OSSDSIGN®

INVITATION
to subscribe for shares in OssDsign AB

ABG SUNDAL COLLIER

Please note that the subscription rights are expected to have an economic value
In order not to lose the value of the subscription rights, the holder must either:

- exercise the received subscription rights and subscribe for new shares no later than 7 May 2021, or according to instructions from the respective nominee, or
- sell the received subscription rights that are not intended to be exercised by 4 May 2021.

Note that shareholders with nominee-registered holdings subscribe for new shares through the respective nominee. The distribution of this EU Growth prospectus and the subscription of new shares are subject to restrictions in certain jurisdictions, see the section "*Important information*".

OssDsign AB's prospectus has been approved by the Swedish Financial Supervisory Authority on 20 April 2021. The Prospectus is valid for up to twelve months from this date, provided that OssDsign AB, if applicable, fulfils the obligation in accordance with the Prospectus Regulation (EU) 2017/1129 to provide supplement to the Prospectus if any new factors of significance, material mistakes or material inaccuracies arises or are noted before the end of the subscription period, which could affect the determination of the securities. After the end of the subscription period, OssDsign has no obligation or possibility to provide a supplement to the Prospectus.

IMPORTANT INFORMATION

Certain definitions

With "**OssDsign**", the "**Company**" or the "**Group**" means in this EU Growth prospectus (the "**Prospectus**"), depending on the context, OssDsign AB, corporate identity number 556841-7546, the group in which the Company is parent company or a subsidiary in the group. With "**ABG Sundal Collier**" means ABG Sundal Collier AB, corporate identity number 556538-8674. With "**DNB**" means DNB Bank ASA, filial Sverige, corporate identity number 516406-0161. With "**Euroclear Sweden**" means Euroclear Sweden AB, corporate identity number 556112-8074. Reference to "**SEK**" refers to Swedish kronor, reference to "**USD**" refers to US dollars, reference to "**EUR**" refers to euros, reference to "**GBP**" refers to British pounds and reference to "**JPY**" refers to Japanese yen. With "**T**" means thousand and with "**M**" means millions.

Preparation and registration of the Prospectus

The Prospectus has been prepared in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**") and the Commission Delegated Regulation (EU) 2019/980. The Prospectus is an EU Growth prospectus and has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with Article 15 of the Prospectus Regulation. The Swedish Financial Supervisory Authority's approval and registration of the Prospectus does not mean that the Swedish Financial Supervisory Authority guarantees that the factual information in the Prospectus is complete or correct.

Important information to investors

The Prospectus and the offer according to the Prospectus (the "**Rights Issue**") or (the "**Offer**") are governed by Swedish law. Disputes arising from the Prospectus, the Offer and related legal matters shall be settled exclusively by the Swedish courts. The Prospectus has been prepared in a Swedish version as well as an English version. If there are any discrepancies between the Swedish version and the English translation, the Swedish version shall take precedence. The Offer is not made, directly or indirectly, to persons whose participation would require that additional prospectuses are drawn up or registered or that any other action is taken in addition to what is required by Swedish law. The Prospectus may not be distributed and may not be posted or in any other way distributed or sent to or in any jurisdiction where it would require such additional measures to be taken or where it would be in conflict with the applicable laws or regulations of each such jurisdiction. Neither the subscription rights, the paid-up subscribed shares ("**BTAs**") or the new shares subscribed for in the Offer in accordance with the Prospectus have been, or will be, registered under the United States Securities Act of 1933 ("**Securities Act**") of 1933 in its current wording, or any equivalent law of any state in the United States. The Offer is not made to persons resident or with registered address in the United States, Australia, Japan, Canada, Hong Kong, New Zealand, Switzerland, Singapore, South Africa, or any other country whereas the Offer or distribution of the Prospectus is in contradiction with applicable laws or regulations or would require additional prospectuses to be prepared, registered or any other measures to be taken in addition to those imposed by Swedish law. Consequently, subscription rights, BTAs or shares may not directly or indirectly, be offered, resold or delivered in or to countries where action as above is required or to persons domiciled as above.

An investment in securities is associated with certain risks and investors are encouraged to read the section "*Risk factors*" in particular. When investors make an investment decision, they must rely on their own assessment of the Company and the Offer, including the present facts and risks. Before making an investment decision, potential investors should engage their own professional advisers and carefully evaluate and consider the investment decision. Investors may only rely on the information in this Prospectus and any additions to this Prospectus. No person is authorised to provide any other information or make any statements other than those contained in this Prospectus. Should this nevertheless occur, such information or such statements shall not be deemed to have been approved by the Company or by ABG Sundal Collier and neither of these is responsible for such information or such statements.

Market information and forward-looking statements

This Prospectus contains market information and industry forecasts from third parties, including information regarding the size of the markets in which the Group operates. Although the Company considers that these sources are reliable and the information has been reproduced properly in the Prospectus, OssDsign has not independently verified the information, which is why its accuracy and completeness cannot be guaranteed. The Company has presented this information accurately, as far as the Company's board of directors is aware and can be deduced from information that has been published by a third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Some of the information and statements in the Prospectus relating to the industry in which the Company's business is conducted are not based on published statistics or information from independent third parties, but rather reflect OssDsign's best estimates based on information obtained from industry and business organisations and other contacts. Although OssDsign is of the view that its internal analyses are reliable, these have not been verified by any independent source. Information in the Prospectus relating to future conditions, such as statements and assumptions regarding the Company's future development and market conditions, is based on current conditions at the time of publication of the Prospectus. Future-oriented information is always associated with uncertainty since it refers to and is dependent on circumstances beyond the Company's control. Assurance that assessments made in the Prospectus regarding future conditions will be realised is therefore not made, either explicitly or implicitly. The Company also does not undertake to publish updates or revisions of statements regarding future conditions as a result of new information or similar that appear after the time of publication of the Prospectus, in addition to what follows from the Prospectus Regulation.

The subscription rights may have an economic value

In order not to lose the value of the subscription rights, the holder must either exercise the received subscription rights and subscribe for shares no later than 7 May 2021, or no later than 4 May 2021 sell the received subscription rights that are not intended to be used for subscription of shares. Please note that it is also possible to register for subscription of shares without the support of subscription rights and that shareholders with nominee-registered holdings with a depository at a bank or other nominee must contact their bank or nominee for instructions on how to subscribe and pay.

Presentation of financial information

Certain financial and other information presented in the Prospectus has been rounded off to make the information easily accessible to the reader. Consequently, the figures in some columns do not correspond exactly to the stated total. This is the case when amounts are stated in thousands, millions or billions and appear, among other things, in the annual reports and interim reports that have been incorporated by reference. Except when expressly stated, no information in the Prospectus has been reviewed or audited by the Company's auditor.

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DOCUMENTS INCORPORATED BY REFERENCE

GENERAL

Below mentioned pages in the following documents are incorporated by reference in the Prospectus. The parts of the documents that are not incorporated by reference in the Prospectus are either not relevant to investors or corresponding information is reproduced elsewhere in the Prospectus.

DOCUMENTS

OSSDSIGN'S INTERIM REPORT FOR THE PERIOD 1 JANUARY – 31 MARCH 2021	**Page reference**
The Group's consolidated summary income statement and consolidated summary of comprehensive income	8
The Group's consolidated summary balance sheet	9
The Group's consolidated change in shareholder's equity in summary	10
The Group's consolidated summary statement of cash flows	11
Notes	14

OssDsign's interim report for the period 1 January – 31 March 2021 is available on the Company's website, www.ossdsign.com/reports.

OSSDSIGN'S YEAR-END REPORT FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2020	**Page reference**
The Group's consolidated summary income statement and consolidated summary of comprehensive income	8
The Group's consolidated summary balance sheet	9
The Group's consolidated change in shareholder's equity in summary	10
The Group's consolidated summary statement of cash flows	11
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OssDsign's year-end report for the period 1 January – 31 December 2020 is available on the Company's website, www.ossdsign.com/reports.

OSSDSIGN'S ANNUAL REPORT FOR THE FINANCIAL YEAR 2019	**Page reference**
The Group's consolidated income statement and consolidated statement of comprehensive income	36
The Group's consolidated balance sheet	37 – 38
The Group's consolidated change in shareholder's equity	39
The Group's consolidated statement of cash flows	40
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Auditor's report	67 – 69

OssDsign's annual report for the financial year 2019 is available on the Company's website, www.ossdsign.com/reports.

OSSDSIGN'S ANNUAL REPORT FOR THE FINANCIAL YEAR 2018	**Page reference**
The Group's consolidated income statement and consolidated statement of comprehensive income	6 – 7
The Group's consolidated balance sheet	8 – 9
The Group's consolidated change in shareholder's equity	10
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OssDsign's annual report for the financial year 2018 is available on the Company's website, www.ossdsign.com/reports.

SUMMARY

INTRODUCTIONS AND WARNINGS

Instruments	The offer relates to new shares in OssDsign AB, reg. no. 556841-7546, with ISIN code SE0012570448. The share's ticker is OSSD.
Identity and contact information for the issuer	Registered name: OssDsign AB Registration number: 556841-7546 LEI code: 5493005SNS5NAYE2WL53 Address: Rapsgatan 23A, SE-754 50 Uppsala, Sweden Telephone number: +46 (0)18 55 39 93 Website: www.ossdsign.com
Competent authority	Swedish Financial Supervisory Authority Address: P.O. Box 7821, SE-103 97 Stockholm, Sweden Telephone number: +46 (0)8 408 980 00 Website: www.fi.se
Date for approval of the Prospectus	20 April 2021
Warnings	This summary should be regarded as an introduction to the EU growth prospectus. Each decision to invest in the securities should be based on an assessment by the investor of the entire EU growth prospectus. Investors may lose all or parts of the invested capital. Where a claim relating to the information contained in this EU growth prospectus is brought before a court, the plaintiff investor may, under national law, have to bear the costs of translating the EU growth prospectus prior to commencement of the legal proceedings. Civil liability may only be imposed on those persons who have presented the summary, including translations thereof, but only if the summary is misleading, inaccurate or incompatible with the other parts of the EU growth prospectus or if, together with the other parts of the EU growth prospectus, it fails to provide key information to assist investors when considering whether to invest in such securities.

KEY INFORMATION ON THE ISSUER

Information about OssDsign

The issuer's domicile, legal form and legislation
The Company is a public limited company incorporated in Sweden with its registered office in Uppsala municipality, Sweden. The Company conducts its business pursuant to Swedish law and its form of association is governed by the Swedish Companies Act (2005:551). The CEO of the Company is Morten Henneveld.

The issuer's primary activities
OssDsign designs and markets implants for improved healing and treatment of bone defects. The basic feature in the Company is a patented bioceramic material which, during the healing process, is converted into bone tissue. OssDsign designs, manufactures and sells patient-specific and mass produced implants for treatment of injuries and defects in the cranium and face, as well as bone graft substitutes for use within orthopaedic surgery through the acquisition of Sirakoss.

OssDsign was founded in 2011 and today the Group has in total approximately 50 employees, most of whom work at the head office in Uppsala, but there is also local presence of sales personnel in the US, Germany and the UK. The Company holds regulatory approvals for the marketing of its products in the EU, US and Japan, and is currently in an expansion phase in which more than 1,000 operations have been carried out using OssDsign's Cranial PSI implants.

The issuer's major shareholders
The table below shows shareholders with holdings of at least five (5) per cent of the total number of shares and votes in the Company on 31 March 2021, based on information from Euroclear Sweden AB and subsequent known changes. Per the date of publication of the Prospectus, as far as the Company is aware, there is no direct or indirect ownership that may lead to changed control of the Company.

Name	Number of shares and votes	Portion of share capital and votes (%)
SEB Venture Capital	2,746,368	12.39
Fouriertransform Aktiebolag	2,181,632	9.84
Karolinska Development AB	2,614,096	11.79
Total	**7,542,096**	**34.02**

Financial key information for OssDsign

Consolidated summary income statement

	Audited		Unaudited		
SEK '000 (unless otherwise stated)	**Jan-Dec 2019**	**Jan-Dec 2018**	**Jan-Dec 2020**	**Jan-Mar 2021**	**Jan-Mar 2020**
Net sales	16,873	13,264	24,872	5,987	7,726
Operating profit	-83,526	-50,145	-83,934	-23,314	-18,260
Profit for the year	-84,245	-56,011	-84,590	-23,329	-18,312
Earnings per share (SEK)	-5.5	-11.00	-4.4	-1.1	-1.0

Consolidated summary balance sheet

	Audited		Unaudited		
SEK '000 (unless otherwise stated)	**31 Dec 2019**	**31 Dec 2018**	**31 Dec 2020**	**31 Mar 2021**	**31 Mar 2020**
Total assets	153,267	71,682	246,650	222,828	132,690
Total equity	135,275	47,492	112,068	88,962	117,176

Consolidated summary statement of cash flows

	Audited		Unaudited		
SEK '000 (unless otherwise stated)	**Jan-Dec 2019**	**Jan-Dec 2018**	**Jan-Dec 2020**	**Jan-Mar 2021**	**Jan-Mar 2020**
Cash flow from operating activities	-86,593	-66,052	-79,097	-23,334	-21,898
Cash flow from investing activities	-326	-7,656	-17,673	-57	-25
Cash flow from financing activities	186,315	52,552	33,178	-208	-2,486

The Group's key performance indicators [1]

SEK '000 (unless otherwise stated)	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2020	Jan-Mar 2021	Jan-Mar 2020
Profit after financial items[2]	-83,752	-55,861	-84,542	-23,457	-18,312
Solidity, %[2]	88	63	45	40	88
Earnings per share (before and after dilution)[1]	-5.5	-11.00	-4.4	-1.1	-1.0
Average number of employees[1]	34	27	43.9	43.3	40,8
Dividend[1] (SEK)	-	-	-	-	-

[1] Defined in IFRS. .

[2] Alternative performance measures.

[1] Key performance indicators are derived from the Company's audited annual reports and consolidated financial statements for the 2018 and 2019 financial years as well as the Company's unaudited year-end report for the period January-December 2020 and the Company's unaudited interim report for the period January-March 2021, which have been incorporated in the Prospectus by reference.

