, or are anticipated to be, in the market. In May 2019, in connection with the Company's listing on the Nasdaq First North exchange, a new rights issue was carried out, realising 151,3 MSEK before deduction of issue costs. The net amount raised was approximately 139,6 MSEK. The board deems that the current cash position is sufficient to implement the Company's current business plan.

### Transactions with related parties

On the balance sheet date, there were no receivables from or liabilities attributable to related parties. There have been no transactions between the Company and related parties that have had a material impact on the Company's position and results.

### Risks and uncertainties

OssDsign risks and uncertainties include, but are not limited to, financial risks such as future financing, foreign exchange and credit risks. In addition to market risks, there are risks related to OssDsign operations, such as obtaining the necessary government licenses, product development, patents and intellectual property rights, product liability and forward-looking information that may affect the Company. Further information regarding the Company's risk exposure can be found on page 35-36 of OssDsign 2018 Annual report.





## Consolidated summary income statement

SEK 000'	2019	2018	2019	2018	2018
	Jul 1 – Sept 30	Jul 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Dec 31
Net sales	4 836	3 420	11 804	9 044	13 264
Other operating income/Other income	549	783	1 394	1 928	2 373
Work performed by the group/parent company for its own use and capitalised	0	1 503	95	4 419	6 696
Raw materials and consumables/ Cost of material	-1 759	-1 491	-4 712	-3 452	-4 947
Other external expenses	-9 228	-8 178	-28 234	-22 293	-33 048
Personnel costs	-12 727	-6 848	-31 485	-20 874	-30 290
Depreciation, amortisation and impairment of tangible and intangible fixed assets/ non- financial assets	-1 024	-918	-3 064	-2 693	-3 628
Impairment losses on financial assets	-117	62	-138	-98	-152
Other operating expenses/Other expenses	-145	-157	-545	-371	-412
<b>Operating profit</b>	<b>-19 615</b>	<b>-11 823</b>	<b>-54 884</b>	<b>-34 391</b>	<b>-50 145</b>
<i>Profit from financial items</i>					
Net interest income	-52	-1 799	-178	-4 696	-5 716
<b>Profit after financial items</b>	<b>-19 667</b>	<b>-13 622</b>	<b>-55 063</b>	<b>-39 087</b>	<b>-55 861</b>
Tax expense	-42	-4	-316	-144	-150
<b>Profit for the period</b>	<b>-19 709</b>	<b>-13 626</b>	<b>-55 379</b>	<b>-39 231</b>	<b>-56 011</b>
<b>Earnings per share</b>					
Basic earnings per share, SEK	-1,1	-2,9	-3,8	-8,2	-11,0

## Consolidated summary of comprehensive income

SEK 000'	2019	2018	2019	2018	2018
	Jul 1 – Sept 30	Jul 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Dec 31
<b>Profit/loss for the period</b>	<b>-19 709</b>	<b>-13 626</b>	<b>-55 379</b>	<b>-39 231</b>	<b>-56 011</b>
<i>Other comprehensive income for the period</i>					
Items that will be reclassified subsequently to profit or loss	-5	0	19	23	19
Income tax relating to items that will be reclassified	0	0	0	0	0
Other comprehensive income for the period	-5	0	19	23	19
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-19 714</b>	<b>-13 626</b>	<b>-55 359</b>	<b>-39 208</b>	<b>-55 992</b>

# Consolidated summary balance sheet

	2019	2018	2018
SEK 000'	Sept 30	Sept 30	Dec 31
<b>ASSETS</b>			
<i>Fixed assets</i>			
Intangible fixed assets	26 976	26 584	28 514
Tangible fixed assets	4 043	8 358	8 108
<b>Total fixed assets</b>	<b>31 019</b>	<b>34 942</b>	<b>36 623</b>
<i>Current assets</i>			
Inventories	1 233	916	1 354
Current receivables	7 381	4 498	6 100
Other receivables	1 092	499	16 319
Prepaid expenses and other accrued income	675	350	649
Cash equivalents	137 467	12 351	14 077
<b>Total current assets</b>	<b>147 848</b>	<b>18 614</b>	<b>38 498</b>
<b>TOTAL ASSETS</b>	<b>178 867</b>	<b>53 556</b>	<b>75 120</b>

