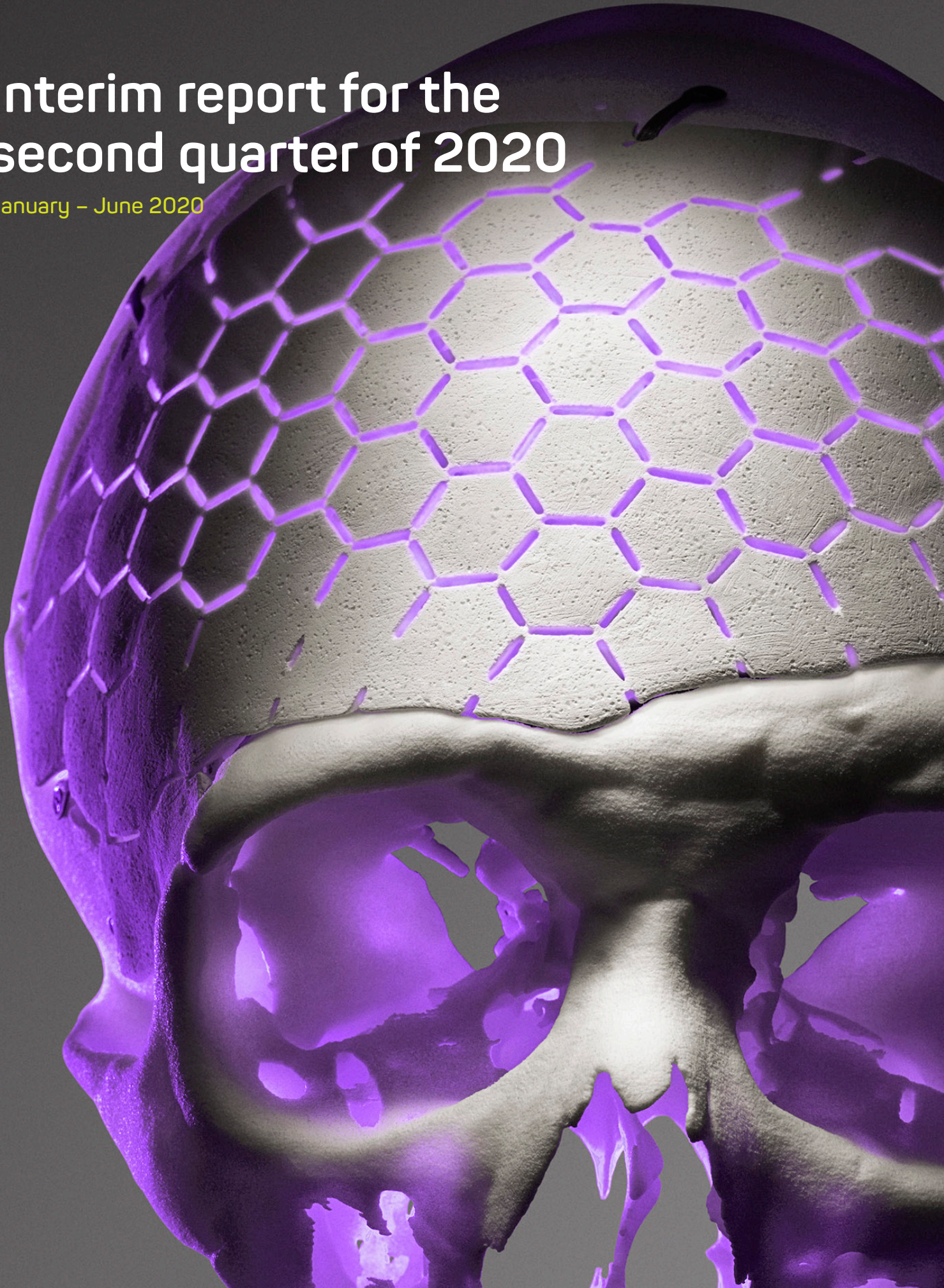


# Interim report for the second quarter of 2020

January – June 2020





# Interim report for the second quarter of 2020

January 1 – June 30, 2020

## The second quarter in figures

- Net sales amounted to TSEK 3 905 (3 454).
- Loss after taxes amounted to TSEK 22 586 (18 330).
- Loss per share was SEK 1,3 (1,3).
- Cash flow from current operations was TSEK -15 829 (-13 917).