Specific key risks for OssDsign

- The outbreak and spread of covid-19 may affect OssDsign's possibility to acquire new customers for the Company's cranial implants and the launch of CranioPlug. In addition, it can delay the planned launch of the Company's recently acquired bone graft substitute in the US. Furthermore, the spread of covid-19 has restricted the Company's possibilities to visit existing customers at hospitals, which to varying degrees has also been affected by delays and temporary downsizing of operations in which the Company's implants are used.
- OssDsign collaborates with a number of subcontractors who provide the Company with some of the components used for the assembly or production of the Company's implants and bone graft substitute. OssDsign's ability to handle subcontractors is crucial for ensuring that service and quality levels are met by selected subcontractors.
- Since OssDsign's main customers are hospitals and clinics in different parts of the world, the Company's sales are affected by such customers' general demand and willingness to invest. The willingness to invest within, and demand for, medical technology products such as the products offered by OssDsign are affected by a number of factors such as the general development on financial markets, the economic and political climate, the current state of the market or other macroeconomic factors that may be difficult for the Company to foresee.
- Since OssDsign conducts sales and development of medical technology products, the Company is exposed to risks associated with product liability. There is a risk that the Company's current insurance protection proves to be insufficient for product liability claims that may arise in connection with product liability and other damages, or that the Company is unable to obtain or retain such insurance protection on terms that are acceptable to OssDsign, which might result in significant costs for the Company.
- OssDsign's development and potential success is dependent on the Company's ability to obtain and retain patent protection for products and methods, as well as trademarks and other intellectual property rights. There is a risk that OssDsign fails to obtain patent protection for potential future medical technology products or methods developed by the Company. In addition, there is a risk of OssDsign using or being alleged to use products or methods that are protected by third-party intellectual property rights and the holder of such rights might accuse OssDsign of intellectual property infringement.
- Before the Company can market and sell its products, the Company must comply with regulatory requirements and obtain regulatory approvals in accordance with applicable laws and regulations on each market. In the event that OssDsign is not granted necessary product approvals, public authority permits or fails to satisfy other requirements, or in the event that any possible future approvals are recalled or limited, this might lead to significant negative effects on OssDsign's possibility to conduct sales and marketing of the Company's products.
- OssDsign has reported a negative operating result since the start of the operations. There is a risk that the Company's development causes significant costs and that the development of the products might be more time and cost consuming than expected.

KEY INFORMATION ON THE SECURITIES

The security's most important characteristics	*The shares* The current Offer relates to new shares in OssDsign with ISIN code SE0012570448. The share's ticker is OSSD. The shares are denominated in Swedish kronor (SEK). As of the date of publication of the Prospectus, the Company's share capital amounts to SEK 1,385,403.75, divided into 22,166,460 shares, entailing a quotient value (nominal value) of SEK 0.0625 per share. All shares are fully paid up. Through the Rights Issue, a maximum of 31,033,044 new shares will be added. *Rights associated with the security* Shareholders are entitled to vote for their full number of shares and each share carries an entitlement to one vote at general meetings. All shares in the Company carry an equal entitlement to dividends, share of the Company's profit and in the Company's assets, as well as any surplus in the event of liquidation. The shares carry a right to dividends for the first time on the record date for dividends first occurring after the shares have been registered with the Swedish Companies Registration Office and entered in the share register maintained by Euroclear Sweden AB. The Company's shares are issued in accordance with Swedish law and the shares' rights can only be amended through alteration of the articles of association in accordance with the Swedish Companies Act (2005:551). The Company has one class of shares and all shares have the same priority in the event of insolvency. There are no restrictions on the right to freely transfer shares in the Company. *Dividend policy* OssDsign is a growth company, and no dividend has been distributed to its shareholders up until today. Furthermore, there is no dividend planned for the coming years, as any profits from business operations will be reinvested in the Company. In the future, when the Company's earnings and financial position so permit, dividend pay-outs may become relevant. When dividend becomes relevant, the Company's board of directors will consider factors such as the growth and profitability of the Company's business operations, working capital and investment needs, financial position and other factors when deciding on a possible dividend proposal.
Place of trading	The Company's shares are traded on Nasdaq First North Growth Market. The new shares issued in the Rights Issue will also be admitted to trading on Nasdaq First North Growth Market.
Specific key risks for the security	· Since an investment in shares can both increase and decrease in value, there is a risk that an investor will not recover the invested capital. · If shareholders choose not to exercise their subscription rights to subscribe for new shares in the Rights Issue, the subscription rights will lapse and become worthless. This means that shareholders may become diluted by up to approximately 58.3 per cent through the issuance of not more than 31,033,044 new shares. Shareholders will not be compensated for such dilution. · There is a risk that active trading in the subscription rights and BTAs will not develop, that there will be insufficient liquidity, or that the subscription rights cannot be divested. · The Rights Issue of approximately SEK 240 million is covered in its entirety by subscription commitments and guarantee commitments, but these are not secured through bank guarantees, restricted funds, pledged assets or similar arrangements. There is thus a risk that the Rights Issue will not be fully subscribed and that those who have provided subscription commitments and guarantee commitments will not fulfil their commitments and, consequently, that part of the issuance proceeds covered by these commitments will not be received by the Company.

KEY INFORMATION ON THE OFFERING OF SECURITIES

Terms and timetable for investing in the security	*General terms and conditions* Those persons who are registered as shareholders in the share register maintained by Euroclear Sweden AB on behalf of the Company on the record date will hold pre-emption rights to subscribe for new shares pro rata to the number of shares hold on the record date. One (1) subscription right will be obtained for each share held on the record date. The subscription rights entitle the holder to subscribe for new shares through pre-emption rights, whereupon five (5) subscription rights carry an entitlement to subscribe for seven (7) new shares. The subscription price is SEK 7.75 per share. No commission is payable. *Anticipated timetable* The record date at Euroclear Sweden AB for determination of which shareholders are entitled to receive subscription rights is 16 April 2021. The final day for trading in the Company's shares including the right to receive subscription rights is 14 April 2021. Subscription for new shares pursuant to subscription rights shall take place through simultaneous cash payment during the period commencing 21 April 2021 up to and including 7 May 2021. Subscription for new shares may also take place without subscription rights. Such subscription shall take place within the same period of time as applicable to subscription with subscription rights, whereupon payment shall be made in accordance with instructions received in connection with notice of allotment. Trading in subscription rights will take place on Nasdaq First North Growth Market during the period commencing 21 April 2021 up to and including 4 May 2021. In order not to lose the value of the subscription rights, the holder must either exercise them to subscribe for new shares within the subscription period or sell the subscription rights that are not used within the period for trading in subscription rights. The board of directors retains the right to extend the subscription period and payment period. Any extension will be published by the Company through a press release not later than the final day of the subscription period. Trading in paid subscription shares (Sw. *betalda tecknade aktier*, "**BTA**") will take place on Nasdaq First North Growth Market during the period commencing 21 April 2021 up to and including the conversion of BTAs to shares, which is expected to take place during week 21 2021. *Dilution as a consequence of the Offer* In the event of full subscription, the Rights Issue will result in the number of shares in the Company increasing from 22,166,460 shares to 53,199,504 shares, corresponding to a dilution of approximately 58.3 percent of the total number of shares and voting rights in the Company. If the board of directors resolved on a possible Over-allotment Issue (see definition below) constituting an expansion of the Rights Issue, shareholders will agree to a further dilution effect corresponding to not more than approximately 6.8 percent, resulting in the number of shares in the Company increasing at most from 22,166,460 to 57,074,504 shares. *Costs* The Company's costs in connection with the Rights Issue are estimated at approximately SEK 25 million and primarily comprise costs for guarantee commitments as well as compensation to financial and legal advisors in connection with the Rights Issue.

Reason for the Rights Issue and use of issuance proceeds	*Income and expenses regarding the Rights Issue* Upon full subscription in the Rights Issue, the Company will raise approximately SEK 240 million before transaction costs, which are estimated at approximately SEK 25 million. *Reasons and use of the issuance proceeds* The Company believes that the existing working capital as per the date of the Prospectus is not sufficient for the Company's needs during the coming twelve-month period. On 31 March 2021, the Company's cash and cash equivalents amounted to approximately SEK 25.9 million. The Company believes that there will be a working capital deficit in June 2021 and the deficit for the coming twelve-month period, taking into account the prevailing uncertainty related to covid-19, is estimated to approximately SEK 150 million. In this regard, the working capital need refers to the Company's ability to have access to cash and cash equivalents to perform its payment obligations as they fall due. For this reason, OssDsign's board of directors resolved on 2 March 2021 to raise capital through an impending new issue of shares with pre-emption rights for the Company's existing shareholders of approximately SEK 240 million before transaction costs (the "**Rights Issue**"), which was approved by the extraordinary general meeting of the Company on 9 April 2021. In addition, the board of directors may resolve on an over-allotment issue in the form of a directed share issue of approximately SEK 30 million constituting an expansion of the Rights Issue (the "**Over-allotment Issue**"). The reasons for the resolution regarding the Over-allotment Issue and the deviation from the shareholders' pre-emption rights are to meet a higher demand than initially estimated and to broaden the ownership base with strategic investors in the event of oversubscription in the Rights Issue. The subscription price in the Over-allotment Issue will be the same as in the Rights Issue. The Rights Issue is expected to provide approximately SEK 240 million for OssDsign before transaction costs. The transaction costs are estimated at approximately SEK 25 million and primarily comprise costs for guarantee commitments as well as compensation to financial and legal advisors in connection with the Rights Issue. The Company intends to use the anticipated net proceeds of approximately SEK 215 million for the following purposes in the stated order of priority. i. approximately 20 per cent of the net proceeds are intended to be used for the two last cash instalments for the Sirakoss acquisition[2]; ii. approximately 35 per cent of the net proceeds are intended to be used for the commercialisation of bone graft business developed by Sirakoss as well as expansion of the Company's marketing and sales activities by increased surgeon commitment and additional activities with key opinion leaders ("**KOL**") and expansion of the sales function; iii. approximately 25 per cent of the net proceeds are intended to be used for pre-clinical and clinical trials, clinical registries for CMF and bone graft in the US as well as regulatory approvals; iv. approximately 15 per cent of the net proceeds are intended to be used for optimizing the production process, reducing COGS and delivery time as well as expansion of the portfolio to new indications and products; and v. approximately 5 per cent of the net proceeds are intended to be used for general corporate purposes. The proceeds will significantly strengthen the Company's financial position and facilitate planned growth measures. The above purposes for which the proceeds will be used are based on an assumption that the Rights Issue will be fully subscribed. In the event the Rights Issue is not fully subscribed, the Company may need to revise the percentage allocation and order of priority of the above-stated use areas. If the Over-allotment Issue constituting an expansion of the Rights Issue is utilised in its entirety, the Company receives additional proceeds of approximately SEK 30 million, before transaction costs of approximately SEK 2 million. The potential proceeds from the Over-allotment Issue are intended to be used to further strengthen the items in ii-v above. If, notwithstanding issued subscription commitments and entered guarantee commitments, subscriptions in the Rights Issue do not take place to a sufficient extent, the Company may be forced to seek alternative financing in the form of loan financing or raising additional capital, alternatively to make cost reductions or be forced to conduct the operation at a decreased rate lower than calculated, until additional capital can be raised. It is not certain that the Company will succeed in securing alternative financing or that cost reductions will have the desired effect. There is a risk that lack of financing or unsuccessful measures will result in the Company being placed into reorganisation or bankruptcy. *Subscription commitments and guarantee commitments* The Rights Issue is covered by approximately SEK 119.3 million of subscription commitments, corresponding to approximately 49.6 per cent of the issue. In addition, the Rights Issue is covered by guarantee commitments of approximately SEK 121.2 million, corresponding to approximately 50.4 per cent of the issue. The Rights Issue is thus covered in its entirety by subscription commitments and guarantee commitments. The subscription and guarantee commitments are not secured through bank guarantees, restricted funds, pledged assets or similar arrangements. *Conflicts of interest* ABG Sundal Collier is financial adviser to the Company in connection with the Rights Issue. Setterwalls Advokatbyrå is legal adviser to the Company in connection with the Rights Issue. DNB is issuing agent in connection with the Rights Issue. ABG Sundal Collier and DNB receive compensation agreed upon in advance for services performed in connection with the Rights Issue. Setterwalls Advokatbyrå receives compensation for performed services on an ongoing account. Apart from the above, there are not deemed to be any economic or other interests or conflicts of interest between the parties which, in accordance with the above, have financial or other interests in the Rights Issue.

[2] USD 3 million to be paid on 30 June 2021 and USD 3 million to be paid on 31 December 2021.

RESPONSIBLE PERSONS, THIRD-PARTY INFORMATION AND APPROVALS

RESPONSIBLE PERSONS

The board of directors of OssDsign is responsible for the content of the Prospectus. As far as the board of directors is aware, the information provided in the Prospectus corresponds to the facts and no information has been omitted which is likely to affect its meaning. As of the date of the Prospectus, the Company's board of directors consists of the chairman of the board of directors Simon Cartmell as well as the board members Newton Aguiar, Viktor Drvota, Håkan Engqvist and Anders Qvarnström, who are presented in more detail in the section "*Board of directors and senior executives*".

APPROVAL BY THE COMPETENT AUTHORITY

The Prospectus has been approved by the Swedish Financial Supervisory Authority, which is the competent authority pursuant to Regulation (EU) 2017/1129 (the Prospectus Regulation). The Swedish Financial Supervisory Authority approves the Prospectus only in so far as it meets the requirements of completeness, comprehensibility and consistency as stated in the Prospectus Regulation. The approval should not be taken as any form of endorsement for the issuer or the quality of the securities referred to in the Prospectus. Investors should make independent assessments of whether it is appropriate to invest in the securities offered in the Rights Issue. The Prospectus has been prepared as an EU growth prospectus in accordance with Article 15 of the Prospectus Regulation.

NFORMATION FROM THIRD PARTIES

This Prospectus contains information from third parties. The Company has reproduced third party information correctly and, as far as the Company's board of directors knows and can ascertain from information published by third parties, no facts have been omitted which render the reproduced information incorrect or misleading.

LIST OF SOURCES

- Report: MarketsandMarkets. "*Global CMF market*". 2019.
- Report: MarketandMarkets. "*Patient Specific Cranial/Neuro Implants Markets (2016)*". 2016.
- Report: Market Insights Global. "*Bone Graft Substitutes*". 2019.
- Report: Orthoworld. "*The Orthopaedic Industry Annual Report*". 2020.
- Report: United Nations. "*Revision of World Population Prospects*". 2019.
- Article: Transparency Market Research. "*Cranial Implants Market (Product – Customized Cranial Implants, Non-customized Implants, Material – Polymer, Ceramic, Metal; End user – Hospitals, Specialty Neurosurgery Centers) – Global Industry Analysis, Size, Share, Growth, Trends, and Forecast 2018-2026*". 2019.
- Database: National Health Service UK (NHS). NHS Digital Services www.digital.nhs.uk, "*Hospital Episode Statistics*".
- Database: German Federal Statistical Office and Robert Koch Institute www.gbe-bund.de, "*Information System for Federal Health Monitoring in Germany*".

BACKGROUND AND RATIONALE

REASONS FOR THE RIGHTS ISSUE

OssDsign has developed a calcium phosphate material which, when implanted in a patient's body, gradually transforms into bone during the healing process. Based on this bio-ceramic material the Company has developed patient-specific cranial and facial implants and an off-the-shelf product for burr hole closure and bone-flap fixation. Peer-reviewed clinical data as well as extensive post-market follow-up clinical data have shown low rates of complications when the Company's products are used for cranial reconstructions of varying complexity.[3] OssDsign has since its inception in 2011 been granted regulatory approvals in the EU, US and Japan and is successfully established in Europe and the US.