	2019	2018	2018
SEK 000'	Sept 30	Sept 30	Dec 31
<b>SHAREHOLDER EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>163 876</b>	<b>33 111</b>	<b>47 492</b>
<b>Total equity</b>	<b>163 876</b>	<b>33 111</b>	<b>47 492</b>
<i>Long-term liabilities</i>			
Liabilities to credit institutions	2 396	2 909	2 781
Lease liabilities	1 127	4 690	4 287
Other liabilities	28	142	113
<b>Total long-term liabilities</b>	<b>3 550</b>	<b>7 741</b>	<b>7 181</b>
<i>Current liabilities</i>			
Liabilities to credit institutions	627	513	627
Accounts payable	1 110	1 546	4 044
Lease liabilities	904	1 559	1 745
Current tax liability	307	0	548
Other liabilities	2 796	926	5 957
Accrued expenses and deferred income	5 697	8 160	7 528
<b>Total current liabilities</b>	<b>11 441</b>	<b>12 704</b>	<b>20 448</b>
<b>Total liabilities</b>	<b>14 991</b>	<b>20 445</b>	<b>27 628</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>178 867</b>	<b>53 556</b>	<b>75 120</b>

## Consolidated change in shareholder's equity in summary

<i>SEK 000'</i>	Share Capital	Subscribed Capital Unpaid	Other Capital Contributions	Reserves	Profit (loss) brought forward	Total Equity
<b>Opening balance 2018-01-01</b>	<b>299</b>	<b>-</b>	<b>70 200</b>	<b>-2</b>	<b>-20 078</b>	<b>50 419</b>
Profit/loss for the period	-	-	-	-	-39 231	-39 231
Other comprehensive income	-	-	-	23	-	23
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>-39 228</b>	<b>-39 208</b>
<i>Transactions with shareholders</i>						
Interest convertibles	-	-	4 400	-	-	4 400
Convertibles	-	-	17 500	-	-	17 500
Total transactions with shareholders	-	-	21 900	-	-	21 900
<b>CLOSING BALANCE 2018-09-30</b>	<b>299</b>	<b>-</b>	<b>92 100</b>	<b>18</b>	<b>-59 307</b>	<b>33 111</b>
<b>Opening balance 2019-01-01</b>	<b>348</b>	<b>330</b>	<b>122 886</b>	<b>17</b>	<b>-76 090</b>	<b>47 492</b>
Profit/loss for the period	-	-	-	-	-55 379	-55 379
Other comprehensive income	-	-	-	19	-	19
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-55 361</b>	<b>-55 359</b>
<i>Transactions with shareholders</i>						
New share issue	760	-330	183 416	-	-	183 846
Issue expenses	-	-	-13 315	-	-	-13 315
Warrant programmes	-	-	1 212	-	-	1 212
Total transactions with shareholders	760	-330	171 313	-	-	171 743
<b>CLOSING BALANCE 2019-09-30</b>	<b>1 108</b>	<b>-</b>	<b>294 200</b>	<b>19</b>	<b>-131 451</b>	<b>163 876</b>

# Consolidated summary statement of cash flows

	2019	2018	2019	2018	2018
SEK 000'	Jul 1 – Sept 30	Jul 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Dec 31
<b>Operating activities</b>					
Profit after financial items	-19 667	-13 453	-55 063	-38 918	-55 861
Non cash adjustments	764	729	2 082	1 476	2 435
Income tax paid	-40	-77	-557	-579	-658
	<b>-18 944</b>	<b>-12 800</b>	<b>-53 538</b>	<b>-38 022</b>	<b>-54 084</b>
Change in inventory	-52	-247	120	-434	-872
Change in receivables	-1 537	531	13 807	-1 965	-19 997
Change in liabilities	-2 055	706	-7 982	1 290	8 935
<b>Total change in working capital</b>	<b>-3 645</b>	<b>990</b>	<b>5 945</b>	<b>-1 110</b>	<b>-11 934</b>
<b>Cash flow from operating activities</b>	<b>-22 589</b>	<b>-11 811</b>	<b>-47 592</b>	<b>-39 132</b>	<b>-66 018</b>
<b>Investment activities</b>					
Acquisition of intangible fixed assets	0	-1 503	-95	-4 419	-6 696
Acquisition of tangible fixed assets	-109	-37	-194	-781	-960
<b>Cash flow from investment activities</b>	<b>-109</b>	<b>-1 540</b>	<b>-289</b>	<b>-5 200</b>	<b>-7 656</b>
<b>Financing activities</b>					
New share issue	0	19 200	170 531	21 900	30 186
New borrowing	0	0	0	197	22 879
Warrants	1 157	0	1 157	0	0
Repayment of borrowing	-157	-524	-470	-681	-513
<b>Cash flow from financing activities</b>	<b>1 000</b>	<b>18 676</b>	<b>171 218</b>	<b>21 416</b>	<b>52 552</b>
<b>Cash flow for the period</b>	<b>-21 697</b>	<b>5 325</b>	<b>123 337</b>	<b>-22 916</b>	<b>-21 157</b>
Cash equivalents at the beginning of the period	159 162	7 005	14 077	35 233	35 233
Exchange rate differences in cash equivalents	2	21	53	33	-34
<b>CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>137 467</b>	<b>12 351</b>	<b>137 467</b>	<b>12 351</b>	<b>14 077</b>