## The first half year in figures

- Net sales amounted to TSEK 11 631 (6 968).
- Loss after taxes amounted to TSEK 40 898 (35 670).
- Loss per share was SEK 2,3 (2,7).
- Cash flow from current operations was TSEK -37 962 (-36 464).

## Important events during the second quarter

- Morten Henneveld appointed Chief Executive Officer of OssDsign upon the retirement of Anders Lundqvist on September 1st
- OssDsign Cranial PSI granted full nationwide reimbursement in Japan.
- Appointment of Vice President of Sales for OssDsign USA Inc.
- The Annual General Meeting 2020 was held on May 20th.
- ABG Sundal Collier appointed as Liquidity Provider.

## Important events after the end of the second quarter

- Muranaka Medical Instruments Co., Ltd., appointed as business partner in Japan.

## The COVID-19 pandemic

In Q2, the Company's sales performance in all key markets was impacted by the Covid-19 outbreak – most notably during the initial stages of the pandemic when hospitals were forced to halt elective surgeries in order to handle the sudden surge of Covid-19 patients. These effects are fortunately transient as the underlying need for surgery involving OssDsign's products remains unaltered in the long term. In many markets a more normal scheduling of neurosurgical procedures was noted during the latter part of the quarter. OssDsign expects to continue to grow procedure volumes during the second half of 2020 as postponed procedures are gradually re-scheduled. Uncertainty remains over the trajectory in the US however, with several key states such as California, Florida and Texas re-imposing lock-down restrictions and halting elective surgeries as Covid-19 cases grow once more. At the current time it is difficult to provide an accurate forecast of the impact of these restrictions in these states, but the company is prioritizing its sales activity in states with lower rates of Covid-19 infection.



## Financial overview

	2020	2019	2020	2019	2019
<i>The group</i>	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Net sales, TSEK	3 905	3 454	11 631	6 968	16 873
Operating profit, TSEK	-22 489	-18 144	-40 748	-35 270	-83 526
Profit for the period, TSEK	-22 586	-18 330	-40 898	-35 670	-84 245
Solidity, %	78%	91%	78%	91%	88%
Earnings per share, SEK	-1,3	-1,3	-2,3	-2,7	-5,5
Average number of employees	39,3	32,2	40,1	31,0	35,5



*“ Despite the ongoing pandemic, it is very encouraging that we were able to achieve a 13% sales growth in Q2 compared to last year. ”*

## CEO Statement

### Sales growth during a quarter impacted by Covid-19

Following our IPO in May 2019, OssDsign has delivered consecutive quarterly sales growth in accordance with our plans. After an exceptionally strong performance in Q1, as a direct result of our post-IPO investments, OssDsign was firmly on track to deliver the growth needed to achieve the goals communicated during the IPO process.

However, like many other medical device companies, our sales performance in Q2 was impacted by the Covid-19 outbreak – most notably during the initial stages of the pandemic when hospitals were forced to halt elective surgeries in order to handle the sudden surge of Covid-19 patients. These effects on our business are fortunately transient as the underlying need for surgery involving OssDsign’s products remains unaltered in the longer term. In many markets we have already seen the re-emergence of more normal scheduling of neurosurgical procedures during the latter part of the quarter. Despite the ongoing pandemic, it is very encouraging that we were able to achieve a 13% sales growth in Q2 compared to the same period last year. We expect to see continued growth of procedure volumes during the second half of 2020 as postponed procedures are re-scheduled.

In the early phase of the pandemic our sales teams faced heavily restricted access to hospitals. We took this opportunity to refine and accelerate training and education activities for our direct sales organization as well as our distributor partners. The temporary postponement of elective surgeries also enabled us to improve and streamline our digital design and manufacturing processes, complete an ERP transition and make the first steps into our new facilities in Uppsala. These are all initiatives that will accelerate sales and allow OssDsign to emerge as a stronger and more efficient company when the situation is normalized.

We have also continued to make progress in new markets during this turbulent second quarter. In Japan, negotiations with our preferred business partner were extended to incorporate a wider scope of the proposed agreement. After the end of the quarter, the negotiations culminated in the appointment of Muranaka Medical Instruments Co., Ltd, a prominent distributor of medical technology products in Japan. With representation in every hospital and clinic, Muranaka is optimally positioned to establish our product portfolio in Japan.