OssDsign continues to see significant potential for establishing the Company's patient-specific implant and off-the-shelf products as standard treatments for skull defects, at the same time as new applications of the existing technology platform is under development. In November 2020, OssDsign expanded into the orthobiologics and bone graft substitute market through the acquisition of Sirakoss Ltd ("**Sirakoss**"), a company that has developed a nanosynthetic bone graft substitute designed to provide surgeons an easy-to-use and effective solution for treating skeletal defects in connection with, among others, spinal surgery. OssDsign considers that the acquisition of Sirakoss is an important step towards the Company's vision of becoming a broader orthopaedic player and world leader within regenerative bone repair.

OssDsign has successfully completed market establishments and noticed a considerable interest in the Company's implants, resulting in a high sales growth during the past years. The Company is now ready to enter into a more expansive phase with a number of investments and initiatives waiting to reach a positive cash flow and net sales growth. The new strategy, ASCENT25, is intended to accelerate growth, value creation and innovation of the Company until 2025. The investments and initiatives are mainly within five strategic priorities: *win in the US* by, amongst others, increased surgeon engagement as well as additional KOL activities and expanding sales coverage; *build orthobiologics business* by successfully commercializing the synthetic bone graft substitute added to the portfolio through the acquisition of Sirakoss; *innovate portfolio* by leveraging the existing technology platforms to accelerate new product development; show *clinical superiority* by investing in preclinical- and clinical studies as well as clinical registries; *drive operational efficiency* by implementing initiatives to deliver scale benefits and cost reductions.

The Company believes that the existing working capital as per the date of the Prospectus is not sufficient for the Company's needs during the coming twelve-month period. On 31 March 2021, the Company's cash and cash equivalents amounted to approximately SEK 25.9 million. The Company believes that there will be a working capital deficit in June 2021 and the deficit for the coming twelve-month period, taking into account the prevailing uncertainty related to covid-19, is estimated to approximately SEK 150 million.

For this reason, OssDsign's board of directors resolved on 2 March 2021 to raise capital through an impending new issue of shares with pre-emption rights for the Company's existing shareholders of approximately SEK 240 million before transaction costs (the "**Rights Issue**"), which was approved by the extraordinary general meeting of the Company on 9 April 2021. In addition, the board of directors may resolve on an over-allotment issue in the form of a directed share issue of approximately SEK 30 million constituting an expansion of the Rights Issue (the "**Over-allotment Issue**"). The reasons for the resolution regarding the Over-allotment Issue and the deviation from the shareholders' pre-emption rights are to meet a higher demand than initially estimated and to broaden the ownership base with strategic investors in the event of oversubscription in the Rights Issue. The subscription price in the Over-allotment Issue will be the same as in the Rights Issue.

USE OF PROCEEDS

The Rights Issue is expected to provide approximately SEK 240 million for OssDsign before transaction costs. The transaction costs are estimated at approximately SEK 25 million and primarily comprise costs for guarantee commitments as well as compensation to financial and legal advisors in connection with the Rights Issue. The Company intends to use the anticipated net proceeds of approximately SEK 215 million for the following purposes in the stated order of priority.

i. approximately 20 per cent of the net proceeds are intended to be used for the two last cash instalments for the Sirakoss acquisition[4];
ii. approximately 35 per cent of the net proceeds are intended to be used for the commercialisation of bone graft business developed by Sirakoss as well as expansion of the Company's marketing and sales activities by increased surgeon commitment and additional activities with key opinion leaders ("**KOL**") and expansion of the sales function;

[3] On 20 January 2021, the Company published new clinical data from 1,055 cranial plastics with OssDsign Cranial PSI, which continued to shown low rates of complications.
[4] USD 3 million to be paid on 30 June 2021 and USD 3 million to be paid on 31 December 2021.

iii. approximately 25 per cent of the net proceeds are intended to be used for pre-clinical and clinical trials, registries for CMF and bone graft in the US as well as regulatory approvals;
iv. approximately 15 per cent of the net proceeds are intended to be used for optimizing the production process, reducing COGS and delivery time as well as expansion of the portfolio to new indications and products; and
v. approximately 5 per cent of the net proceeds are intended to be used for general corporate purposes.

The proceeds will significantly strengthen the Company's financial position and facilitate planned growth measures. The above purposes for which the proceeds will be used are based on an assumption that the Rights Issue will be fully subscribed. In the event the Rights Issue is not fully subscribed, the Company may need to revise the percentage allocation and order of priority of the above-stated use areas.

If the Over-allotment Issue constituting an expansion of the Rights Issue is utilised in its entirety, the Company receives additional proceeds of approximately SEK 30 million, before transaction costs of approximately SEK 2 million. The potential proceeds from the Over-allotment Issue are intended to be used to further strengthen the items in ii-v above.

ADVISERS

ABG Sundal Collier is financial adviser to the Company in connection with the Rights Issue. Setterwalls Advokatbyrå is legal adviser to the Company in connection with the Rights Issue. DNB is issuing agent in connection with the Rights Issue.

CONFLICTS OF INTEREST

ABG Sundal Collier and DNB receive compensation agreed upon in advance for services performed in connection with the Rights Issue. Setterwalls Advokatbyrå receives compensation for performed services on an ongoing account.

Subscription commitments have been entered into in connection with the Rights Issue totalling SEK 119.3 million, corresponding to approximately 49.6 per cent of the Rights Issue. No compensation is payable in respect of these commitments. In addition, existing shareholders and external investors have entered into guarantee commitments in connection with the Rights Issue, totalling SEK 121.2 million, corresponding to 50.4 per cent of the Rights Issue.

Apart from the above, there are not deemed to be any economic or other interests or conflicts of interest between the parties which, in accordance with the above, have financial or other interests in the Rights Issue.

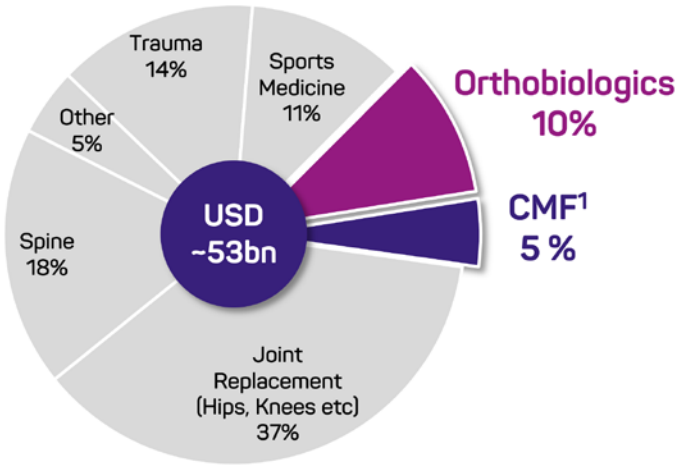
MARKET OVERVIEW

Presented below is a general description of the markets on which OssDsign operates. Certain information has been obtained from external sources and OssDsign has correctly reproduced such information in the Prospectus. Although OssDsign believes these sources to be reliable, no independent verification has been made and thus the correctness or completeness of the information cannot be guaranteed. However, as far as OssDsign is aware and is able to ensure through comparison with other information published by the third party from which the information is derived, no information has been omitted in a manner which might render the reproduced information incorrect or misleading.

INTRODUCTION

OssDsign manufactures patient-specific implants for healing and treatment of cranial defects and face reconstruction. Implants are based on a patented bioceramic material which, during the healing process, is converted into bone tissue. By casting a 3D-printed titanium structure in a bioactive calcium phosphate composition, a mechanically stable implant is also achieved. In November 2020, OssDsign acquired the privately held Scottish company Sirakoss, which specialises in bone graft substitutes. The acquisition broadens OssDsign's product portfolio with a newly developed 510(k)-cleared synthetic bone graft for use within orthopaedic surgery.

The Company currently has four production lines: OssDsign Cranial for cranial implants, OssDsign Facial for facial implants, OssDsign CranioPlug for repairing burr holes in craniums, i.e. holes that are drilled in the cranium to allow surgical access to the brain, and synthetic bone graft for use in orthopaedic surgery within the orthobiologics segment. All product lines relating to the orthopaedics market can be divided into a number of segments as shown in the diagram below. The most recently added product line, synthetic bone grafts, is included in the orthobiologics segment, while the three other product lines are included in the craniomaxillofacial ("CMF") segment.[5]



[5] The Orthopaedic Industry Annual Report 2020.

MACROECONOMIC TRENDS

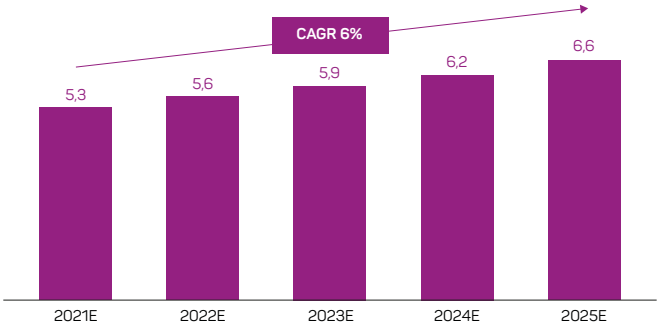
The orthopaedics market is expected to be positively affected by prevailing global macroeconomic trends, particularly as a consequence of the increased growth of an ageing population. People aged over 65 years currently constitute approximately 9 per cent of the global population, but is expected to be doubled by 2050, at the same time as the average lifespan is expected to increase during the same period from 73 years to 77 years.[6] These trends are expected to increase the demand for orthopaedic interventions since a growing older population tends to correlate with more degenerative diseases.

MARKET GROWTH FOR THE GLOBAL ORTHOPAEDICS MARKET

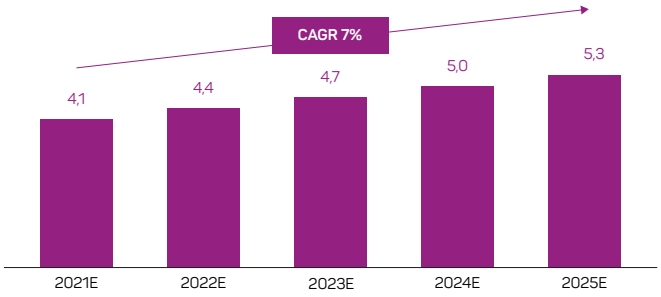
The global market for medical technological products related to orthopaedics was valued at more than USD 53 billion in 2019.[7] Covid-19 has impeded growth on the global ortho-paedics market since healthcare has been required to de-prioritise elective surgical intervention in order to devote resources in full to the pandemic. Growth on the orthopaedics market is expected to recover as healthcare priorities return to what is more normal in the long term due to geographic factors in the form of a growing population and a higher average lifespan.[8]

ORTHOBIOLOGICS

The two segments, orthobiologics and CMF, constitute an estimated 10 and 5 per cent respectively of the total orthopaedics market, with the value of the orthobiologics segment being estimated at USD 5.3 billion in 2019. The global orthobiologics market is expected to increase at an annual average rate of growth ("CAGR") of 6 per cent between 2021 and 2025, and amount to USD 6.6 billion in 2025.[9]

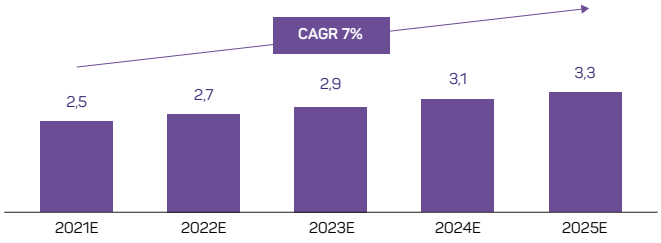


OssDsign offers synthetic bone grafts for spine surgery, which account for approximately 64 per cent of the total market for bone graft substitutes, which is a part of the orthobiologics segment. The market for bone graft substitutes is expected to grow at a CAGR of 7 per cent between 2021 and 2025, and amount to USD 5.3 billion in 2025. The growth is considered to primarily be driven by an increased average lifespan, increased obesity rates, physically active older individuals and rising acceptance of orthopaedic biomaterials among patients and physicians.[10]



CMF

The global market for products related to CMF is expected to grow at a CAGR of 7 per cent between 2021 and 2025 and to reach USD 3.3 billion in 2025. It is considered that the CMF growth will primarily be driven by an increased incidence of facial injuries and congenital defects, increased demand for cosmetic changes to the face, as well as technological developments.[11] OssDsign estimated that the global CMF market was worth USD 2.5 billion in 2019.[12]



[6] United Nations: 2019 Revision of World Population Prospects.
[7] The Orthopaedic Industry Annual Report 2020.
[8] The Orthopaedic Industry Annual Report 2020.
[9] The Orthopaedic Industry Annual Report 2020 (CAGR between 2021 and 2022 has been used to forecast the development from 2023 to 2025).
[10] Bone Graft Substitutes, Market Insights Global 2019. Decision Resources Group.
[11] MarketsandMarkets global CMF market, 2019 (CAGR between 2016 and 2021 is used to forecast the trend from 2022 to 2025).
[12] The Orthopaedic Industry Annual Report 2020.

OSSDSIGN'S ADDRESSABLE MARKET

CRANIAL IMPLANTS AND SYNTHETIC BONE GRAFTS

In order to allow for a more detailed assessment of the size on the addressable market, OssDsign has made an assessment based on available information regarding cranial and face implants on certain markets and then extrapolated these figures for more markets.

Volumes of patient-specific cranial implants (Cranial) burr hole closures (CranioPlug) are based on documented surgery and competitors' implant sales on the main markets, namely the US, UK and Germany. The prevalence has then been extrapolated on other markets in order to calculate total potential volume. For patient-specific cranial implants, a prevalence of between 0.02 and 0.03 per 1,000 inhabitants has been used. For burr hole closures, a prevalence of approximately 0.97 per 1,000 inhabitants has been used. Estimates of the market for facial implants have been based on published information regarding the prevalence of congenital diseases and information from interviews with surgeons specialising in facial reconstruction regarding the number of annual interventions relating to trauma and tumours. The market size per application area has thereafter been calculated applying OssDsign's calculated sales price per implant on each market for Cranial, CranioPlug and Facial. Available data on which estimates below are based is derived from Market&Market's report entitled "Patient Specific Cranial/Neuro Implants Markets (2016)", the UK National Health Service (NHS) database "Hospital Episode Statistics" and from the German database "Information System for Federal Health Monitoring".

OssDsign estimates the total global market value for cranial implants at approximately 25,000 implants per year. Corresponding figures for facial implants and burr hole closures are estimated at 35,000 and 930,000 respectively per year. Since burr hole closures are used in minor operations or reconstructive surgery at the same time as it is common for two burr hole closures to be used per intervention, the potential volume is greater than for cranial and face implants. The sales price for OssDsign CranioPlug is, however, lower than for OssDsign Cranial and OssDsign Facial. OssDsign's market estimates indicate an annual market value on the markets for OssDsign Cranial and OssDsign Facial at around USD 200 million each, while the market for OssDsign CranioPlug is estimated at USD 165 million. The US is estimated to be the largest single market for the three product areas in terms of amount and accounts for approximately 44 per cent of the market for cranial implants and approximately 34 per cent of the market for facial implants as well as burr hole closures.

