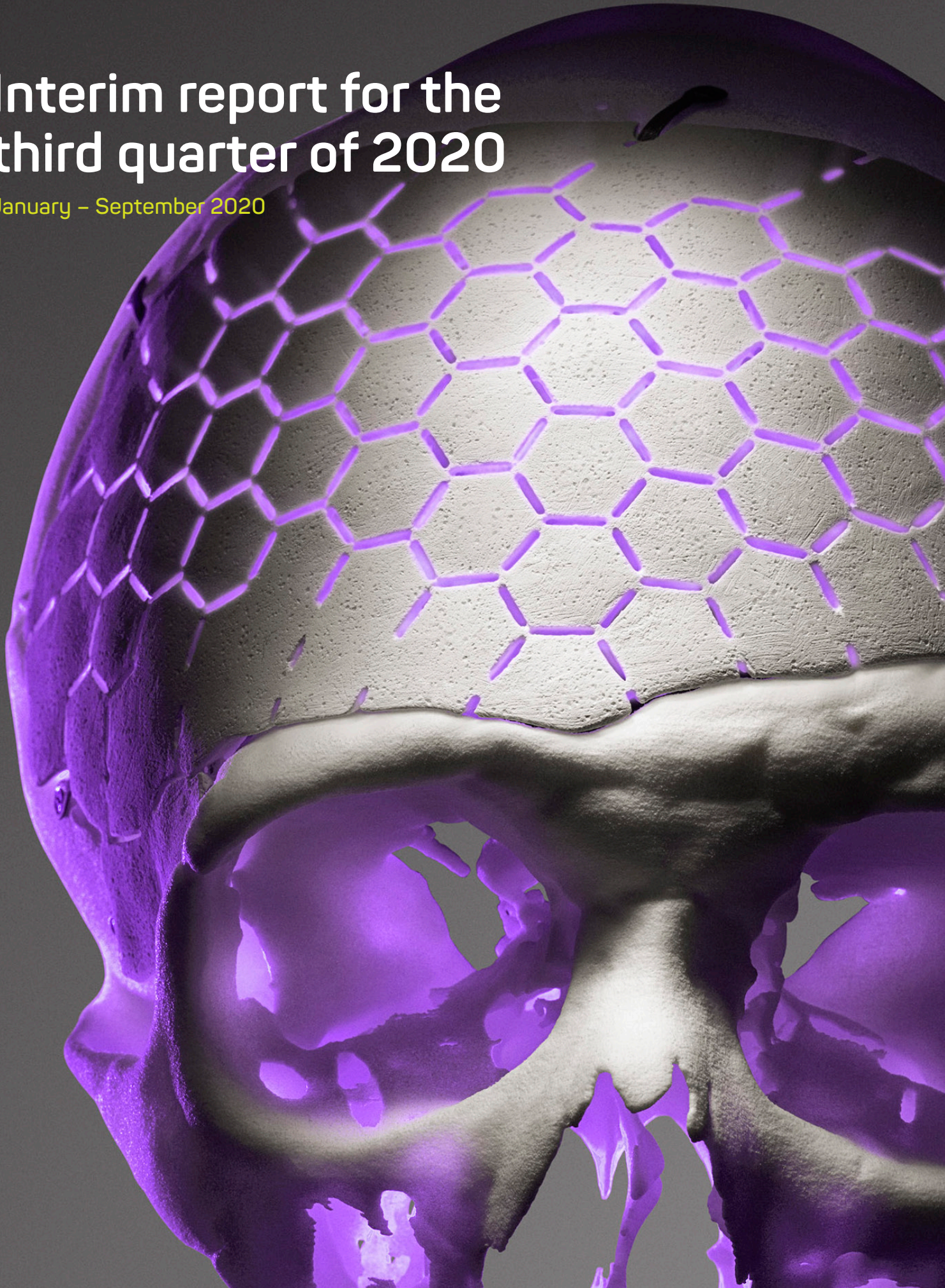


Interim report for the third quarter of 2020

January – September 2020



Interim report for the third quarter of 2020

January 1 – September 30, 2020

The third quarter in figures

- Net sales amounted to TSEK 6 481 (4 836).
- Loss after taxes amounted to TSEK 18 740 (19 709).
- Loss per share was SEK 1,1 (1,1).
- Cash flow from current operations was TSEK -17 103 (-22 589).