In France we experienced strong demand for our products with a number of cranial reconstructions already performed with our implants and repeat sales from several key hospitals. A broader launch is pending the appointment of a national commercial partner. Even though the process has been impacted by the Covid-19 pandemic, we are making good progress in discussions with a potential partner matching our criteria.

Due to my upcoming retirement, I will not be able to lead OssDsign through the full extent of this year. However, it gives me great pleasure to see such strong positive effects on the growth and positioning of OssDsign from our IPO investments, albeit with a temporary setback due to Covid-19. It is with great confidence in the future of OssDsign that I now prepare to hand over the business and leadership to my successor Morten Henneveld. Coming equipped with an ideal profile both in terms of leadership skills and experience from relevant market segments, he will be the right man at the helm to take OssDsign to the next level in the years to come.

I would also like to thank OssDsign’s fantastic team, board of directors and all our passionate shareholders for the time we have spent sharing the goal of improving upon the lives of patients using OssDsign’s innovative products. Together we have achieved great things, and I wish you all the best of luck for the future.

*Anders Lundqvist, CEO*

# Statement of Operations

OssDsign AB is a med-tech company that 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 published data for traditional technologies.

## Status

The products are manufactured at the OssDsign site in Uppsala, Sweden. The company currently has regulatory approval in the EU, US and Japan and has successfully established commercial operations in Europe and the US. 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 while continuing to develop new applications based on the current technology platform





# Development of profit and financial position

## SECOND QUARTER

### Net sales

Net sales for the second quarter of 2020 amounted to TSEK 3 905 (3 454), an increase of 13%, which adjusted for currency effects is an increase of 12%. The second quarter was generally negatively affected by the ongoing Covid-19 pandemic. The postponement of elective surgeries has resulted in a reduced level of incoming orders and sales. Sales in the US amounted to TSEK 1 180 which is a decrease from the previous year of TSEK 240 or 17%. European sales during the second quarter showed growth compared to the previous year amounting to TSEK 629 or 30%. Germany and France were the main drivers of this.

### Operating profit/loss

Operating profit for the period April – June 2020 amounted to TSEK -22 489 (-18 144). Executed planned investments in the sales and manufacturing organizations increased staff costs by MSEK 2,3. Personnel costs for the second quarter of 2020 are approximately MSEK 1 or 8% below the average for the last two quarters and are now at the lowest level since Q2 2019. Operating profit for the second quarter is also negatively affected by increased amortization of intangible assets.

### Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 89 285 and at the end of the period they were TSEK 71 685. Cash flow from operating activities amounted to TSEK -15 829 (-13 917). A reduction in accounts receivable amounting to MSEK 4,3 was a strong contributing factor to this. The total cash flow for the period was negative by TSEK -17 366 (121 761). Net investments in tangible fixed assets amounted to TSEK 1 408 (31) and mainly comprised investments linked to production and the new office in Uppsala. Investments in intangible assets for the period amounted to TSEK 0 (0).

## FIRST HALF-YEAR

### Net sales

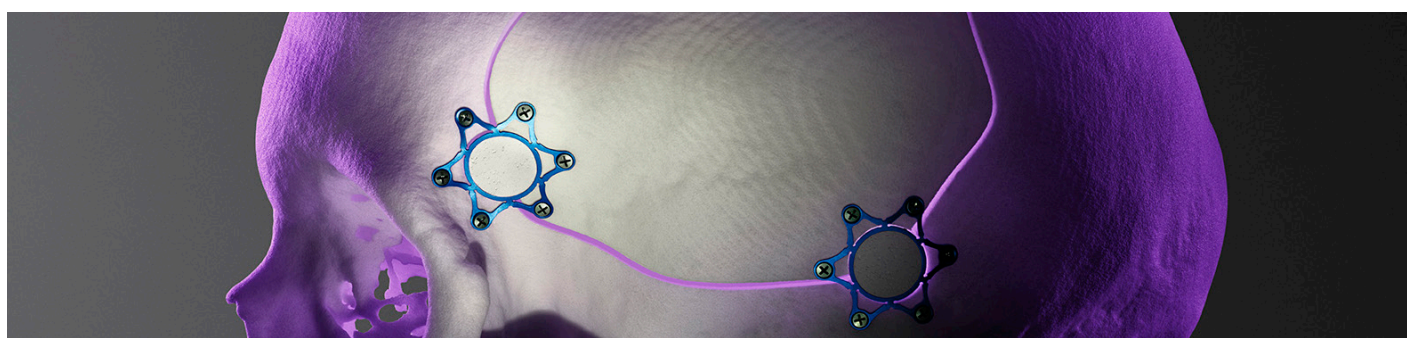
Net sales for the first half year of 2020 amounted to TSEK 11 631 (6 968), an increase of 67%, which adjusted for currency effects is an increase of 58%. The strong sales during the first quarter in our key markets are the main reason for this. Sales in the US amounted to TSEK 4 508 which is an increase from the previous year of TSEK 2 049 or 83%. European sales during the second quarter showed growth compared to the previous year amounting to TSEK 2 340 or 52%. Germany and France were the main drivers of this.