The market for orthobiological products includes a number of different types of products that are used with the aim of improving healing of bones, sinew, ligaments and other structural tissues. The orthobiological products include bone graft substitutes, also referred to as synthetic bone grafts, that are used with or without autological (the body's own) bones to heal or replace damaged bone. Bone graft substitutes are used within a number of surgical disciplines and in many parts of the body. OssDsign has chosen, in an initial stage, to focus on the part of the bone graft substitute market comprising spine surgery, so-called fusion operations. This is the largest segment for bone graft substitutes and is estimated to have a market value of USD 2.6 billion in 2021.[13] Within this segment, the active surgeons are those whom OssDsign currently cultivates with its cranial implants, and there are thus important synergies that can be used to rapidly reach out to customers and begin building sales.

OSSDSIGN'S TOTAL ADDRESSABLE MARKET

The market for facial and cranial implants within the OECD region is estimated to be worth approximately USD 1,800 million. This estimate also includes products such as plates, screws, bone cement and other accessories. According to OssDsign's estimate, the addressable OECD market for the Company's products within facial and cranial implants is worth approximately USD 565 million.

The US is expected to be the most important single market for OssDsign in the coming years due to high volumes and price levels. OssDsign's total global addressable market has been estimated at USD 3.2 billion, of which USD 2.6 billion is attributable to synthetic bone grafts and the remaining USD 0.6 billion to cranial and facial implants.

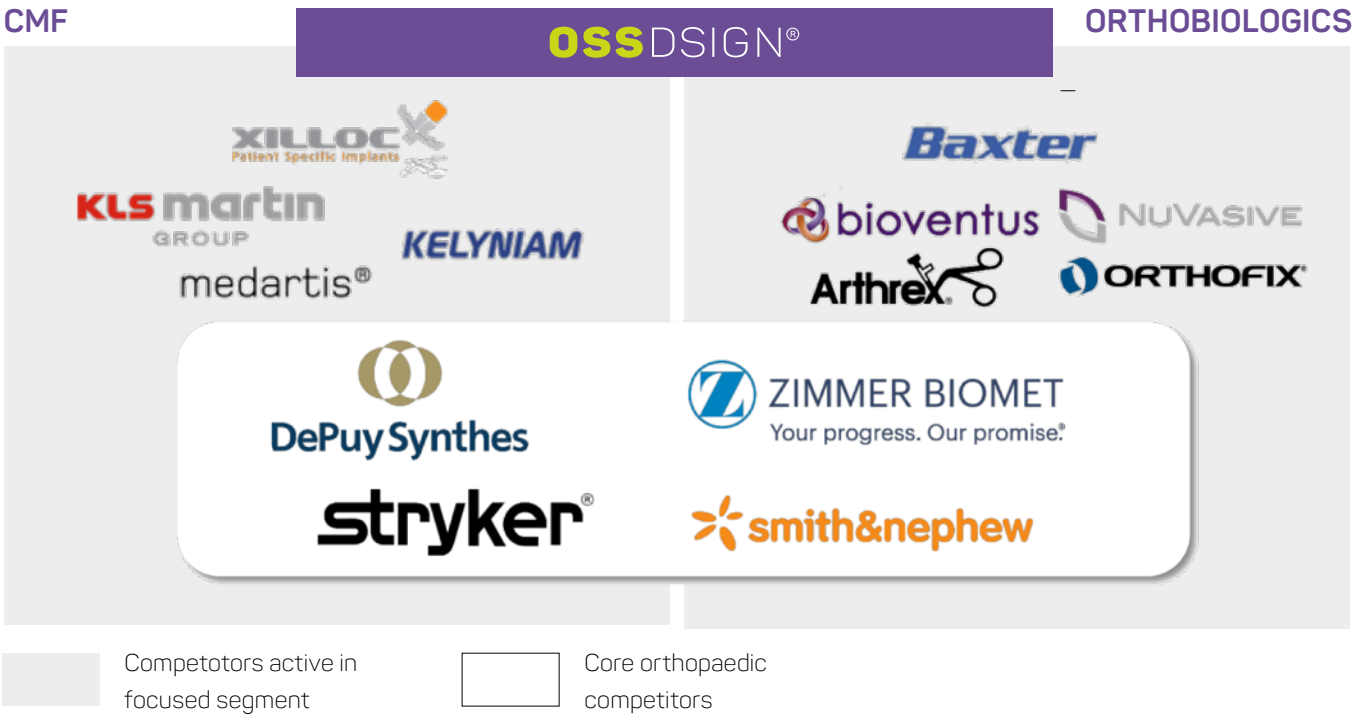
[13] Bone Graft Substitutes, Market Insights Global 2019. Decision Resources Group.

COMPETITION LANDSCAPE

OssDsign believes that the market for cranial and facial implants is dominated by a small number of large medical technology companies that include Stryker, Zimmer, Biomet and DePuy Synthes. In addition, there are a number of smaller companies with a higher degree of specialisation within CMF.

In contrast to the market for cranial and facial implants, the orthobiologics market comprises a number of medium-size companies. The five largest companies account for 39 per cent of the total market and include Medtronic, Arthex, DePuy Synthes, MTF Biologics and Sanofi.[14]

OssDsign's estimate of competitors active on the addressable market for cranial and facial implants and orthobiologics.



The Company believes that the successful smaller companies with innovative or differentiated technologies tend to be bought up by the larger companies in the industry, as is the case in many other sectors within medical technology products.

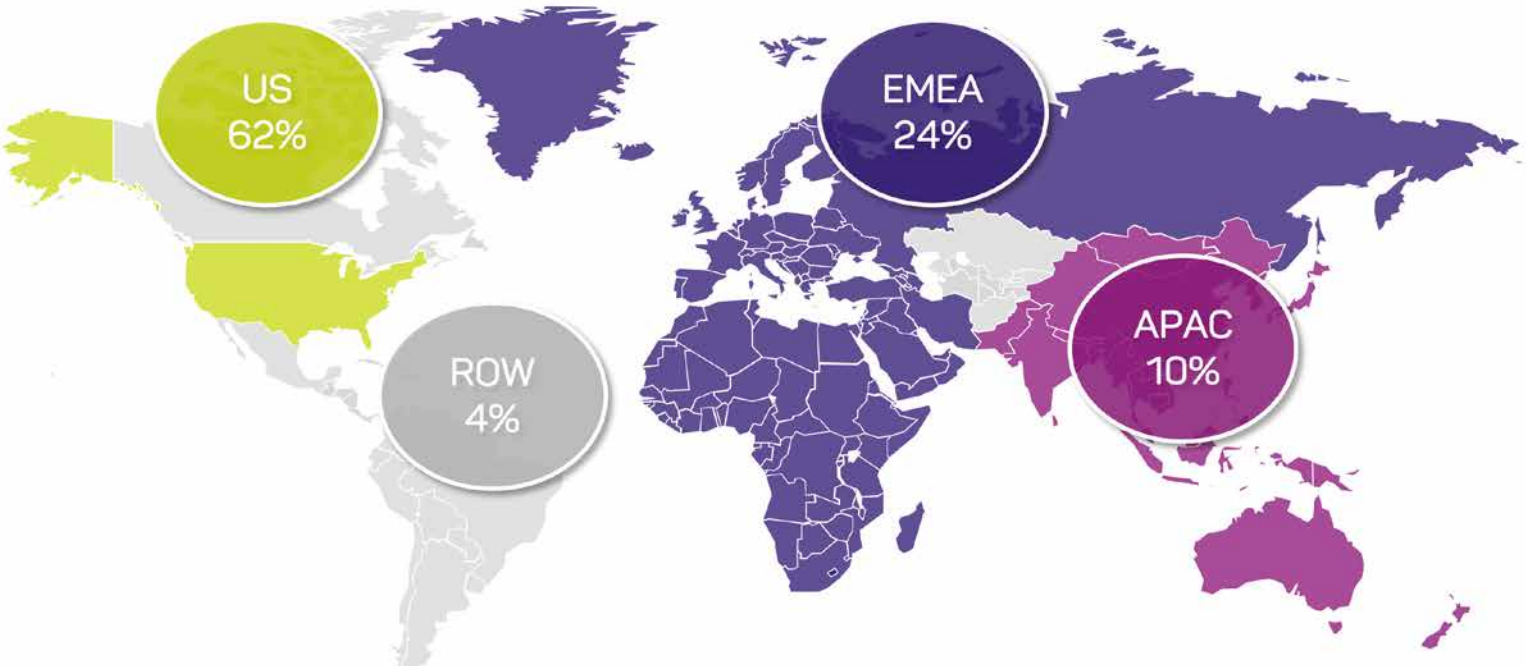
[14] The Orthopaedic Industry Annual Report 2020.

MARKET TRENDS

The US is expected to continue to account for a large share of the cranial implant market. The market in the US is being driven primarily by an increase in the percentage of the elderly, a growing population with a high occurrence of trauma, injuries, traffic accidents and brain tumours, in combination with an increasing acceptance of technologically advanced cranial implants. In addition, the awareness among the population is expected to increase, as well as the number of companies and available products with an increased focus on research and development within the area. The market in Asia is expected to experience strong value growth due to an increasing portion of the elderly, state initiatives to improve infrastructure and the quality of the healthcare, as well as increased research and development in the area.[15]

Similarly to the market for cranial implants, the global market for bone graft substitutes is expected to continue to be dominated by the US. This world leading position is expected to be maintained due to a positive reception of premium products within the bone graft substitute segment. These products are expected to gain more rapid acceptance on the US market compared with other parts of the world, since many of the products are approved and used in the US. The markets in Asia and South America are expected to undergo strong volume growth, driven in part by favourable demographics and a steady economic development. The market conditions are particularly strong in China and India, linked to increased lifespan and a growing middle class which, to an ever increasing extent, is demanding orthopaedic services that require bone graft substitutes.[16]

The diagram below illustrates the global spread of the global orthopaedics market, where the US has a dominant position corresponding to 62 per cent of the total global market.[17]



[15] Transparency Market Research, Cranial Implants Market (Product – Customized Cranial Implants, Non-customized Implants, Material – Polymer, Ceramic, Metal; End user – Hospitals, Specialty Neurosurgery Centers) – Global Industry Analysis, Size, Share, Growth, Trends, and Forecast 2018-2026, 2019.
[16] Bone Graft Substitutes, Market Insights Global 2019. Decision Resources Group.
[17] The Orthopaedic Industry Annual Report 2020.

BUSINESS DESCRIPTION

OVERVIEW

OssDsign designs and markets implants for improved healing and treatment of bone defects. The basic feature in the Company is a patented bioceramic material which, during the healing process, is converted into bone tissue. OssDsign designs, manufactures and sells patient-specific and mass produced implants for treatment of injuries and defects in the cranium and face, as well as bone graft substitutes for use within orthopaedic surgery through the acquisition of Sirakoss.

OssDsign was founded in 2011 and today the Group has in total approximately 50 employees, most of whom work at the head office in Uppsala, but there is also local presence of sales personnel in the US, Germany and the UK. The Company holds regulatory approvals for the marketing of its products in the EU, US and Japan, and is currently in an expansion phase in which more than 1,000 operations have been carried out using OssDsign's Cranial PSI implants.

CMF implants (craniomaxillofacial)

The basic feature of OssDsign is the Company's bioceramic material which, over time, is converted into natural bone. The material comprises different variants of calcium phosphates which, in certain concentrations, provide a material which, when implanted in the body, is slowly broken down and replaced by natural bone. The bone conversion effect has been demonstrated among both patients and in preclinical trials carried out by the Company. In trials, the Company has shown that the bioceramic has bone-inductive qualities, i.e. it is converted to natural bone even if the material is not adjacent to existing bone. Ceramic material is fragile in nature and is not normally suitable for major implants that are subject to physical and mechanical strains. OssDsign has developed a method for strengthening the ceramic material with titanium structure, with the consequence that implants can be manufactured and applied also in mechanically stressful situations, such as when replacing large parts of a cranium. Since these reinforced structures can also be manufactured with additive production methods such as 3D-printing, it becomes possible for OssDsign to design and manufacture implants that are unique for each patient's specific skeletal defects.

Orthobiologics

In November 2020, OssDsign acquired the privately owned Scottish company Sirakoss, which specialises in orthobiologics. The acquisition increased OssDsign's product portfolio with a 510(k)-cleared newly developed synthetic bone graft for use within orthopaedic surgery. The product has been developed to provide surgeons with an easy to use but advanced solution for treating skeletal defects in the case of, for example, spine or trauma surgery. Sirakoss has prepared a commercial launch since the product obtained FDA clearance in June 2020. Sales of the product are planned to begin during the second half of 2021.

VISION

OssDsign is driven by a commitment to give patients back the lives they deserve.

OssDsign collaborate with surgeons to engineer better healing by integrating biomaterials with clinical design.

OssDsign's vision is to provide regenerative solutions to all patients with cranial or spinal bone defects, so they can be restored and healed as naturally as possible.

STRATEGY

Going forward, the Company will drive sales within two segments of the orthopaedics market: CMF and orthobiologics. The Company also has a strategy to enter the spine surgery market in 2023.

The Company's strategy **ASCENT25** is intended to accelerate growth, value creation and innovation until 2025. The investments and initiatives are mainly within five strategic priorities: *win in the US, build orthobiologics business, innovate portfolio,* show *clinical superiority* and *drive operational efficiency.*

Win in the US

The Company aims to win in the US by, amongst others, increased surgeon engagement as well as additional KOL activities and expanding sales coverage.

Build orthobiologics business
The Company aims to build orthobiologics business by successfully commercializing the synthetic bone graft substitute added to the portfolio through the acquisition of Sirakoss.

Innovate portfolio
The Company aims to have a continued innovation of the portfolio by leveraging the existing technology platforms to accelerate new product development.

Clinical superiority
The Company aims to show clinical superiority by investing in preclinical- and clinical studies as well as clinical registries.

Drive operational efficiency
The Company aims to drive operational efficiency by implementing initiatives to deliver scale benefits and cost reductions.

RE-EVALUATION OF PRODUCT SEGMENT OUTSIDE THE CORE BUSINESS

OssDsign will focus on orthopaedic market segments and portfolio offerings where the Company can leverage commercial and technology synergies. As part of the focused strategy, OssDsign will therefore re-evaluate its non-core offerings, including the facial reconstructive implants and granules for oral surgery and dental applications.

BUSINESS MODEL

OssDsign's business model includes own design and manufacture of implants, from production at the Company's own facilities to delivery of finished product to the end customer. The price for a cranial implant varies depending on complexity and size and also the price level in the respective market. In addition to market factors and implant size, the net margin and operating margin for OssDsign's products depend on whether the Company sells in-house or through distributors, since in the latter case a distributor discount is paid on market terms.

OssDsign anticipates revenues from bone graft substitutes during the second half of 2021 after completion of approval proceedings at American hospitals where OssDsign is already established with its existing implants for cranial reconstruction. Over time, bone graft substitutes are expected to account for a significant portion of the Company's sales.

FINANCIAL AMBITIONS

Ambition	Description
Net sales in 2025 SEK 300-400 million	The Company's ambition is to achieve a net sales between SEK 300-400 million in 2025.
Cash flow from operating activities in 2024 Positive	The Company's ambition is to provide a positive cash flow from operating activities after working capital needs and investments in 2024.