The first 9-months in figures

- Net sales amounted to TSEK 18 112 (11 804).
- Loss after taxes amounted to TSEK 59 638 (55 379).
- Loss per share was SEK 3,4 (3,8).
- Cash flow from current operations was TSEK -55 064 (-62 803).

Important events during the third quarter

- Morten Henneveld takes over as new CEO for OssDsign.
- Muranaka Medical Instruments Co., Ltd., appointed as business partner in Japan.
- OssDsign reports successful outcome at 6-month follow-up of clinical study in sinus augmentation.
- OssDsign strengthens patent coverage for OssDsign Cranial PSI on the US market.

Important events after the end of the third quarter

- OssDsign acquires Sirakoss Ltd and expands into spinal bone graft market.
- Directed share issue raises 65 MSEK.
- New publication in high-impact scientific journal PNAS confirms the bone regenerative potential of OssDsign's technology.

The COVID-19 pandemic

In Q3, the Company saw a strong recovery in sales as restrictions were eased primarily in Europe and more normal scheduling of neurosurgical procedures was noted during the period. Procedure volumes with OssDsign products grew significantly, returning back to pre-Covid 19 levels of Q1 resulting in an overall sales growth of 34% vs Q3 2019.

OssDsign is continuously monitoring the impact of Covid-19 on short- and medium-term basis. Many parts of the world currently see an increase in the number of Covid-19 cases with re-imposed restrictive measures and postponed elective surgeries. With a development of the pandemic that is difficult to predict there is a higher level of uncertainty in the company's outlook. The underlying demand for OssDsign products in the long-term, however, remains intact, as evidenced during the third quarter. OssDsign further believes that collective learnings and experiences from the initial phase of the pandemic has resulted in better prepared healthcare systems and therefore fewer negative effects.



Financial overview

	2020	2019	2020	2019	2019
	Jul 1 – Sep 30	Jul 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Dec 31
<i>The group</i>					
Net sales, TSEK	6 481	4 836	18 112	11 804	16 873
Operating profit, TSEK	-18 494	-19 615	-59 242	-54 884	-83 526
Profit for the period, TSEK	-18 740	-19 709	-59 638	-55 379	-84 245
Solidity, %	70%	92%	70%	92%	88%
Earnings per share, SEK	-1,1	-1,1	-3,4	-3,8	-5,5
Average number of employees	40,3	35,3	40,2	32,3	35,5



” *The transformational acquisition of Sirakoss gives us a five times bigger market opportunity and constitutes a major step towards our vision of becoming the global leader in regenerative bone repair solutions.* ”

CEO Statement

Continued strong sales growth and closing of a transformative strategic acquisition

It has been an extremely exciting and busy period for all of us at OssDsign and a very special time for me to take on the role as CEO of this ambitious company. In a world affected by uncertainty, OssDsign has yet again shown strength and I am proud of the organization. As many things have been going on in parallel, we have had an all-hands-on-deck mentality which has paid off in terms of continued strong sales growth, progress on the expansion into new larger production facilities, and closing of a transformative strategic acquisition which will accelerate our value-creation journey.

In the third quarter of 2020, we recorded sales of SEK 6,5 million which adjusted for currency effects is 39% better than the same period last year and a 66% increase from last quarter. This clearly shows that our Covid-19 recovery is on track as Germany and France delivered strong sales for the period and the important US market doubled from the previous quarter. With that said, uncertainty related to the recent increased spread of Covid-19 remains, although we are hopeful that experiences and learnings from earlier this year will lessen the potential negative impact of re-imposed restrictions.

In August, we signed a partnership agreement with Muranaka Medical Instruments Ltd in Japan, and we anticipate first orders for OssDsign Cranial PSI during the fourth quarter. As communicated, Muranaka is a very prominent player in Japanese medical sales and distribution and is a really good partner for us. I am sincerely looking forward to working together with Muranaka to deliver future success in Japan.

After the end of the period we also closed the acquisition of Sirakoss. This is a transformational acquisition for OssDsign with a great strategic fit, and it constitutes a major step towards our vision of becoming the global leader in regenerative bone repair solutions and become a broader player in the orthopaedic industry. We will now enter a large market, with high margins and scalability. I extend my warm welcome to the team from Sirakoss who have done an amazing job developing a technology that has potential to become a game changer where reliable bone regeneration is needed.