### Operating profit/loss

Operating profit for the period January – June 2020 amounted to TSEK -40 748 (-35 270). Executed planned investments in the sales and manufacturing organizations increased staff costs by MSEK 7,1. The improved sales of MSEK 4,6 made a strong contribution to improving the result compared with the previous year. Personnel costs for the first half of 2020 are at the same level as during the second half of 2019. Operating profit for the first half of the year is also negatively affected by increased amortization of intangible assets.

### Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 113 540 and at the end of the period they were TSEK 71 685. Cash flow from financing activities amounted to TSEK -2 380 and was primarily affected by the deposit of an annual rent for new premises paid in January. Moving in will take place in stages from mid-year 2020. The total cash flow for the period was negative by TSEK -41 775 (145 086). Net investments in tangible fixed assets amounted to TSEK 1 433 (85) and mainly comprised investments linked to production and the new office in Uppsala. Investments in intangible assets for the period amounted to TSEK 0 (94).



## IMPORTANT EVENTS DURING THE SECOND QUARTER

### **Morten Henneveld appointed Chief Executive Officer of OssDsign upon the retirement of Anders Lundqvist on September 1st.**

Outgoing CEO Anders Lundqvist indicated to the Board earlier in the year that having reached the age of 65, he wished to retire from his role once an appropriate successor had been found. The search included multiple high-quality candidates from multiple geographies and following an exhaustive process Morten Henneveld, currently Senior Vice President, Business Transformation and Strategy and member of the Executive Leadership Team for GN Hearing, a global leader in hearing aids, has been appointed to the role. He will take up his position on 1st September 2020 upon the retirement of Anders Lundqvist.

### **OssDsign Cranial PSI granted full nationwide reimbursement in Japan.**

On May 11th, OssDsign received the positive notice that the Ministry of Health, Labour and Welfare (MHLW) in Japan has granted full and nationwide reimbursement for OssDsign Cranial PSI. The decision came earlier than expected and came into force in June 2020.

### **Appointment of Vice President of Sales for OssDsign USA Inc.**

In May OssDsign announced the appointment of Eric Patermo as Vice President of Sales for OssDsign USA Inc. Mr. Patermo brings 25 years of experience in the neurosurgical and orthopaedic segments where he most recently served as Vice President of Sales for Burst Biologics (Smart Surgical), a biopharmaceutical manufacturer focusing on technologies to promote bone healing. Previously, Mr. Patermo, amongst other positions, served as a primary member of the US commercial team for ApaTech Ltd., a British orthobiologics company successfully sold to Baxter for USD 330 million in 2010. With the addition of Mr. Patermo to the OssDsign US team, his sales leadership and strong background in building top performing teams will further accelerate OssDsign's growth as US operations continue to expand.

### **The Annual General Meeting 2020 was held on May 20th.**

The AGM resolved to adopt the income statement and balance sheet, consolidated income statement and consolidated balance sheet, determination of profit allocation, and the discharge from liability of the Board and the Managing Director. All current board members were re-elected, and Simon Cartmell was re-elected

as chairman of the board. The AGM further resolved to adopt on an authorization for the board of directors to increase the share capital through issuance of new shares, warrants and/or convertible debentures through which the Company's share capital may be increased by an amount corresponding to not more than 20% of the share capital after such issue(s).