The above financial ambitions constitute forward-looking information. Forward-looking information does not constitute a guarantee for future results or development and actual outcome can differ significantly from what is expressed in forward-looking information. See also the section *"Important information – Market information and forward-looking statements"*.

TECHNOLOGY

Traditional methods for surgical reconstruction of cranial and facial defects have mainly involved two different treatment alternatives: *bone tissue from the patient* and *plastic or metal-based implants. Bone tissue from the patient* is often used when the surgeon has removed a bone in an earlier operation. The bone is then often frozen-preserved for a long period of time, and operating involving the insertion of dead bone tissue increases the risk of resorption and infection. It is common that the patient will have to undergo a re-operation, potentially with a patient-specific implant. *Plastic or metal-based implants* are conventional synthetic implants made of inert materials and traditionally used as an alternative to the patient's own bone. These implants are often associated with complications such as infection, skin degeneration and protrusion, which in many cases requires the operation to be done again.

In order to solve the serious problems associated with the use of the patient's own bone or conventional synthetic implants in cranial surgery or face reconstruction, OssDsign has developed an entirely new bioceramic material which, over time, allows for regrowth of the patient's own bone. The material comprises different variants of calcium phosphate which, in certain concentrations, give rise to a material which stimulates bone formation and related characteristics. The bone conversion effect has been demonstrated both on patients and in extensive preclinical trials carried out by the Company. The bone conversion quality allows the implant to grow together in a natural manner and, over time, to be integrated with the patient's existing bone, which has not

merely aesthetic advantages but also important medical advantages. OssDsign has also produced a method for strengthening the material with a biocompatible titanium structure in order thereby to reinforce the fragile ceramic and render it manageable and possible to use in mechanically stressful contexts.

With the acquisition of Sirakoss, OssDsign is expanding from its current focus on the CMF market to the broader orthopaedics market. Sirakoss has developed a nanosynthetic bone graft for bone formation and improved bone healing. Bone transplantation is a surgical intervention, which replaces the missing bone with a transplant in order to recreate the bone. Bone is the most common transplanted tissue after blood transfusions, where the transplant is used to repair bone defects caused by an injury or illness. There are two methods for bone transplantation: biological bone transplant either from the patient personally (autograft) or a bone bank from deceased persons (allograft) and synthetic bone graft.
The synthetic bone grafts are often made of biocompatible substances, such as calcium phosphates (e.g. hydroxyapatite). OssDsign offers a synthetic bone graft based on advanced patented knowledge of nanostructures and chemistry in order to more quickly catalyse bone regeneration connected with total resorption of the substitute material.

PRODUCTS

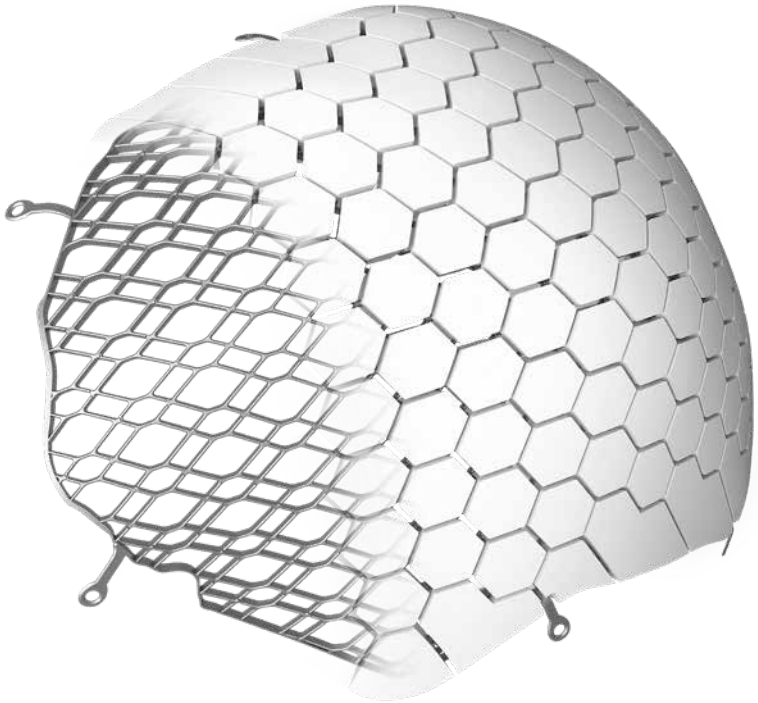
Based on its own-developed bioceramics, OssDsign provides patient-specific implants for cranial injuries or face deformities. In addition, the Company has developed burr hole closures as standardised products. In addition, OssDsign provides a bone graft substitute for bone defects. A description of each product is presented below.

OSSDSIGN CRANIAL

OssDsign Cranial are patient-specific implants for use in the case of cranial injury due to trauma, radiation treatment, cancerous tumours or strokes. The implant solution combines innovative material science with advanced 3D-printing technology and consists of a specially designed titanium structure which is cast in OssDsign's patented ceramic material. The product has been refined over many years of clinical experience in connection with neurosurgeons in Europe and the US.

The patient-specific implants are attached to the patient's existing cranium using fixing points and standardised screws. OssDsign Cranial can be used for extensive injuries where it is difficult to find a solution using traditional methods. Since the implant is designed based on the patient's injury and anatomy, the patient's natural look can be restored. In the same way as for traditional patient-specific implants made of plastic or

Perfect aesthetics regardless of complexity
based on CAD design and 3D printing



Mosaic tile design
with space between the segments transfers liquid through the implant

Stability and protection
based on 3D printed titanium net

Easy handling and fixation
with special designed adaptable fixation arms

titanium, OssDsign's implants are also designed based on patient-specific CT images. OssDsign's implants thus require no changes to the neurosurgeons' existing routines. As a supplement to the main product OssDsign Cranial, different supplementary aids have been developed which facilitate advanced surgical intervention in clinical cases where otherwise this could not have been carried out to optimal effect.

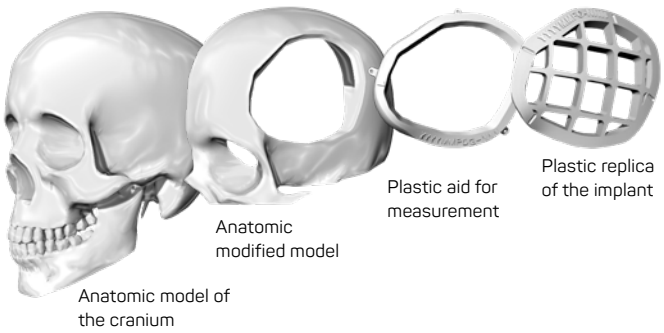
OssDsign's implants primarily comprise two layers: a strong titanium structure covered by the Company's patented bioceramic material. The underlying titanium structure create stability and protects the brain. The outer ceramic shell contributes healing and regenerative qualities. Each individual implant is manufactured with a high degree of precision based on the patient's defect and anatomical needs with the help of CAD technology and 3D-production.

Clinical validation

The clinical results of OssDsign's implants are shown by a low frequency of complications and, in addition, proven regrowth of the patient's bone tissue and blood vessels. In a follow-up with 1,055 OssDsign Cranial patients, 2 per cent of the implants had to be removed due to infection, compared with 7-15 per cent in the case of conventional cranial implants from other manufacturers. The results from the most recent update are in line with previously published data and also showed a low percentage of complications with respect to OssDsign Cranial.

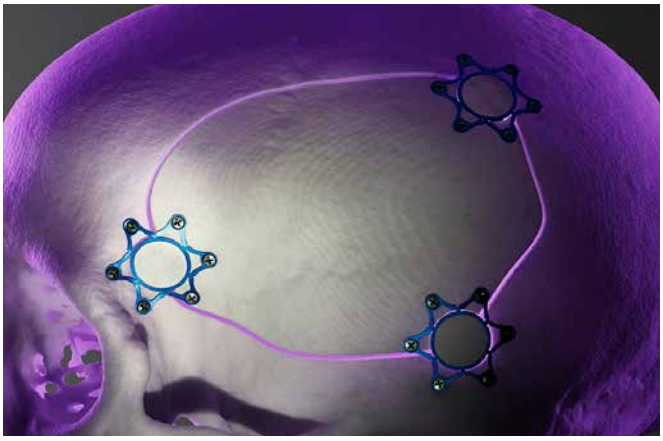
OssDsign Cranial Accessories

OssDsign Cranial Accessories comprises a number of supplementary aids that facilitate advanced surgical intervention, including a surgical operation guide and a 3D-printed plastic replica of the implant. The operation guide is produced based on CT images of the patient and is used to facilitate removal of the cranium in order to obtain a good fit with the cranial implant. The guide results in simplified and quicker surgery since it can be carried out in a single operation. The 3D-printed plastic replica of the implant is used during the operation. By measuring the plastic replica, the implant does not have to be treated before it is to be inserted by the operation, which contributes to a reduced risk of infection.



OSSDSIGN CRANIOPLUG

CranioPlug is OssDsign's first volume product that has been developed to allow for optimal repair of burr holes in the cranium and the fixing of bits of bone, so-called bone-flap fixation. In the case of most types of brain surgery, one or several holes are drilled in the cranium in certain standardised measurements. The holes are sealed with titanium structure or plugged using plastic material. OssDsign has produced plugs that are made of the Company's bioceramic with titanium fixing points for fastening. The burr hole closures have similar advantages as OssDsign Cranial, where the Company has combined the positive characteristics of a titanium structure covered by OssDsign's in-house developed ceramic material that has a documented ability over time to convert into bone. Four different versions of CranioPlug are available for burr-hole closures (11 and 14 mm) and bone-flap fixation (11 and 14 mm, six fixation arms).

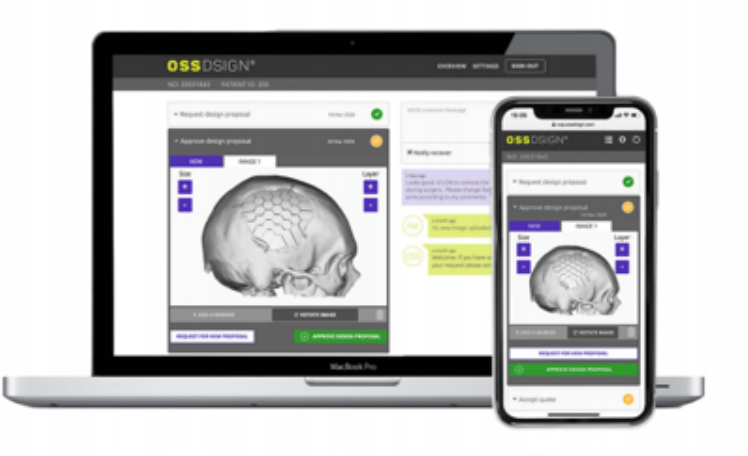


OSSDSIGN'S BONE GRAFT SUBSTITUTE

OssDsign provides a newly developed bone graft substitute. The bone graft substitute is based on a nanosynthetic material that has been developed to provide surgeons with an easily handled but advanced solution for treating skeletal defects. Material is produced by Sirakoss and is based on long-term research at the University of Aberdeen. The unique composition and the structure mean that the material demonstrates so-called osteoinductive potential in animal studies. The product has been thoroughly tested in relevant preclinical models and is approved for use by the US Food and Drug Administration, the FDA. In a standardised model for spine fusion surgery, the so-called Boden model, application of the material led to bone growth in 80 per cent of the defects after 12 weeks and in all defects after 26 weeks. These results are in line with what can be observed when testing the body's own protein bmp-2 and is significantly better than the same test with commonly occurring synthetic bone graft substitutes available on the market.

DELIVERY AND MANUFACTURE

OssDsign designs and manufactures its patient-specific implants at the Company's facility in Uppsala. In the same way as for traditional patient-specific implants made of plastic or titanium, OssDsign's implants are also based on patient-specific CT images. Based on these CT images, which are delivered to the Company through a secure web-based portal, OssDsign's experts make a CAD model of the implant. There is often a dialogue between the surgeon and the design engineers and this work can, with time, constitute a significant competitive advantage. Once the hospital has approved the design and placed a binding order, the manufacturing is begun. The titanium structure is 3D-printed by an external provider and the remaining part of production takes place in Uppsala, from which the implant is shipped to the end customer. The time from order placement to delivery is not more than four weeks. The production period rarely constitutes a challenge for the hospitals, where operations are usually planned well in advance.



CranioPlug is not a patient-specific product but rather mass produced in four different variants in larger volumes for storage at OssDsign or at the customers. The titanium structure in CranioPlug is purchased from a subcontractor, after which the biocompatible ceramic is cast over the titanium. Casting and subsequent sterilisation and packaging take place at OssDsign's facility in Uppsala.

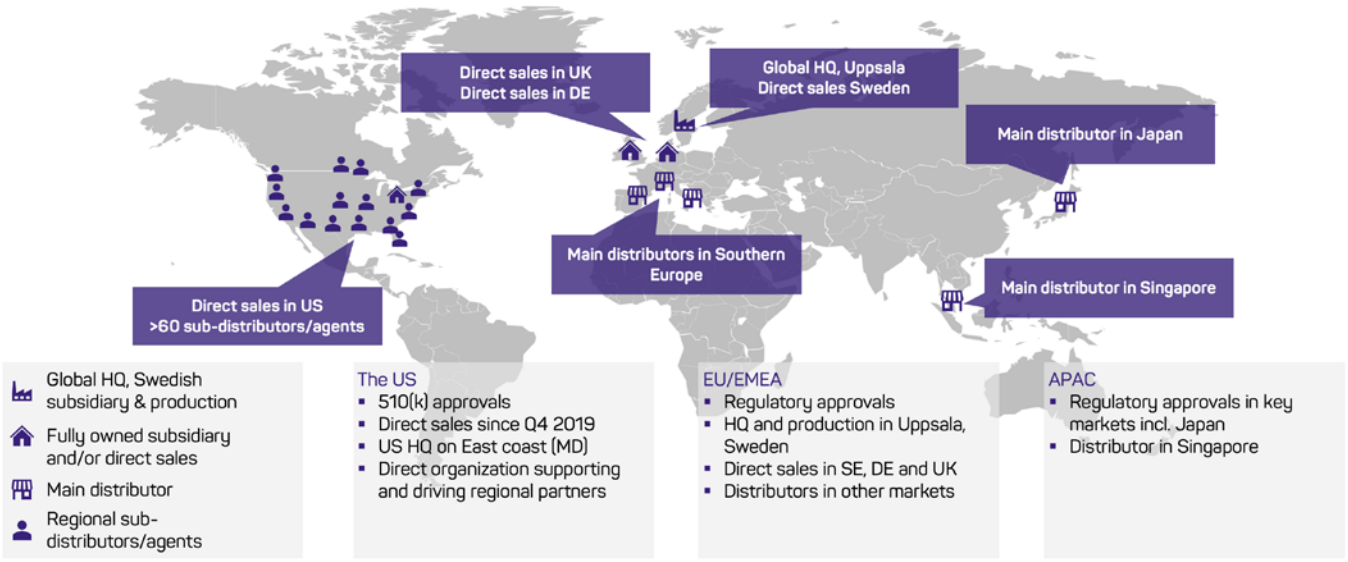
The future manufacturing of OssDsign's bone graft substitutes is currently being developed together with subcontractors and contract producers.