OssDsign will now take this technology into the commercial phase, as we have a strong sales infrastructure and operational capacity in place already. The product is 510(k) cleared for the US market so in that sense it is really a plug-and-play strategic move we have made, as we can leverage our existing infrastructure to accelerate commercialization in the large market for spinal fusion. Beyond the customer and sales channel synergies, key members of the OssDsign team and individuals joining from Sirakoss have unmatched experience of successfully commercializing bone grafts. We are also encouraged to see new and existing owners participating in the heavily oversubscribed directed share issue.

To summarize, I am very pleased with the outcome of the quarter and what has happened immediately thereafter. Looking forward, the future is exciting as we gear up to drive continued sales growth and build a successful orthopedic company that makes a difference for more patients and healthcare providers around the world.

Morten Henneveld, 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 and commercial operations in the EU, US and Japan. In the autumn of 2017, OssDsign initiated commercialization in the US, the world's largest MedTech market. The company has since seen strong growth in the US and the market has already become the largest market in terms of sales for OssDsign. The company continues to see significant growth opportunities in the US and intends to carry out significant market initiatives in the coming years. In addition, OssDsign will invest in continued growth in Europe where the initiation of commercial activities in France during 2020 means that OssDsign is now established on all key markets in Europe. First steps have also been taken towards establishing a position in the Japanese market where a national business partner, Muranka Medical Instruments, was appointed in Q3 2020 and mutual launch preparations have been initiated for this major 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. In November 2020, OssDsign expanded into the spinal bone graft market through the acquisition of Sirakoss Ltd who have developed Osteo3 ZP Putty, a synthetic bone graft designed to provide surgeons with an easy-to-use advanced solution for treating skeletal defects including spine procedures.



Development of profit and financial position

THIRD QUARTER

Net sales

Net sales for the third quarter of 2020 amounted to TSEK 6 481 (4 836), an increase of 34%, which adjusted for currency effects is an increase of 39%. Volume sales have returned to levels recorded before the onset of the Covid-19 pandemic and revenue grew TSEK 2 576 or 66% vs Q2 2020. The strong return has been possible despite the ongoing Covid-19 pandemic with postponed elective surgeries and restricted access to hospitals. Sales in the US amounted to TSEK 2 443 which is more than 100% increase compared to Q2 2020 and 30% increase from previous year, signalling strong underlying demand despite ongoing pandemic measures holding back sales in some key US states. European sales during the third quarter showed 41% growth compared to the previous year, amounting to TSEK 3 998 with Germany and France being the main drivers.

Operating profit/loss

Operating profit for the period July – September 2020 amounted to TSEK -18 494 (-19 615). Certain planned investments in the sales and marketing organizations have been postponed due to the restrictions following Covid-19 which has had a positive impact on operating profit. Operating profit for the third quarter is 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 71 685 and at the end of the period they were TSEK 54 093. Cash flow from operating activities amounted to TSEK -17 103 (-22 589). The total cash flow for the period was negative by TSEK -17 465 (-21 697). Net investments in tangible fixed assets amounted to TSEK 320 (109) 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 9-MONTHS

Net sales

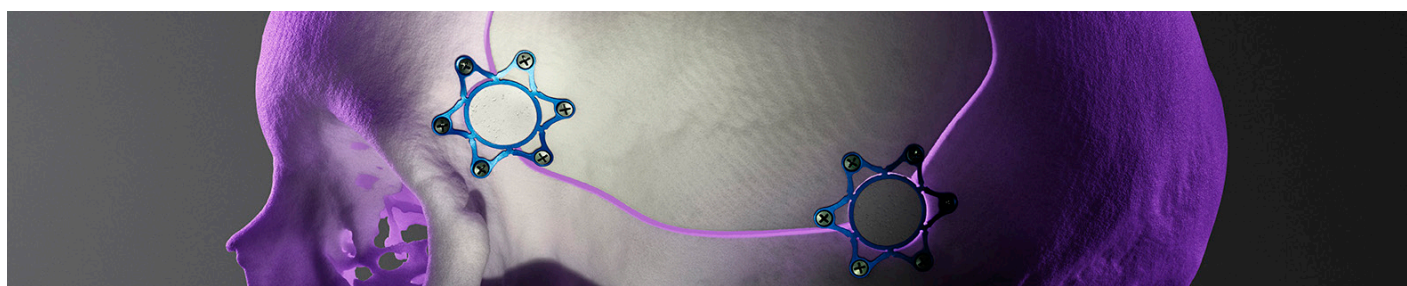
Net sales for the first 9-months of 2020 amounted to TSEK 18 112 (11 804), an increase of 53%, which adjusted for currency effects is an increase of 50%. Sales in the US amounted to TSEK 6 951 which is an increase from the previous year of TSEK 2 609 or 60%. European sales showed growth compared to the previous year amounting to TSEK 3 499 or 48%. Germany and France were the main drivers of this performance.