### **ABG Sundal Collier appointed as Liquidity Provider.**

In June OssDsign appointed ABG Sundal Collier ASA as liquidity provider for OssDsign's share on Nasdaq First North. The purpose of the assignment is to improve the liquidity of the share and is carried out within the framework of Nasdaq Stockholm AB's regulations on liquidity providers. This means that the liquidity provider will quote bid and asking prices corresponding to a volume of at least SEK 15,000 with a maximum spread of 4% between bid and asking price.

## IMPORTANT EVENTS AFTER THE END OF THE SECOND QUARTER

### **Muranaka Medical Instruments Co., Ltd., appointed as business partner in Japan**

In August, OssDsign announced that the company has signed a business partner agreement with Muranaka Medical Instruments Co., Ltd., a pre-eminent medical product distributor in Japan. Muranaka will represent OssDsign commercially in Japan, driving adoption and sales of OssDsign's products on the Japanese market. Launching OssDsign Cranial in Japan with a national business partner is a key priority for OssDsign in 2020. The agreement with Muranaka means that the company has reached a major milestone, and mutual launch preparations are now being initiated.

## OTHER DISCLOSURES

### Ownership structure

At the end of the second quarter, there were 1 368 shareholders in OssDsign AB, of which the three largest shareholders owned 39.9% of the capital and voting rights. The total number of shares was 17 733 168. The largest shareholders, on June 30, 2020, were SEB Ventures, Karolinska Development AB and Fouriertransform 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 Maryland, USA. OssDsign's operations are mainly conducted through the parent company OssDsign AB, based in Uppsala.

### Employees

At the end of the period, there were a total of 40 (31) employees, of whom 45% 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 regularly reviews the company's existing and forecasted cash flows to ensure that the company has the funds and resources required to conduct the business and the strategic direction decided by the Board. The company's long-term cash requirements are largely determined by how successful current products will be / are on the market.

As of July 31, 2020, the group's cash and cash equivalents amounted to SEK 71,7 Million. Based on the sales development, the board has confidence in the company's ability to become profitable. However, having reviewed the current budget, forecast and strategic plan to recognise the impact of the Covid-19 pandemic, the board of directors have identified that current cash reserves will be insufficient to implement the longer term strategic plan. It is the board of directors understanding that the company will require new financing within the coming 12 months. Financing options are being evaluated by the company and the board of directors is confident that sufficient funds will be available to the company to deliver the goals set out during the IPO process.

### Transactions with related parties

The subsidiaries OssDsign USA Inc and OssDsign Ltd invoice their costs to the parent company in accordance with transfer pricing agreements. As of the closing date, the Parent Company has a claim on OssDsign USA Inc of TSEK 1 979 and a debt to OssDsign Ltd of TSEK 37.

### 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 intellectually 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 63-65 of the OssDsign Annual Report 2019.



## Consolidated summary income statement

SEK 000'	2020	2019	2020	2019	2019
	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Net sales	3 905	3 454	11 631	6 968	16 873
Other operating income/Other income	-249	387	491	846	1 723
Work performed by the group/ parent company for its own use and capitalized	-	-	-	95	95
Raw materials and consumables/Cost of material	-2 286	-1 574	-4 787	-2 954	-7 205
Other external expenses	-9 254	-9 385	-18 555	-19 006	-44 844
Personnel costs	-12 405	-10 119	-25 868	-18 758	-44 901
Depreciation, amortization and impairment of tangible and intangible fixed assets/non-financial assets	-1 715	-589	-3 023	-2 040	-4 099
Impairment losses on financial assets	248	-54	318	-21	-176
Other operating expenses/Other expenses	-732	-264	-956	-400	-992
<b>Operating profit</b>	<b>-22 489</b>	<b>-18 144</b>	<b>-40 748</b>	<b>-35 270</b>	<b>-83 526</b>
<i>Profit from financial items</i>					
Net interest income	-98	-24	-150	-126	-226
<b>Profit after financial items</b>	<b>-22 586</b>	<b>-18 168</b>	<b>-40 898</b>	<b>-35 396</b>	<b>-83 752</b>
Tax expense	-	-162	-	-274	-493
<b>Profit for the period</b>	<b>-22 586</b>	<b>-18 330</b>	<b>-40 898</b>	<b>-35 670</b>	<b>-84 245</b>
<i>Earnings per share</i>					
Basic earnings per share, SEK	-1,3	-1,3	-2,3	-2,7	-5,47