## Summary income statement, parent company

<i>SEK 000'</i>	2019	2018	2019	2018	2018
	Jul 1 – Sept 30	Jul 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Sept 30	Jan 1 – Dec 31
Net sales	4 836	3 420	11 804	9 044	13 264
Other operating income/Other income	549	783	1 394	1 928	2 373
Raw materials and consumables/ Cost of material	-1 559	-1 491	-4 513	-3 452	-4 947
Other external expenses	-14 548	-10 086	-39 721	-28 200	-41 952
Personnel costs	-8 485	-5 609	-22 587	-16 749	-23 839
Depreciation, amortisation and impairment of tangible and intangible fixed assets/ non- financial assets	-165	-137	-492	-404	-555
Other operating expenses	-145	-157	-545	-371	-412
<b>Operating profit</b>	<b>-19 517</b>	<b>-13 276</b>	<b>-54 660</b>	<b>-38 205</b>	<b>-56 069</b>
<i><b>Profit from financial items</b></i>					
Net interest income	-33	-1 742	-115	-4 528	-5 494
<b>Profit after financial items</b>	<b>-19 550</b>	<b>-15 018</b>	<b>-54 775</b>	<b>-42 732</b>	<b>-61 563</b>
Tax expense	-	-	-	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>-19 550</b>	<b>-15 018</b>	<b>-54 775</b>	<b>-42 732</b>	<b>-61 563</b>

\* Other comprehensive income in the Parent Company is in line with the profit for the period.

## Summary balance sheet, parent company

	2019	2018	2018
<i>SEK 000'</i>	Sept 30	Sept 30	Dec 31
<b>ASSETS</b>			
Subscribed capital unpaid	-	-	15 211
<i>Fixed assets</i>			
<b>Tangible fixed assets</b>	<b>1 975</b>	<b>2 385</b>	<b>2 414</b>
<i>Financial assets</i>			
Shares in group companies	0	0	0
<b>Total financial fixed assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total fixed assets</b>	<b>1 975</b>	<b>2 385</b>	<b>2 414</b>
<i>Current assets</i>			
Inventories	1 233	916	1 354
Current receivables	7 593	3 650	5 531
Receivables from group companies	1 312	1 127	972
Other receivables	1 026	484	1 103
Prepaid expenses and other accrued income	553	543	813
Cash equivalents	136 194	11 406	12 647
<b>Total current assets</b>	<b>147 912</b>	<b>18 126</b>	<b>22 419</b>
<b>TOTAL ASSETS</b>	<b>149 888</b>	<b>20 512</b>	<b>40 044</b>
<b>SHAREHOLDER EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Restricted equity	1 108	92 399	678
Non-restricted equity	134 842	-85 753	18 304
<b>Total equity</b>	<b>135 950</b>	<b>6 646</b>	<b>18 982</b>
<i>Long-term liabilities</i>			
Liabilities to credit institutions	2 396	2 909	2 781
Other liabilities	28	142	113
<b>Total long-term liabilities</b>	<b>2 424</b>	<b>3 051</b>	<b>2 894</b>
<i>Current liabilities</i>			
Liabilities to credit institutions	627	513	513
Accounts payable	868	1 492	4 004
Current tax liabilities	307	-	548
Other current liabilities	1 935	876	5 794
Accrued expenses and deferred income	7 777	7 933	7 310
<b>Total current liabilities</b>	<b>11 514</b>	<b>10 814</b>	<b>18 169</b>
<b>Total liabilities</b>	<b>13 938</b>	<b>13 865</b>	<b>21 063</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>149 888</b>	<b>20 512</b>	<b>40 045</b>

# Notes

## Note 1 | Accounting Principles

This summary interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations in the Swedish Annual Accounts Act. The interim report for the Parent company has been prepared in accordance with the Swedish Annual Accounts Act chapter 9, Interim Financial Reporting. The same accounting and valuation policies have been applied for the Group and the parent Company as in the latest Annual report. Disclosures in accordance with IAS 34.16A occur in the financial reports and the accompanying notes, and also in other parts of the interim report.