Operating profit/loss

Operating profit for the period January – September 2020 amounted to TSEK -59 242 (-54 884). Executed planned investments in the sales and manufacturing organizations increased staff costs by MSEK 7,5. The improved sales of MSEK 6,3 made a strong contribution to improving the result compared with the previous year. Operating profit for the first 9-months 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 54 093. Cash flow from financing activities amounted to TSEK -2 423 and was primarily affected by the deposit of an annual rent for new premises paid in January. The total cash flow for the period was negative by TSEK -59 240 (123 337). Net investments in tangible fixed assets amounted to TSEK 1 753 (194) and mainly comprised investments linked to the ongoing expansion into new facilities in Uppsala providing a two-fold increase of the manufacturing capacity. Investments in intangible assets for the period amounted to TSEK 0 (94).



IMPORTANT EVENTS DURING THE THIRD QUARTER

Morten Henneveld takes over as new CEO for OssDsign

On September 1 Morten Henneveld took up the position as CEO for OssDsign upon the retirement of Anders Lundqvist. Morten Henneveld has extensive international and medical device experience where his most recent position was Senior Vice President, Business Transformation and Strategy and member of the Executive Leadership Team for GN Hearing, a global leader in hearing aids.

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

In August, OssDsign announced the signing of 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 have been initiated.

OssDsign reports successful outcome at 6-month follow-up of clinical study in sinus augmentation

OssDsign announced in August positive interim results from a clinical study titled: "Safety and performance of granular calcium phosphate in augmentation of the maxillary sinus floor". This study represents the first use of OssDsign's proprietary calcium phosphate material in the oral cavity. This study was performed on 20 consecutive patients at Akademiska University Hospital in Uppsala under the responsibility of Professor Andreas Thor. Interim data from the study's 6-month follow-up time point now show that implantation of the calcium phosphate material resulted in bone formation and firm anchoring of dental implants. The present study represents the first clinical use of the granular formulation of the material and also the first use by a new potential customer group representing the oral and dental implant market.

OssDsign strengthens patent coverage for OssDsign Cranial PSI on the US market.

OssDsign announced in September that the United States Patent and Trademarks Office (USPTO) issued a notice of allowance regarding the implant design for OssDsign Cranial PSI. The patent was allowed in Europe and Japan last year and also in Australia earlier this year. With the allowance in USA, stronger patent protection for OssDsign Cranial PSI is now established in all key markets.

IMPORTANT EVENTS AFTER THE END OF THE THIRD QUARTER

OssDsign acquires Sirakoss Ltd and expands into spinal bone graft market.

On November 3 OssDsign announced the signing of an agreement to acquire the privately held, Scottish bone graft specialist company Sirakoss Ltd. The acquisition broadens OssDsign's product portfolio with the 510(k) cleared Osteo3 ZP Putty, a next-generation nanosynthetic bone graft substitute designed for treating skeletal defects. Sirakoss has been preparing for a commercial launch of Osteo3 ZP Putty since the product received FDA clearance in June 2020, and OssDsign intends to start commercial activities around Osteo3 ZP Putty in the US market for spinal fusion immediately following the acquisition. OssDsign acquired all outstanding Sirakoss shares in an all-cash transaction. The purchase price of USD 11 million, not including agreed milestone and royalty payments, is divided into three cash instalments, with the first USD 5 million payment financed by a directed share issue conducted on November 3rd, 2020.

Directed share issue raises 65 MSEK

On November 3 OssDsign carried out a directed share issue raising proceeds of approximately SEK 65 million. The directed share issue, which was heavily over-subscribed by a large number of Swedish and international investors, will be used to finance the company's acquisition of Sirakoss Ltd.