## Consolidated summary of comprehensive income

SEK 000'	2020	2019	2020	2019	2019
	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
<b>Profit/loss for the period</b>	<b>-22 586</b>	<b>-18 330</b>	<b>-40 898</b>	<b>-35 670</b>	<b>-84 245</b>
<i>Other comprehensive income for the period</i>					
Items that will be reclassified subsequently to profit or loss	-203	-25	-34	24	18
Income tax relating to items that will be reclassified	-	-	-	-	-
Other comprehensive income for the period	-203	-25	-34	24	18
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-22 789</b>	<b>-18 355</b>	<b>-40 932</b>	<b>-35 645</b>	<b>-84 228</b>



# Consolidated summary balance sheet

	2020	2019	2019
SEK 000'	Jun 30	Jun 30	Dec 31
<b>ASSETS</b>			
<i>Fixed assets</i>			
Intangible fixed assets	24 790	27 520	26 431
Tangible fixed assets	13 139	4 398	3 608
Financial assets	2 314	-	-
<b>Total fixed assets</b>	<b>40 244</b>	<b>31 918</b>	<b>30 040</b>
<i>Current assets</i>			
Inventories	1 878	1 181	1 752
Current receivables	3 249	5 218	5 266
Other receivables	2 935	1 754	1 650
Prepaid expenses and other accrued income	712	590	1 020
Cash equivalents	71 685	159 162	113 540
<b>Total current assets</b>	<b>80 459</b>	<b>167 905</b>	<b>123 227</b>
<b>TOTAL ASSETS</b>	<b>120 702</b>	<b>199 823</b>	<b>153 267</b>
	2020	2019	2019
SEK 000'	Jun 30	Jun 30	Dec 31
<b>SHAREHOLDER EQUITY AND LIABILITIES</b>			
Equity	94 431	182 378	135 275
<b>Total equity</b>	<b>94 431</b>	<b>182 378</b>	<b>135 275</b>
<i>Long-term liabilities</i>			
Liabilities to credit institutions	2 011	2 524	2 310
Lease liabilities	8 379	1 276	976
Other liabilities	-	57	-
<b>Total long-term liabilities</b>	<b>10 390</b>	<b>3 857</b>	<b>3 286</b>
<i>Current liabilities</i>			
Liabilities to credit institutions	513	627	513
Accounts payable	4 937	4 307	2 911
Lease liabilities	1 826	1 056	750
Current tax liability	-	305	356
Other liabilities	2 020	1 253	1 868
Accrued expenses and deferred income	6 586	6 040	8 308
<b>Total current liabilities</b>	<b>15 882</b>	<b>13 588</b>	<b>14 706</b>
<b>Total liabilities</b>	<b>26 272</b>	<b>17 445</b>	<b>17 992</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>120 702</b>	<b>199 823</b>	<b>153 267</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 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	-	-	-	-	-35 670	-35 670
Other comprehensive income	-	-	-	7	17	24
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-35 653</b>	<b>-35 645</b>
<i>Transactions with shareholders</i>						
New share issue	760	-330	183 416	-	-	183 846
Issue expenses	-	-	-13 315	-	-	-13 315
Total transactions with shareholders	760	-330	170 101	-	-	170 531
<b>CLOSING BALANCE 2019-06-30</b>	<b>1 108</b>	<b>-</b>	<b>292 987</b>	<b>24</b>	<b>-111 742</b>	<b>182 378</b>
<b>Opening balance 2020-01-01</b>	<b>1 108</b>	<b>-</b>	<b>294 467</b>	<b>35</b>	<b>-160 335</b>	<b>135 275</b>
Profit/loss for the period	-	-	-	-	-40 898	-40 898
Other comprehensive income	-	-	-	-34	-	-34
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-34</b>	<b>-40 898</b>	<b>-40 932</b>
<i>Transactions with shareholders</i>						
Warrant programmes	-	-	88	-	-	88
Total transactions with shareholders	-	-	88	-	-	88
<b>CLOSING BALANCE 2020-06-30</b>	<b>1 108</b>	<b>-</b>	<b>294 555</b>	<b>1</b>	<b>-201 233</b>	<b>94 431</b>