DISTRIBUTION, SALES AND MARKETING

At present, OssDsign products focuses on two primary customer segments. Neurosurgeons are the main target group for OssDsign Cranial and CranioPlug, whereas plastic and reconstructive surgeons as well as surgeons working on facial reconstruction comprise the main target group for OssDsign Facial. The synthetic bone graft broadens the area of use for hospitals and focuses primarily on neurosurgeons and spine surgeons.

The Company's initial focus has been on OssDsign Cranial where the target group, neurosurgeons, is well defined and where the Company may receive support of important key opinion leaders ("KOLs"). The Company cooperates with a number of leading KOLs who have carried out complicated patient cases which can constitute important clinical references. KOL cooperation also includes health economics and quality records.

OssDsign's commercial organisation covers Europe, the US and the APAC area, by direct sales or distributors. In Europe, the Company has direct sales activities in Sweden, Germany and the UK, as well as agents and/or distributors covering France, Italy and Spain. The Company also has smaller distributors in Israel, Greece and Austria. At the end of 2020, in total 103 hospitals outside the US had on some occasion ordered implants from OssDsign. Of these 103, 20 new hospitals were added in 2020. In the US, OssDsign engages in both direct sales and sales through an independent distributor network since 2019. In 2019, 24 hospitals were activated (VAC[18] approval) and eight new states were added, resulting in a total of 45 activated hospitals in the US during the end of 2019. In 2020, an additional 18 hospitals were activated in the US, after which a total of 63 activated hospitals were included. In the APAC area, Japan is a prioritised market and the Company has had a partnership with an established distributor since 2020. OssDsign also has a distributor in Singapore.



Commercial activities related to launch of the synthetic bone graft will commence during the first half of 2021 and will be promoted by OssDsign's existing commercial infrastructure in the US, including access to existing customers and opinion-leading spine surgeons and neuro surgeons. OssDsign anticipates revenues from the synthetic bone graft during the second half of 2021 following completed VAC approval processes at American hospitals.

[18] Value analysis committee.

RESEARCH AND DEVELOPMENT

Development projects are conducted to constantly improve existing products and to be able to launch products for new indications based on the Company's technology platforms.

OssDsign has several ongoing projects within research and development in order to evaluate its technical platform for other indications. Within the framework of a partnership between Uppsala University, ETH Switzerland and OssDsign, a simulation model has been developed to simplify the design of future implants. In cooperation with Surgical Science at Uppsala University, there is also an ongoing project for providing a more in-depth understanding of how the OssDsign ceramic material functions in the body. In addition, OssDsign is also participating as a partner-organisation in the European research consortium NU-SPINE through which OssDsign will have the possibility to be part of the development of new technologies and evaluate how the OssDsign technology platform could potentially be used also within spine surgery.

INTELLECTUAL PROPERTY

OssDsign and its subsidiaries are dependent on obtaining protection for their intellectual property. The Company's portfolio of intellectual property primarily comprises patents, patent applications and registered trademarks and domain names. OssDsign has extensive patent protection covering the material as well as design and formation of implants.

PATENT

Patent family	Description	Status	Market	Patent expires
FP1336 Ceramic Materials I	Basic ceramic composition including pre-mixed cements	Issued	USA	2029-11-12
FP1551 Craniomosaic I	OssDsign Cranial PSI tile design with interconnecting titanium reinforcement	Issued	Australia, China, Europe, Hong Kong, Japan, USA, Russia, South Africa, South Korea	2031-03-10
FP1780 Ceramic Materials II	Premixed cement adapted for cool storage and extended shelf-life	Issued	USA	2032-09-10
FP1781 Ceramic Materials III	Particle size in cement defining porosity and handling	Issued	USA	2032-09-10
FP1821 CranioPlug I	Concept of re-attachment of bone flap and filling of burr hole using a bioceramic/ titanium cylinder	Issued	Australia, China, Europe, Hong Kong, Japan, USA, South Africa	2032-08-21
FP1973 Ceramic Materials IV	Ceramic composition including pyrophosphate component	Issued	Australia, China, Europe, Japan, USA, Brasil, India	2033-12-16
FP1992 Craniomosaic II	Design of OssDsign Cranial 2D	Issued	China, USA	2034-02-12
FP2234 Craniomosaic III	Design of OssDsign Cranial 3D	Issued	South Africa, China, Europe, USA, Australia, Japan	2034-08-13
FP2357 Ceramic Materials V	Method of forming macro-porous ceramics	Issued	China, Europe, USA	2035-04-24
FP2448 Facial	Design of OssDsign Facial	Pending	USA	2036-11-23
FP2449 Ceramic Materials VII	Ready-to-use ceramic composition	US provisional	Europe	2038-05-21
FP2450 CranioPlug II	Design of OssDsign CranioPlug II	US provisional	Pending review	2038-10-16 (Pending)
FP2501 Osteo^3 I	Silicate - Substituted Hydroxyapatite	Issued	Europe, USA, Canada, Australia, Japan	2029-12-23
FP2502 Osteo^3 II	Bone Graft System	Issued	Europe, USA, Canada, Australia, Japan, China	2032-06-22
FP2503 Osteo^3 III	Calcium Phosphate Material	Issued	Europe, USA, Japan	2032-12-17
FP2504 Osteo^3 IV	Method of Producing Calcium-Deficient Silicate-Substituted Calcium Phosphate Apatite	Pending	Pending review	2040-06-15 (Pending)

Trademarks

OSSDSIGN is a registered trademark within the EU, UK and US.

ORGANISATION

OssDsign AB is the parent company in the Group which, apart from OssDsign AB, comprises the wholly-owned subsidiaries OssDsign Ltd domiciled in the UK, Sirakoss Ltd domiciled in the UK and OssDsign USA Inc domiciled in Maryland, USA. OssDsign's operations are primarily conducted through the parent company OssDsign AB domiciled in Uppsala.

On 31 December 2020, the Company had in total 45 employees, of whom 42 per cent were women. This includes employees at the office and production facility in Uppsala, as well as employees in Germany, the UK and the US.

REGULATORY OVERVIEW

REGULATORY APPROVALS

OssDsign Cranial PSI has a regulatory market approval in Europe in accordance with the MDD Directive MDD-93/42/EEC Annex VIII, which regulates patient-specific implants. The product gained regulatory approval in the US, 510(k)-cleared, at the beginning of 2017 and has also been approved in Japan since 2019.

Development, clinical assessment and monitoring have taken place since 2014 in EU with respect to OssDsign's facial implant, OssDsign Facial. Under the Medical Device Directive, in total approximately 50 OssDsign Facial implants have been inserted in operations.

OssDsign CranioPlug received FDA clerance, 510(k), in October 2018 as well as EU approval through CE-marking in December 2018. The launch of OssDsign CranioPlug began during the second quarter of 2019 and entailed an important broadening of OssDsign's product range and overall offering.

The Company's synthetic bone grafts received FDA clearance, 510(k), in June 2020. OssDsign will also expand the Company's portfolio and update its 510(k)-clearance with new sizes in 2021.

COMPENSATION STATUS

Medical technology products that are used by care providers are usually financed by insurance companies or by public compensation systems. In many countries, the Company's products are paid for via the DRG system, which is a classification of the compensation that the hospital receives in respect of a performed procedure based on use of resources, the length of hospitalisation and cost for use of medical technical equipment. The DRG system groups care measures based on type of diagnosis for classification and payment. All costs incurred in connection with treatment must normally be compensated with a one-off payment within a certain period of time (often 90 days).

USA

In the US, healthcare is paid directly by patients or by a number of different public and private third-party payers, including federal Medicare (generally for pension or functionally impaired patients and financed by *Hospital Insurance Trust Fund and Supplementary Medical Insurance Fund*), the state Medicaid (a social healthcare program for families and individuals with limited resources) and private healthcare insurance.

THE EUROPEAN UNION

Each European country has fixed compensation levels for care measures, and costs for disposable items are always covered by a fixed percentage of the entire care procedure.

OSSDSIGN'S COMPENSATION OVERVIEW

Country	Cranial PSI	Facial PSI	CranioPlug	Bone grafts
US	DRG/CPT	DRG/CPT	DRG/CPT	DRG/CPT
UK	HCTED	HCTED	HRG	HRG
Germany	DRG + Zusatzent gelte	DRG + Zusatzent gelte	DRG	DRG
Sweden, Norway, Denmark	Hospital budget	Hospital budget	Hospital budget	Hospital budget
Japanese	National reimbursement	TBD	TBD	TBD
France	National reimbusement (CNEDiMTS)	National reimbusement (CNEDiMTS)	DRG/LPRR	DRG/LPRR
Spain, Italy	Hospital budget	Hospital budget	Hospital budget	Hospital budget

DRG = Diagnosis Related Groups, CPT = Current Procedural Terminology, HRG = Healthcare Resources Groups, HCTED=High cost tariff excluded device, LPRR = Liste des Produits et Prestations Remboursables, CNEDiMTS = National Commission for the Evaluation of Medical Devices and Health Technologies

INVESTMENTS

HISTORIC INVESTMENTS

In 2018, investments in tangible fixed assets amounted to SEK 1.0 million, related primarily to equipment and tools. Investments in intangible assets amounted to SEK 6.7 million, attributable to carried research and development expenses. In 2019, investments in tangible fixed assets amounted to SEK 0.2 million, attributable primarily to production equipment and office-related equipment in the US. Investments in intangible fixed assets amounted to SEK 0.1 million, related to carried research and development expenses.

In 2020, investments in tangible fixed assets amounted to SEK 2.5 million, attributable to production equipment and office-related inventories. Investments in intangible assets amounted to SEK 0 million. Acquisition of group companies amounted to SEK 15.2 million through the acquisition of Sirakoss, combined with amortization of an owner loan of SEK 25.4 million in connection with the aforementioned transaction.

SIGNIFICANT EVENTS SINCE 31 MARCH 2021

The Company has carried out no significant investments since 31 March 2021.

ONGOING AND DECIDED INVESTMENTS

On 9 November 2020, it was decided to acquire all outstanding shares in Sirakoss Ltd. In accordance with the share transfer agreement, the purchase price was USD 11 million on a cash and debt free basis, excluding agreed milestone and royalty payments, divided into three cash instalments, of which USD 5 million was paid at closing of the transaction. The two outstanding instalment pavements, each of USD 3 million, are to be paid on 30 June 2021 and 31 December 2021. The instalment payments are expected to be financed primarily through the Rights Issue. Otherwise, the Company has no significant ongoing or decided investments. However, as stated in the section "*Background and rationale*", the Company has an expressed growth strategy and expansion phase which is expected to be completed following completion of the Rights Issue.

IMPORTANT TRENDS

The Company believes that there are no known significant development trends with respect to production, sales, warehousing, costs and selling prices since 31 December 2020 until the date of the Prospectus.

FINANCING OF OPERATIONS

The Rights Issue is being carried out with the aim of providing the Company with working capital and creating conditions for growth and, in the long term, profitability. Given the Company's current business, research and development plans, the Company considers that the net proceeds from the Rights Issue, as well as full utilisation of the Over-allotment Issue in the form of a directed share issue constituting an expansion of the Rights Issue, together with existing liquidity, which on 31 March 2021 amounted to approximately SEK 25.9 million, and estimated future cash flows to be sufficient up until the Company becomes cash flow positive, which is estimated to occur in 2024. As basis for future cash flows, there are assumptions regarding future commercial revenues at customary terms and prices in the industry. Deviations from these assumptions regarding, for example, volume, price and time might result in additional need for further external financing. For more detailed information regarding the Company's working capital, see the section "*Working capital statement*".

SIGNIFICANT CHANGES TO LOAN AND FINANCING STRUCTURE AFTER 31 MARCH 2021

The Company has not carried out any significant changes in the loan or financing structure since 31 March 2021.

COMPANY INFORMATION AND LEGAL STRUCTURE

OssDsign is a Swedish public limited company incorporated in Sweden on 4 February 2011 and registered at the Swedish Companies Registration Office on 10 February 2011. The Company's name, as well as trade name, is OssDsign AB. The Company's registration number is 556841-7546 and its LEI code is 5493005SNS5NAYE2WL53. The Company has its registered office in Uppsala municipality and the general meeting shall also be held in Uppsala municipality. The Company conducts its operations in accordance with the Swedish Companies Act and the objects of the Company's business shall be to pursue technical development and sale of implantable medical technical products and their use in surgical, orthopaedic treatment and physical rehabilitation; granting of licenses to own products; and acquiring licenses to products that match the aim and direction of the Company and pursue business compatible therewith. The Company is the parent company in the Group, which comprises the Company and its wholly-owned subsidiaries OssDsign Ltd, OssDsign USA Inc and Sirakoss Ltd. The Company's address is Rapsgatan 23A, 754 50 Uppsala and the Company's telephone number is +46 (0)18 55 39 93.

Note that the information on the Company's or a third party's website is not included in the Prospectus unless the information has been included in the Prospectus by reference. Information on OssDsign's or a third party's website has not been reviewed or approved by the Swedish Financial Supervisory Authority.

WORKING CAPITAL STATEMENT

As of the date of the Prospectus, the Company considers that the existing working capital is insufficient for the Company's needs during the coming twelve-month period. On 31 March 2021, the Company's cash and cash equivalents amounted to approximately SEK 25.9 million. The Company considers that a working capital deficit will arise in June 2021 and the deficit for the coming twelve-month period, taking into consideration prevailing uncertainty related to covid-19, is estimated at approximately SEK 150 million. In this regard, the working capital need refers to the Company's ability to have access to cash and cash equivalents to perform its payment obligations as they fall due.

In the event of full subscription in the Rights Issue, the Company will receive approximately SEK 240 million before transaction costs, which are expected to amount to approximately SEK 25 million. In addition, the board of directors may resolve on an over-allotment issue in the form of a directed share issue of approximately SEK 30 million constituting an expansion of the Rights Issue. In connection with the Rights Issue, the Company has received subscription commitments amounting to SEK 119.3 million, corresponding to approximately 49.6 per cent of the Rights Issue. In addition, the Rights Issue is covered by guarantee commitments of approximately SEK 121.2 million, corresponding to approximately 50.4 per cent of the issue. The Rights Issue is thus entirely covered by subscription commitments and guarantee commitments. Neither the subscription commitments nor the guarantee commitments are secured through bank guarantees, restricted funds, pledged assets or similar arrangements.