New publication in high-impact scientific journal PNAS confirms the bone regenerative potential of OssDsign's technology

A scientific article titled "In situ bone regeneration of large cranial defects using synthetic ceramic implants with a tailored composition and design" was recently published in the scientific journal PNAS (Proceedings of the National Academy of Sciences of the United States of America). The research article reports a plurality of pre-clinical data from the use of OssDsign's implant concept in sheep. The findings are further corroborated through clinical data in the form of analysis of an implant that was explanted from a patient due to trauma 21 months post implantation. The published research describes the capacity of OssDsign's implant concept and proprietary ceramic material to regenerate and restore large cranial defects with mature bone, with a morphology, ultrastructure, and composition similar to those of native skull bone. These results are in line with previously published clinical data from the use of OssDsign's implant technology.

OTHER DISCLOSURES

Ownership structure

At the end of the third quarter, there were 2 003 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 September 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 41 (37) employees, of whom 44% 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

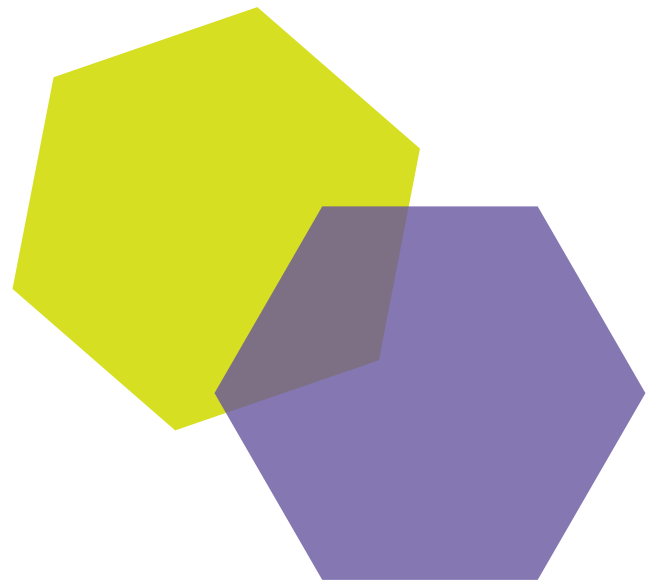
The Board regularly reviews the company's existing and forecasted cash flows to ensure that the company has the funds and resources required to conduct the business and the strategic direction decided by the Board. The company's long-term cash requirements are largely determined by how successful current and future products will be/are on the market. As of September 30th, 2020, the group's cash and cash equivalents amounted to SEK 54,1 Million. Based on the sales development of the company's current products, which continue to show strong growth despite Covid-19 impact, the board has confidence in the company's ability to become profitable and cash flow positive in the medium term. In addition, the recent acquisition of Sirakoss Ltd presents additional significant growth opportunities with the company being in a position to expand into the US spinal bone graft market during 2021. In order to continuously be able to realize the strategic opportunity of the Sirakoss acquisition the company has initiated plans for a new financing round which is expected to be completed during H1 2021.

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 1 541 and a debt to OssDsign Ltd of TSEK 32.

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
	Jul 1 – Sep 30	Jul 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Dec 31
Net sales	6 481	4 836	18 112	11 804	16 873
Other operating income/Other income	261	549	752	1 394	1 723
Work performed by the group/ parent company for its own use and capitalized	-	-	-	95	95
Raw materials and consumables/Cost of material	-1 736	-1 759	-6 523	-4 712	-7 205
Other external expenses	-8 476	-9 228	-27 031	-28 234	-44 844
Personnel costs	-13 134	-12 727	-39 002	-31 485	-44 901
Depreciation, amortization and impairment of tangible and intangible fixed assets/non-financial assets	-1 792	-1 024	-4 814	-3 064	-4 099
Impairment losses on financial assets	79	-117	397	-138	-176
Other operating expenses/Other expenses	-177	-145	-1 133	-545	-992
Operating profit	-18 494	-19 615	-59 242	-54 884	-83 526
<i>Profit from financial items</i>					
Net interest income	-209	-52	-359	-178	-226
Profit after financial items	-18 702	-19 667	-59 601	-55 063	-83 752
Tax expense	-38	-42	-38	-316	-493
Profit for the period	-18 740	-19 709	-59 638	-55 379	-84 245
<i>Earnings per share</i>					
Basic earnings per share, SEK	-1,1	-1,1	-3,4	-3,8	-5,5