# Consolidated summary statement of cash flows

	2020	2019	2020	2019	2019
SEK 000'	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
<b>Operating activities</b>					
Profit after financial items	-22 586	-18 168	-40 898	-35 396	-83 752
Non cash adjustments	833	3 978	1 795	4 909	2 752
Income tax paid	-148	-539	-1 038	-517	-685
	<b>-21 901</b>	<b>-14 729</b>	<b>-40 141</b>	<b>-31 004</b>	<b>-81 685</b>
Change in inventory	-572	101	-579	173	-411
Change in receivables	4 098	789	2 296	294	-20
Change in liabilities	2 546	-79	463	-5 927	-4 476
<b>Total change in working capital</b>	<b>6 072</b>	<b>812</b>	<b>2 179</b>	<b>-5 460</b>	<b>-4 908</b>
<b>Cash flow from operating activities</b>	<b>-15 829</b>	<b>-13 917</b>	<b>-37 962</b>	<b>-36 464</b>	<b>-86 593</b>
<b>Investment activities</b>					
Acquisition of intangible fixed assets	-	-	-	-95	-95
Acquisition of tangible fixed assets	-1 408	-31	-1 433	-85	-231
<b>Cash flow from investment activities</b>	<b>-1 408</b>	<b>-31</b>	<b>-1 433</b>	<b>-180</b>	<b>-326</b>
<b>Financing activities</b>					
New share issue	-	151 250	-	199 057	199 057
Share issue costs	-	-11 685	-	-13 315	-13 315
Warrants	-	-	234	-	1 157
Other change in financial fixed assets	-	-	-2 314	-	-
Repayment of borrowing	-128	-3 856	-299	-4 013	-584
<b>Cash flow from financing activities</b>	<b>-128</b>	<b>135 709</b>	<b>-2 380</b>	<b>181 730</b>	<b>186 315</b>
<b>Cash flow for the period</b>	<b>-17 366</b>	<b>121 761</b>	<b>-41 775</b>	<b>145 086</b>	<b>99 396</b>
Cash equivalents at the beginning of the period	89 285	37 401	113 540	14 077	14 077
Exchange rate differences in cash equivalents	-235	-	-81	-	68
<b>CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>71 685</b>	<b>159 162</b>	<b>71 685</b>	<b>159 162</b>	<b>113 540</b>

## Summary income statement, parent company

	2020	2019	2020	2019	2019
SEK 000'	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Net sales	4 307	3 454	11 777	6 968	17 333
Other operating income/Other income	-249	387	491	846	1 723
Raw materials and consumables/Cost of material	-2 649	-1 574	-4 842	-2 954	-7 210
Other external expenses	-13 968	-12 879	-28 563	-25 174	-62 465
Personnel costs	-8 589	-7 397	-17 391	-14 103	-30 613
Depreciation, amortisation and impairment of tangible and intangible fixed assets/non-financial assets	-193	-165	-358	-328	-657
Other operating expenses	-569	-264	-956	-400	-992
<b>Operating profit</b>	<b>-21 911</b>	<b>-18 437</b>	<b>-39 842</b>	<b>-35 144</b>	<b>-82 880</b>
<i>Profit from financial items</i>					
Net interest income	-80	-34	-119	-82	-146
<b>Profit after financial items</b>	<b>-21 991</b>	<b>-18 471</b>	<b>-39 961</b>	<b>-35 225</b>	<b>-83 026</b>
Tax expense	-	-	-	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>-21 991</b>	<b>-18 471</b>	<b>-39 961</b>	<b>-35 225</b>	<b>-83 026</b>

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



# Summary balance sheet, parent company

	2020	2019	2019
<i>SEK 000'</i>	Jun 30	Jun 30	Dec 31
<b>ASSETS</b>			
Subscribed capital unpaid	-	-	15 211
<i>Fixed assets</i>			
<b>Tangible fixed assets</b>	<b>2 885</b>	<b>2 140</b>	<b>1 811</b>
<b>Financial assets</b>			
Shares in group companies	-	-	-
Other long-term receivables	2 314	-	-
<b>Total financial fixed assets</b>	<b>2 314</b>	<b>-</b>	<b>-</b>
<b>Total fixed assets</b>	<b>5 200</b>	<b>2 140</b>	<b>1 811</b>
<i>Current assets</i>			
Inventories	1 690	1 181	1 479
Current receivables	2 070	5 522	3 729
Receivables from group companies	3 720	1 028	648
Current tax receivables	682	-	-
Other receivables	1 759	1 720	1 586
Prepaid expenses and other accrued income	835	652	1 062
Cash equivalents	68 609	158 094	112 091
<b>Total current assets</b>	<b>79 365</b>	<b>168 197</b>	<b>120 595</b>
<b>TOTAL ASSETS</b>	<b>84 565</b>	<b>170 337</b>	<b>122 406</b>