## Note 2 | Estimates and assessments

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions. There has been no change in the estimates and judgments made in the annual report for 2018.

## Note 3 | Information regarding operating segments

The Group's operations are divided into operating segments based on the parts of the business the Company's highest executive decision-maker follows up, so called "management approach". The Group's internal reporting is based on the Group management following up the operation as a whole. Based on its internal reporting, the Group has identified that the Group has only one segment.

## NET SALES BY GEOGRAPHIC MARKET

SEK 000'	July - September		January - September	
	2019	2018	2019	2018
USA	1 882	914	4 342	3 187
Europe	2 839	2 437	7 355	5 636
Rest of World	114	69	107	221
<b>TOTAL</b>	<b>4 836</b>	<b>3 420</b>	<b>11 804</b>	<b>9 044</b>

Income from external customers has been attributed to individual countries from which the sales has taken place. The Group's fixed assets are located entirely in Sweden.

OssDsign has revenue from an individual customer (master distributor Matador Medical Inc) amounting to > 10%. Total revenue from this customer during Q3-2019 amounts to TSEK 1 882 (914) and for the first 9-months of 2019 to TSEK 4 342 (3 186).

## Note 4 | Equity

The share capital of the Parent Company consists only of fully paid ordinary shares with a nominal (quota value) value of SEK 0.0625 / share. The company has 17 733 168 class A shares.

	2019	2018
	Jan 1 - Sept 30	Jan 1 - Sept 30
<b>Subscribed and paid shares</b>		
At the beginning of the period	348 007	299 175
Registration of new share issue decided 2018	330 333	
Rights issue	5 586 233	
Division of shares 16:1	11 468 595	
<b>Subscribed and paid shares</b>	<b>17 733 168</b>	<b>299 175</b>
Shares for share-based payments	-	-
<b>SUM AT THE END OF THE PERIOD</b>	<b>17 733 168</b>	<b>299 175</b>

During the first quarter the Company registered 330 333 shares which were issued and decided upon in 2018. Additionally, the Company issued during the first quarter 2019 a new share issue which increased the number of shares by an additional 86 233. Further, the Company has divided the shares into a ratio of 16:1.

The Company completed a new share issue during the second quarter, which increased the number of shares by 5 500 000. The total number of shares subsequently amounted to 17 733 168 and with a quota value SEK 0.0625. The Group's issued shares have the same right to distribute and repay invested capital and represent a vote at OssDsign's Annual General Meeting.

Resolved shares that have not yet been issued have been approved solely for use in the Group's options program (for more information see note 7 in the Annual Report 2018). Amounts received for issued shares in addition to the nominal value during the year (premium) are included in the item "Other contributed capital", after deduction for registration and other similar fees and after deduction for attributable tax benefits.

During the year, the company implemented new issues and options programs totaling SEK 171 313 400 after issue costs.

# Signatures

The Board of Directors and the President provide their assurance that this interim report provides an accurate view of the operations, position and earning of the Group and the Parent Company, and that it also describes the principal risks and uncertainties faced by the Parent Company and the companies included within the Group.

This report has been prepared in both a Swedish and an English version. In the event of any discrepancy between the two, the Swedish version shall apply.

## Scheduled financial reports

**Interim Report, fourth quarter**  
February 20, 2020

**Annual Report**  
April 16, 2020

### OSSDSIGN AB – UPPSALA 19 NOVEMBER, 2019

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**Simon Cartmell**  
Chairman of the Board

**Viktor Drvota**  
Board member

**Håkan Engqvist**  
Board member

**Newton Aguiar**  
Board member

**Anders Qvarnström**  
Board member

**Anders Lundqvist**  
CEO

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## REVIEW REPORT

**OssDsign AB (publ), 556841-7546**

### Introduction

We have reviewed the condensed interim report for OssDsign AB (publ) as per September 30, 2019 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with the IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### The focus and scope of the general review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we could become aware

of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Uppsala, November 19th 2019  
KPMG

**Jonas Mårtensson**  
Authorised Public Accountant



**OSSDSIGN®**

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