Consolidated summary of comprehensive income

SEK 000'	2020	2019	2020	2019	2019
	Jul 1 – Sep 30	Jul 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Dec 31
Profit/loss for the period	-18 740	-19 709	-59 638	-55 379	-84 245
<i>Other comprehensive income for the period</i>					
Items that will be reclassified subsequently to profit or loss	-87	-5	-121	19	18
Income tax relating to items that will be reclassified	-	-	-	-	-
Other comprehensive income for the period	-87	-5	-121	19	18
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-18 827	-19 714	-59 759	-55 359	-84 228

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
Opening balance 2019-01-01	348	330	122 886	17	-76 090	47 492
Profit/loss for the period	-	-	-	-	-55 379	-55 379
Other comprehensive income	-	-	-	19	-	19
Total comprehensive income	-	-	-	19	-55 379	-55 360
<i>Transactions with shareholders</i>						
Warrant program	-	-	1 212	-	-	1 212
New share issue	760	-330	183 416	-	-	183 846
Issue expenses	-	-	-13 315	-	-	-13 315
Total transactions with shareholders	760	-330	171 313	-	-	171 743
CLOSING BALANCE 2019-09-30	1 108	-	294 200	36	-131 469	163 875
Opening balance 2020-01-01	1 108	-	294 467	35	-160 335	135 275
Profit/loss for the period	-	-	-	-	-59 638	-59 638
Other comprehensive income	-	-	-	-121	-	-121
Total comprehensive income	-	-	-	-121	-59 638	-59 759
<i>Transactions with shareholders</i>						
Warrant programmes	-	-	132	-	-	132
Total transactions with shareholders	-	-	132	-	-	132
CLOSING BALANCE 2020-09-30	1 108	-	294 599	-86	-219 973	75 648

Consolidated summary statement of cash flows

	2020	2019	2020	2019	2019
SEK 000'	Jul 1 – Sep 30	Jul 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Dec 31
Operating activities					
Profit after financial items	-18 702	-19 667	-59 600	-55 063	-83 752
Non cash adjustments	980	764	2 775	2 082	2 752
Income tax paid	-185	-40	-1 223	-557	-685
	-17 906	-18 944	-58 047	-53 538	-81 685
Change in inventory	-564	-52	-1 144	120	-411
Change in receivables	-892	-1 537	1 404	-1 404	-20
Change in liabilities	2 260	-2 055	2 723	-7 982	-4 476
Total change in working capital	804	-3 645	2 983	-9 266	-4 908
Cash flow from operating activities	-17 103	-22 589	-55 064	-62 803	-86 593
Investment activities					
Acquisition of intangible fixed assets	-	-	-	-95	-95
Acquisition of tangible fixed assets	-320	-109	-1 753	-194	-231
Cash flow from investment activities	-320	-109	-1 753	-289	-326
Financing activities					
New share issue	-	-	234	199 057	199 057
Share issue costs	-	-	-	-13 315	-13 315
Warrants	-	1 157	-	1 157	1 157
Other change in financial fixed assets	-	-	-2 314	-	-
Repayment of borrowing	-43	-157	-342	-470	-584
Cash flow from financing activities	-43	1 000	-2 423	186 429	186 315
Cash flow for the period	-17 465	-21 697	-59 240	123 337	99 396
Cash equivalents at the beginning of the period	71 685	159 162	113 540	14 077	14 077
Exchange rate differences in cash equivalents	-126	2	-207	53	68
CASH EQUIVALENTS AT THE END OF THE PERIOD	54 093	137 467	54 093	137 467	113 540

Summary income statement, parent company

SEK 000'	2020	2019	2020	2019	2019
	Jul 1 – Sep 30	Jul 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Dec 31
Net sales	6 385	4 836	18 163	11 804	17 333
Other operating income/Other income	261	549	752	1 395	1 723
Raw materials and consumables/Cost of material	-1 749	-1 559	-6 591	-4 513	-7 210
Other external expenses	-13 460	-14 548	-42 024	-39 722	-62 465
Personnel costs	-8 966	-8 485	-26 357	-22 588	-30 613
Depreciation, amortisation and impairment of tangible and intangible fixed assets/non-financial assets	-289	-165	-647	-493	-657
Other operating expenses	-225	-145	-1 181	-545	-992
Operating profit	-18 042	-19 517	-57 885	-54 661	-82 880
<i>Profit from financial items</i>					
Net interest income	-128	-33	-246	-115	-146
Profit after financial items	-18 170	-19 550	-58 131	-54 775	-83 026
Tax expense	-26	-	-26	-	-
PROFIT FOR THE PERIOD	-18 196	-19 550	-58 157	-54 775	-83 026