	2020	2019	2019
<i>SEK 000'</i>	Jun 30	Jun 30	Dec 31
<b>SHAREHOLDER EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Restricted equity	1 108	1 108	1 108
Non-restricted equity	66 984	153 179	106 857
<b>Total equity</b>	<b>68 092</b>	<b>154 287</b>	<b>107 965</b>
<i>Long-term liabilities</i>			
Liabilities to credit institutions	2 011	2 524	2 310
Other liabilities	-	57	-
<b>Total long-term liabilities</b>	<b>2 011</b>	<b>2 581</b>	<b>2 310</b>
<i>Current liabilities</i>			
Liabilities to credit institutions	513	627	513
Accounts payable	4 724	4 100	2 604
Liabilities to group companies	-	305	356
Current tax liabilities	1 778	-	445
Other current liabilities	1 014	756	950
Accrued expenses and deferred income	6 432	7 681	7 263
<b>Total current liabilities</b>	<b>14 462</b>	<b>13 469</b>	<b>12 131</b>
<b>Total liabilities</b>	<b>16 473</b>	<b>16 050</b>	<b>14 441</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>84 565</b>	<b>170 337</b>	<b>122 406</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 2019.

## 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'	April – June		January – June	
	2020	2019	2020	2019
USA	1 180	1 420	4 508	2 459
Europe	2 700	2 071	6 855	4 515
Rest of World	25	-37	268	-7
<b>TOTAL</b>	<b>3 905</b>	<b>3 454</b>	<b>11 631</b>	<b>6 968</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 to Sweden and USA

## 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.

	2020	2019
	Jan 1 – Jun 30	Jan 1 – Jun 30
<b>Subscribed and paid shares</b>		
At the beginning of the period	17 733 168	348 007
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>17 733 168</b>
Shares for share-based payments	-	-
<b>SUM AT THE END OF THE PERIOD</b>	<b>1 108 323</b>	<b>1 108 323</b>

During the first quarter of 2019 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 of 2019, 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 OssDesign'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 2019). 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.



# Signatures

The Board of Directors and the CEO 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, third quarter  
November 11, 2020

### OSSDSIGN AB – UPPSALA AUGUST 19, 2020

**Simon Cartmell**  
Chairman of the Board

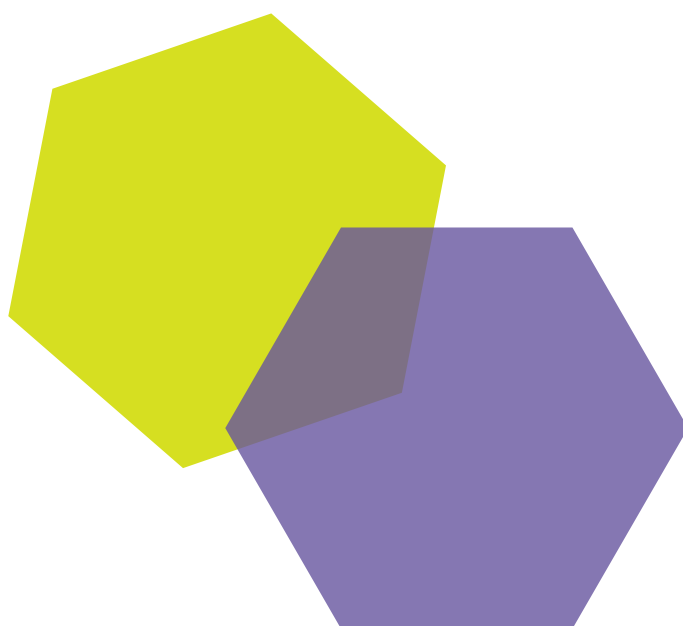
**Viktor Drvota**  
Board member

**Håkan Engqvist**  
Board member

**Newton Aguiar**  
Board member

**Anders Qvarnström**  
Board member

**Anders Lundqvist**  
CEO



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