The Rights Issue and the Over-allotment Issue may provide the Company with proceeds of up to approximately SEK 270 million, before transaction costs. Given the Company's planned growth initiatives relating to the business as well as research and development, the Company considers that the net proceeds from the Rights Issue, as well as full utilisation of the Over-allotment Issue in the form of a directed share issue constituting an expansion of the Rights Issue, together with existing liquidity and estimated future cash flows to be sufficient up until the Company becomes cash flow positive, which is estimated to occur in 2024. The estimation is based on assumptions about future commercial orders and prices and successful launch of the bone graft substitute including a ramp-up in sales in accordance with the Company's expectations. Deviations from said assumptions with regards to volume, price, and timing could have an effect on the Company's business, financial position and results from the ongoing operations, i.e. if and when the Company becomes cash flow positive. In its assumptions, the Company has taken into account the greater uncertainty in prospects for the business as a consequence of the covid-19 pandemic.

If, notwithstanding issued subscription commitments and entered guarantee commitments, subscriptions in the Rights Issue do not take place to a sufficient extent, the Company may be forced to seek alternative financing in the form of loan financing or raising additional capital, alternatively to make cost reductions or be forced to conduct the operation at a decreased rate lower than calculated, until additional capital can be raised. It is not certain that the Company will succeed in securing alternative financing or that cost reductions will have the desired effect. There is a risk that lack of financing or unsuccessful measures will result in the Company being placed into reorganisation or bankruptcy.

RISK FACTORS

An investment in securities is associated with risk. When assessing OssDsign's future development, it is important to take into account the risk factors that are associated with the Company and the shares. These include, among other things, risks related to OssDsign's business and industry, legal risks, financial risks and risks related to the shares and the Rights Issue. Presented below are the risk factors that are deemed to be of material importance for the Company's future development. The Company has assessed the risks based on the probability of the risks occurring and the anticipated scope of their negative impact if they were to materialise and, where it has not been possible to quantify a risk, the Company has graded the anticipated scope of the negative impact of the risk according to a qualitative scale (i) low, (ii) medium and (iii) high. The risk factors are presented in a limited number of categories, with the Company's assessment of most significant risks being presented first. The presentation below is based on information available as of the date of the Prospectus.

BUSINESS AND INDUSTRY-RELATED RISKS

RISKS RELATED TO COVID-19

During the end of 2019, a new coronavirus was discovered in the city of Wuhan in the Hubei province in China. The coronavirus is a family of viruses that can cause everything from mild common cold symptoms to serious illness in humans. The virus, which is related to the SARS coronavirus, has been given the name SARS-coronavirus-2 (SARS-CoV-2) and the name of the disease to which the virus can give rise is covid-19. On 11 March 2020, WHO (the World Health Organisation) declared covid-19 to be a pandemic. As a step in preventing the spread of covid-19, a large number of countries have introduced restrictions regarding, among other things, travel and the possibility of holding large-scale gatherings. In November 2020, a second wave of the covid-19 pandemic was reported in many countries, which resulted in the introduction of new restrictions around the world, at the same time as many of the restrictions introduced during the first half of 2020 have remained in place.

OssDsign, as many other companies, is affected by the situation concerning the spread of covid-19. This primarily affects the possibility to acquire new customers for the Company's cranial implants and the launch of CranioPlug. In addition, it can delay the planned launch of the Company's recently acquired bone graft substitute in the US. Furthermore, the spread of covid-19 has restricted the Company's possibilities to visit existing customers at hospitals, which to varying degrees has also been affected by delays and temporary downsizing of operations in which the Company's implants are used. This is due to the prioritisations which may be needed in order to release resources within the healthcare system.

The development of covid-19 has led to a reduced order inflow and will continue to affect the Company's sales. OssDsign is regularly monitoring the effects of covid-19 in the short and medium-long term. With a development of the pandemic that is difficult to predict, there is a greater degree of uncertainty as regards the Company's prospects.

OssDsign makes the assessment that there is a high probability of the risk materialising, wholly or in part. In the event the risk materialises, this might potentially have a high negative impact on the Company.

RISKS RELATED TO MARKET ACCEPTANCE

Even if OssDsign's products were to receive necessary regulatory approvals for marketing and sales on all markets, there is a risk that the Company's products will not receive sufficient market acceptance from doctors, hospitals, clinics, patients, purchasers of healthcare, industry organisations or other stakeholders. The degree of market acceptance is determined by a number of factors, including that the product is considered as an effective and safe treatment, that patients recover after insert of the implants and that the risk of complications is low, that the products are easy to handle, that the clinical studies and evidence carried out receive acceptance, that the advantages compared with competing methods and implants are deemed to be sufficiently high, and that the cost level is reasonable compared to alternative treatment methods.

OssDsign makes the assessment that there is a medium probability of the risk materialising, wholly or in part. In the event the risk materialises and OssDsign fails to receive sufficient market acceptance and the adoption and use of the Company's products thus does not become widespread, this might potentially have a medium negative impact on the Company's sales.

RISKS RELATED TO COMPETITION

The competition is tough within the medical technology industry in general and there are a number of potential global competitors among the companies on the market. With regards to the market for facial and cranial implants, there are a number of alternative techniques and products on the market aimed at replacing bone in the skull and face that have been in use for a longer period. Some of the Company's competitors are multinational companies with significantly greater financial resources than OssDsign, and thus have potentially better possibilities to invest in clinical studies and

the procedure for marketing approval. In addition, these competitors may have better possibilities to compete on price levels in order to retain or defend their market positions.

There is a risk that a comprehensive investment by one or more competitors in the development of products, new technology and manufacturing methods within the area in which OssDsign operates might affect the Company's development and sales negatively. In addition, there is a risk that competing medical technology products might prove to be more effective, safer or cheaper than those developed and manufactured by OssDsign. Competitors with significantly greater financial, technological and personnel resources might also be able to conduct more effective development, manufacturing and sales procedures. The Company's competitors may also have access to greater marketing and distribution capacities than OssDsign.

OssDsign makes the assessment that there is a medium probability of the risk materialising, wholly or in part. In the event the risk materialises and the Company is unable to successfully maintain the necessary competitiveness, this might potentially have a medium negative impact on the Company.

RISKS RELATED TO SUBCONTRACTORS

OssDsign collaborates with a number of subcontractors who provide the Company with some of the components used for the assembly or production of the Company's implants and bone graft substitute. Design of the implants takes place at the Company's own facility, while the titanium skeleton is 3D-printed by an external subcontractor. Manufacture of the bone graft substitute currently takes place at Riverside Medical Packaging Company Ltd in Derby, the UK, and the intention is that the manufacturing will be carried out by the Company in the future. There is thus a risk related to exit by the UK from the EU, which might lead to disruptions in the distribution of bone graft substitutes or otherwise affect the collaboration with the subcontractor. Input products for OssDsign's ceramic material and bone graft substitute material are ordered from subcontractors, after which the mixing and manufacturing are carried out by the Company and Riverside Medical Packaging Company Ltd respectively. OssDsign's ability to handle subcontractors is crucial for ensuring that service and quality levels are met by selected subcontractors. There is a risk that the Company's subcontractors will fail to deliver on time or fail to deliver goods of the desired quality, which may lead to increased costs, reduced margins and lower or lost sales for the Company. In addition, the acquisition of Sirakoss means that collaboration has commenced with new subcontractors and there is a risk that they will not function in a manner desired by the Company. Furthermore, there is a risk that quality shortcomings in products manufactured by subcontractors might negatively impact OssDsign's relations with its customers. In addition, there is a risk that subcontractors fail to comply with laws and regulations that apply to companies operating within medical technology, which may result in OssDsign becoming liable for damages or are forced to withdraw products.

OssDsign makes the assessment that there is a low probability of the risk materialising, wholly or in part. In the event the risk materialises and any of the above risk factors occur, or if the Company fails to maintain agreements with subcontractors on terms that are acceptable to the Company, or if any key subcontractor were to become bankrupt, this might potentially have a high negative impact on the Company.

RISKS RELATED TO MARKET AND PRICING

Since OssDsign's main customers are hospitals and clinics in different parts of the world, the Company's sales are affected by such customers' general demand and willingness to invest. The willingness to invest within, and demand for, medical technology products such as the products offered by OssDsign are affected by a number of factors such as the general development on financial markets, the economic and political climate, the current state of the market or other macroeconomic factors that may be difficult for the Company to foresee. Furthermore, the willingness to invest and demand are affected by changed strategies and budgets, both on a national level and by individual hospitals, as regards to investments in medical technology products in general, including OssDsign's products. A reduced willingness to pay for medical technology products and changes in strategies and budgets for such products could make it more difficult for OssDsign to sell its products, which could affect the Company's sales negatively.

There is also a risk that the pricing of the Company's products might be negatively affected in the event of, for example, a general economic decline on one or more of the Company's markets. An economic decline might, among other things, affect purchasers of healthcare, such as public authorities, insurance companies and hospitals, and result in a deterioration in the willingness to pay for medical technology products. This, in addition to other changes in such payers' budgets, might result in reduced compensation for medical technology companies. In certain countries, the pricing of medical technology products is determined on a public authority level and pricing can thus, in connection with the launch of products, be regulated by various public authorities. Consequently, a deterioration in the general economic climate and/or public authority decisions might lead to the pricing of medical technology products being lower than expected by OssDsign, which could have a material negative impact on the Company's result.

OssDsign makes the assessment that there is a low probability of the risk materialising, wholly or in part. In the

event the risk materialises, it might potentially have a medium negative impact on the Company.

RISK RELATED TO COLLABORATION PARTNERS AND DISTRIBUTORS

In August 2020, OssDsign entered into an agreement with Muranaka Medical Instruments Co., Ltd. in which Muranaka Medical Instruments received the responsibility for the establishment and sale of OssDsign's products in Japan. Apart from the collaboration with Muranaka Medical Instruments, the Company has collaboration agreements with a number of distributors around the world for the sale and distribution of OssDsign's products to hospitals.

OssDsign's growth is thus currently dependent on the establishment and implementation of such collaboration agreements. In addition, OssDsign's reputation may be affected by the relation with the distributors. The Company's relations with the distributors as well as the distributors' success and motivation in terms of sales of the Company's products, are in turn partially dependent on the distributors' compensation levels. In the event that OssDsign's relations with distributors are affected negatively, or in the event that the Company is unable to compensate the distributors on a level which is on market terms, there is a risk that OssDsign's reputation and sales are affected negatively. Furthermore, there is a risk that OssDsign will be unable to enter into future agreements or retain current agreements with collaboration partners and distributors on terms which are favourable for the Company, or that the counterparties for different reasons will fail to achieve their obligations in accordance with executed agreements and the Company's expectations.

OssDsign makes the assessment that there is a low probability of the risk materialising, wholly or in part. In the event the risk materialises and all or most of the Company's collaborations are terminated, this might potentially have a medium negative impact on the Company.

RISKS RELATED TO PREMISES, EQUIPMENT AND PERSONNEL

The Company's operations are conducted in especially adapted premises and is dependent on special equipment, certain programs and personnel within different areas. There is a risk that the Company's premises or equipment are damaged by, for example, fire, theft or sabotage, which might entail delays and increased costs and/or lost revenues for the Company. Furthermore, from time to time there may be industrial conflicts between the Company, its employees and, where applicable, their trade union representatives. There might also be such conflicts that do not directly involve the Company and which are beyond the Company's control, such as strikes.

OssDsign makes the assessment that there is a low probability of the risk materialising, wholly or in part. In the event the risk materialises, it might potentially have a medium negative impact on the Company.

RISKS RELATED TO KEY INDIVIDUALS AND EMPLOYEES

The Company is dependent on a number of key individuals for the continued development, as well as individuals with specialist competence, for example sales staff in both Europe and the US, as well as the CAD designers who design the implant prior to the 3D-printing. The Company is also dependent on key individuals and employees who are included in the acquired company Sirakoss. Should one or more of these individuals decide to leave the Company, it could cause delays or disruptions in the development work with various customers. It is also crucial for OssDsign's future development that it is able to attract and retain qualified personnel and carry out the right recruitment of employees to the head office as well as the different markets. OssDsign's ability to recruit and retain such individuals depends on a number of factors, including competition on the employment market. The loss of a member of the board of directors, executive management or other key individual could entail the loss of important knowledge, an inability to achieve set goals, or the implementation of OssDsign's business strategy being negatively affected. If key individuals were to leave the Company, or if OssDsign fails to recruit or retain qualified and experienced individuals, this might result in lower sales results and increased costs for both product development and recruitment of personnel.

OssDsign makes the assessment that there is a low probability of the risk materialising, wholly or in part. In the event the risk materialises, it might potentially have a low negative impact on the Company.

RISKS RELATED TO DEVELOPMENT AND MANUFACTURING METHODS

OssDsign's facial and cranial implants are designed and manufactured at the Company's own facility in Uppsala. In addition, OssDsign has expanded to the market for bone graft substitutes as a result of the acquisition of Sirakoss. The product for the bone graft substitute is currently being manufactured by Riverside Medical Packaging Company Ltd in Derby, the UK, and the intention is that the manufacturing shall be carried out by the Company in the future. Continued development of the Company's product processes and manufacturing methods is of great importance for OssDsign's operations. Such process development and upscaling can, for example, take place in the form of introduction of new technology or switching to new, quality-adjusted premises in order to meet an increased demand for the Company's products. OssDsign also conduct development of new products and areas of use for the Company's ceramic material and bone graft substitute material.

In the event that the development of processes, manufacturing methods, products and upscaling of operations in accordance with the above were to cease, be delayed, be obstructed, or if such cannot be initiated with fixed timetables or if reception on the market is less favourable than expected, this might negatively impact OssDsign's sales development.

OssDsign makes the assessment that there is a low probability of the risk materialising, wholly or in part. In the event the risk materialises, it might potentially have a low negative impact on the Company.

LEGAL RISKS

RISKS RELATED TO PRODUCT LIABILITY AND INSURANCE

Since OssDsign conducts sales and development of medical technology products, the Company is exposed to risks associated with product liability. Risks associated with product liability may, among other things, arise in connection with clinical studies, sales and marketing as well as unexpected side-effects in connection with the implantation of OssDsign's products. In addition, the acquisition of Sirakoss and the launch of the Company's recently acquired bone graft substitute entails increased sales of the Company's products in the US, which may lead to an increased risk of product liability. There is a risk that the Company's current insurance protection proves to be insufficient for product liability claims that may arise in connection with product liability and other damages, or that the Company is unable to obtain or retain such insurance protection on terms that are acceptable to OssDsign, which might result in significant costs for the Company.

OssDsign makes the assessment that there is a medium probability of the risk materialising. In the event the risk materialises, it might potentially have a high negative impact on the Company.

RISKS RELATED TO INTELLECTUAL PROPERTY RIGHTS

OssDsign's development and potential success is dependent on the Company's ability to obtain and retain patent protection for products and methods, as well as trademarks and other intellectual property rights.

There is a risk that OssDsign fails to obtain patent protection for potential future medical technology products or methods developed by the Company, that OssDsign fails to register and fulfil all necessary patent applications at a reasonable cost and on time, or that the Company will not be granted renewals of the patents that the board of directors deems to be material for the operation. Since certain patent applications are confidential until a patent is granted, it may also prove to be the case that third parties have applied for a patent regarding methods or products covered by a patent application filed by OssDsign, without the Company's knowledge. Furthermore, the Company's patent applications may have lower priority in relation to other applications.