* 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>	Sep 30	Sep 30	Dec 31
ASSETS			
Subscribed capital unpaid	-	-	15 211
<i>Fixed assets</i>			
Tangible fixed assets	2 916	1 975	1 811
Financial assets			
Shares in group companies	-	-	-
Other long-term receivables	2 314	-	-
Total financial fixed assets	-	-	-
Total fixed assets	5 231	1 975	1 811
<i>Current assets</i>			
Inventories	2 485	1 233	1 479
Current receivables	2 303	7 593	3 729
Receivables from group companies	4 693	1 312	648
Current tax receivables	829	-	-
Other receivables	965	1 026	1 586
Prepaid expenses and other accrued income	114	553	1 062
Cash equivalents	53 546	136 194	112 091
Total current assets	64 936	147 912	120 595
TOTAL ASSETS	70 166	149 888	122 406

	2020	2019	2019
<i>SEK 000'</i>	Sep 30	Sep 30	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES			
<i>Equity</i>			
Restricted equity	1 108	1 108	1 108
Non-restricted equity	48 788	134 842	106 857
Total equity	49 897	135 950	107 965
<i>Long-term liabilities</i>			
Liabilities to credit institutions	1 968	2 396	2 310
Other liabilities	-	28	-
Total long-term liabilities	1 968	2 424	2 310
<i>Current liabilities</i>			
Liabilities to credit institutions	513	627	513
Accounts payable	3 440	868	2 604
Liabilities to group companies	-	1 935	356
Current tax liabilities	3 369	307	445
Other current liabilities	1 097	7 777	950
Accrued expenses and deferred income	99 883	-	7 263
Total current liabilities	18 302	11 514	12 131
Total liabilities	20 270	13 938	14 441
TOTAL EQUITY AND LIABILITIES	70 166	149 888	122 406

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'	July - September		January - September	
	2020	2019	2020	2019
USA	2 443	1 882	6 951	4 342
Europe	3 998	2 839	10 854	7 355
Rest of World	40	114	307	107
TOTAL	6 481	4 836	18 112	11 804

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 - Sep 30	Jan 1 - Sep 30
Subscribed and paid shares		
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
Subscribed and paid shares	17 733 168	17 733 168
Shares for share-based payments	-	-
SUM AT THE END OF THE PERIOD	1 108 323	1 108 323

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. This report has not been audited.

Scheduled financial reports

Year-end Report 2020

February 17, 2021

OSSDSIGN AB – UPPSALA NOVEMBER 11, 2020

Simon Cartmell

Chairman of the Board

Viktor Drvota

Board member

Håkan Engqvist

Board member

Newton Aguiar

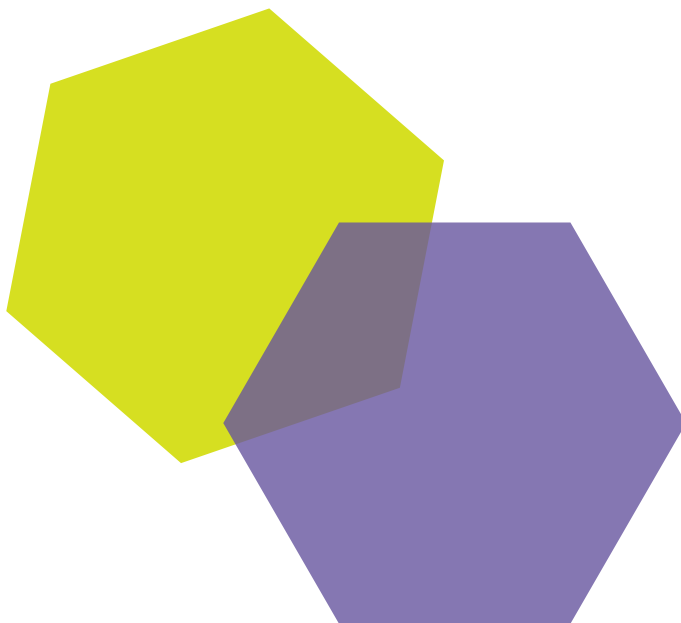
Board member

Anders Qvarnström

Board member

Morten Henneveld

CEO



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