There is also a risk of new methods or products being developed by other actors that might result in the Company's intellectual property rights being replaced or circumvented, or that the Company is unable to obtain necessary patent protection.

There is a risk of OssDsign using or being alleged to use products or methods that are protected by third-party intellectual property rights and the holder of such rights might can accuse OssDsign of intellectual property infringement. As a consequence, the Company may be forced to defend its intellectual property rights or may need to defend itself against alleged infringement. Disputes in legal proceedings concerning intellectual property rights are often time and cost consuming, irrespective of whether the outcome of the dispute is ultimately in the Company's favour. In the event of a negative outcome of such legal proceedings for OssDsign, the Company may be forced to pay damages, be prohibited to continue with the activity that constitutes infringement, and may be forced to acquire a special licence for continued manufacturing or marketing of the products and procedures involved. In the event OssDsign is alleged to infringe on others intellectual property rights or in some other case is obliged to defend its intellectual property rights, this might negatively impact the Company's financial position.

OssDsign makes the assessment that there is a low probability of the risk materialising. In the event the risk materialises, it might potentially have a high negative impact on the Company.

RISKS RELATED TO REGULATORY REQUIREMENTS AND APPROVALS

Before the Company can market and sell its products, the Company must comply with regulatory requirements and obtain regulatory approvals in accordance with applicable laws and regulations on each market. Medical technology products are subject to extensive regulations that are governed by regulatory authorities in different parts of the world, such as the US Food and Drug Administration in the US. The registration procedure includes, for example, where appropriate, requirements regarding development, testing, registration, approval, marking, manufacture and distribution.

In May 2017, EU's regulation 2017/745 on medical devices (MDR), Regulation 2017/745, entered into force and, on 26 May 2021, replaces the directive concerning medical devices (directive 93/42/ECC with supplements). The regulatory framework applies to all parts of the Company's operations such as research, development, design, manufacturing, reporting, studies, marking, packaging, storage, marketing, sales and distribution. The costs to comply with MDR and other regulatory provisions, requirements and guidelines are extensive. In addition, over time the regulatory environment has become increasing stringent and extensive.

OssDsign has been granted regulatory approvals for the product areas on different markets, including the recently granted approval in Japan. In the event that the Company fails to comply with the regulatory requirements or fails to obtain necessary regulatory approvals, this might for example result in sanctions such as fines, prohibitions, penalties, dismissal of applications for market permissions regarding the Company's products, delays, terminations or withdrawals of approvals, recalls of licences, confiscation or recall of products, costly changes in production processes, operation restrictions, partial suspension or total shutdown of production or that prosecution is instituted.

There is also a risk that the rules currently applicable regarding registration, obtaining of approval or interpretation of such regulations might be changed in a manner which is disadvantageous for OssDsign. In the event that OssDsign is not granted necessary product approvals, public authority permits or fails to satisfy other requirements, or in the event that any possible future approvals are recalled or limited, this might lead to significant negative effects on OssDsign's possibility to conduct sales and marketing of the Company's products.

OssDsign makes the assessment that there is a low probability of the risk materialising, wholly or in part. In the event the risk materialises, it might potentially have a medium negative impact on the Company.

RISKS RELATED TO CONFIDENTIALITY AND KNOW-HOW

In addition to registered patents and other intellectual property rights, the Company has developed significant know-how in its operation. OssDsign is thus dependent on confidentiality and know-how in order to conduct the Company's operations. If employees, consultants, advisors or other retained individuals were to act in violation of confidentiality undertakings regarding confidential information, or that confidential information were to be disclosed in any other manner and be utilised by competitors, this might negatively affect the Company.

OssDsign makes the assessment that there is a low probability of the risk materialising, wholly or in part. In the event the risk materialises, it might potentially have a low negative impact on the Company.

RISK RELATED TO DISPUTES AND LEGAL PROCEEDINGS

There is a risk that the Company in the future might become involved in disputes with third parties or with supervisory or administrative authorities related to the Company's ongoing operations. Such disputes might involve alleged intellectual property rights infringement, the validity of certain patents or other commercial disputes. Disputes and claims may be time consuming, disrupt the operations, concern significant financial amounts or principled important issues and may result in significant costs and negatively affect the Company's financial position.

OssDsign makes the assessment that there is a low probability of the risk materialising, wholly or in part. In the event the risk materialises, it might potentially have a low negative impact on the Company.

FINANCIAL RISKS

RISKS RELATED TO OSSDSIGN'S FINANCING NEEDS

OssDsign has reported a negative operating result since the start of the operations. The date when the Company's operations might generate positive ongoing cash flows depends on a number of factors such as when the Company is granted necessary market approvals, costs, results from research and development work, as well as costs and time for establishment of sales and marketing procedures and thereby obtaining more customers.

There is a risk that the Company's development causes significant costs and that the development of the products might be more time and cost consuming than expected. In the event OssDsign fails to achieve sufficient revenues or positive cash flows in the future to finance the Company's operations, the Company will be dependent on other alternatives to raise capital or to borrow funds for continued financing of the operations. The access to as well as the conditions for the additional financing are affected by a number of factors such as the development of the operation, the possibility to enter into collaboration agreements, as well as the general availability of venture capital. If OssDsign fails, wholly or in part, to obtain sufficient capital, or only succeeds on unfavourable terms, this may lead to the Company being forced to conduct development work at a decreased rate or, ultimately, to cease the operations, which will have a material negative impact on the Company.

OssDsign makes the assessment that there is a medium probability of the risk materialising, wholly or in part. In the event the risk materialises, it might potentially have a high negative impact on the Company.

CURRENCY RISK

OssDsign is exposed to currency risks when sales and purchases are made in different currencies, so called transaction exposure, and when the income statements and balance sheets of foreign subsidiaries are translated to SEK, so-called translation exposure. The Company mainly invoices in USD, SEK, EUR, GBP and JPY.

OssDsign makes the assessment that there is a medium probability of the risk materialising, wholly or in part. In the

event the risk materialises and there are negative changes in exchange rates, this might potentially have a low negative impact on the Company.

TAX-RELATED RISKS

OssDsign conducts operations in different parts of the world, including Europe, the US and Asia. There is a risk that the Company's interpretation of tax rules in each country is incorrect or that the legislation will be amended, potentially with retroactive effect. Thus, the Company's former, current and future tax situation may be changed as a result of decisions by Swedish and foreign tax authorities.

OssDsign makes the assessment that there is a low probability of the risk materialising, wholly or in part. In the event the risk materialises, it might potentially have a low negative impact on the Company.

RISKS RELATED TO THE SHARES AND THE RIGHTS ISSUE

RISKS RELATED TO THE SHARES' MARKET PRICE

Since an investment in shares can both increase and decrease in value, there is a risk that an investor will not recover the invested capital. The price of OssDsign shares could fall below the subscription price in the Rights Issue. A person who chooses to subscribe for new shares in the Rights Issue would then make a loss on the sale of such shares. During the period 2 March 2020 – 2 March 2021, the Company's share price was at its minimum SEK 9.9 and at its maximum SEK 22.1. Consequently, the price of the Company's share may be volatile. The development of the share price is dependent on a number of factors, some of which are company-specific while others are related to the stock market as a whole. Such factors may also increase the volatility of the share price. An investment decision regarding the new shares should therefore be preceded by a careful analysis.

DILUTION

If shareholders choose not to exercise their subscription rights to subscribe for new shares in the Rights Issue, the subscription rights will lapse and become worthless. This means that shareholders may become diluted by up to approximately 58.3 per cent through the issuance of not more than 31,033,044 new shares. This entails a corresponding dilution of the Company's share capital and voting rights since the total number of shares and votes in the Company will increase upon the allotment of new shares in the Rights Issue. Shareholders will not be compensated for such dilution. If a shareholder decides to sell its unexercised subscription rights, or if such subscription rights are sold on behalf of the shareholder, there is a risk that the shareholder's received compensation for the subscription rights on the market will not correspond to the economic dilution of the shareholder's holdings in OssDsign after completion of the Rights Issue.

SHAREHOLDERS WITH SIGNIFICANT INFLUENCE

The Company's three largest shareholders, SEB Venture Capital, Fouriertransform Aktiebolag and Karolinska Development AB, together own, prior to the Rights Issue, shares in OssDsign corresponding to approximately 34.02 per cent of the share capital and votes in the Company and they are expected to hold a significant percentage of the shares and votes in the Company after the Rights Issue. These holdings result in a great influence over the Company for the aforementioned owners and they can, among other things, influence matters that are subject to voting at general meetings, for example election of the board of directors. The aforementioned owners might also have the possibility to prevent or obstruct the acquisition of OssDsign through a public takeover offer. This concentration of ownership may thus be disadvantageous for shareholders whose interests differ from those of the majority shareholders. Other shareholders may also have holdings, or subsequently achieve holdings, of such size as to be of importance regarding the influence over the Company.

TRADING IN SUBSCRIPTION RIGHTS AND BTAS

Subscription rights and BTAs will be traded on Nasdaq First North Growth Market during the period from and including 21 April 2021 up to and including 4 May 2021, respectively from and including 21 April 2021 up to and including the registration of the Rights Issue with the Swedish Companies Registration Office, which is expected to take place on or around week 21, 2021. There is a risk that active trading in the subscription rights and BTAs will not develop, that there will be insufficient liquidity, or that the subscription rights cannot be divested. If an active trading develops, the price of the subscription rights and BTAs will depend, among other things, on the development of the share price of OssDsign's shares, and the volatility may be greater than is the case with the aforementioned shares. The price of OssDsign shares may fall below the subscription price in the Rights Issue for reasons attributable to OssDsign as well as a general decrease on the stock market.

SUBSCRIPTION COMMITMENTS AND GUARANTEE COMMITMENTS ARE NOT SECURED

The Rights Issue of approximately SEK 240 million is covered in its entirety by subscription commitments and guarantee commitments, but these are not secured through bank guarantees, restricted funds, pledged assets or similar arrangements. There is thus a risk that the Rights Issue will not be fully subscribed and that those who have provided subscription commitments and guarantee commitments will not fulfil their commitments and, consequently, that part of the issuance proceeds covered by these commitments will not be received by the Company.

RIGHTS CONNECTED TO THE SECURITIES

GENERAL INFORMATION

The Company's shares are issued in accordance with Swedish law, denominated in SEK and freely transferable. All the shares have been fully paid and have a quotient value of SEK 0.0625. The Company's articles of association include a so-called CSD provision and the Company's shares are affiliated to the electronic securities system with Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, as central securities depository. The shares are registered in the name of individuals. No share certificates have been issued in respect of the shares. The ISIN code for the Company's share is SE0012570448. The attention of investors is hereby drawn to the fact that the tax legislation in the investor's member state and in Sweden may influence the income from the shares.

RIGHTS ISSUE

On 9 April 2021, an extraordinary general meeting of OssDsign approved a resolution by the board of directors dated on 2 March 2021 to carry out the Rights Issue. The Rights Issue relates to subscription of shares with pre-emption rights for existing shareholders in the Company. The currency of the Rights Issue is SEK and the shares subscribed for in the Rights Issue with pre-emption rights are expected to be registered with the Swedish Companies Registration Office on or about 14 May 2021.

CERTAIN RIGHTS CONNECTED TO THE SHARES

Shareholders are entitled to vote for their full number of shares and each share carries an entitlement to one vote at general meetings. All shares in the Company carry an equal entitlement to dividends, share of the Company's profit and in the Company's assets, as well as any surplus in the event of liquidation. The shares carry a right to dividends for the first time on the record date for dividends first occurring after the shares have been registered with the Swedish Companies Registration Office and entered in the share register maintained by Euroclear Sweden AB. The Company's shares are issued in accordance with Swedish law and the shares' rights can only be amended through alteration of the articles of association in accordance with the Swedish Companies Act (2005:551). Shareholders normally have pre-emption rights to subscription for new shares, warrants and convertible instruments in accordance with the Swedish Companies Act, unless the general meeting or the board of directors resolves, pursuant to authorisation granted by the general meeting, to deviate from the shareholders' pre-emption rights. The articles of association contain no special provisions regarding redemption or conversion.

The Company has one class of shares and all shares have the same priority in the event of insolvency.

DIVIDENDS

Resolutions regarding dividends are adopted by the general meeting. The right to dividends accrues to the person who, on an established record date, are included in the share register and are listed in the CSD register. The record date for dividends and the day on which dividends are distributed are determined by the general meeting or the board of directors following authorisation from the general meeting. Dividends are normally distributed as a cash amount per share but may also take place in some other form.

If a shareholder cannot be reached for receipt of dividends, the shareholder's claim against the Company remains in force and is restricted only pursuant to general rules regarding statutory limitation. As a main rule, the claim lapse after 10 years. Upon limitation, the entire amount accrues to the Company. The Company applies no restrictions or special procedures regarding cash dividends to shareholders domiciled outside Sweden and, subject to any potential restrictions in the banking and clearing systems, payments to such are made in the same manner as to shareholders domiciled in Sweden.

PUBLIC TAKEOVER BIDS AND REDEMPTION OF MINORITY SHARES

The Company's shares are covered by the rules regarding public takeover offers issued by the Swedish Corporate Governance Board (Takeover rules for certain trading platforms). A public takeover bid may apply to all or part of the shares in a Company, and may either be voluntary or mandatory (so-called mandatory bid). Mandatory bids occur when a shareholder, alone or together with closely related parties, achieves a holding representing at least three-tenths of the voting rights for all shares in a company.

A company may only, after a decision by the general meeting, adopt measures that are intended to impair the conditions for the submission or implementation of a bid, if the board of directors or the CEO of the company has good reason to assume that such a bid is imminent, or if such a bid has been made.

In the case of a public takeover bid, a shareholder must decide whether to accept the bid during the acceptance period. A shareholder has the right to either accept or reject the bid. A shareholder who has accepted a public takeover bid is, as a starting point, bound by its acceptance. However, a shareholder may withdraw the acceptance under certain conditions, for example if a granted acceptance has been conditional upon the fulfilment of certain conditions.

A shareholder who alone or through a subsidiary, holds more than 90 per cent of the shares in a Swedish limited company (the "**Majority Shareholder**") is entitled to redeem the remaining shares in the target company. Owners of the remaining shares (the "**Minority Shareholders**") have a corresponding entitlement to have their shares redeemed by the Majority Shareholder. The procedure for redemption of the Minority Shareholders' shares is governed by the Swedish Companies Act and is often referred to as mandatory redemption.

The Company's shares are not subject to any offer made pursuant to a mandatory bid, redemption rights or redemption obligation. The Company's shares have not been, and are not, the subject of any public takeover offer.

TERMS AND CONDITIONS

RIGHTS ISSUE IN SUMMARY

The Rights Issue comprises a maximum of 31,033,044 newly issued shares, corresponding to proceeds of SEK 240,506,091 with preferential rights for existing shareholders. If the Rights Issue is oversubscribed, the board of directors may resolve on the Over-allotment Issue constituting an expansion of the Rights Issue for a maximum of 3,875,000 newly issued shares with deviation from the preferential rights, corresponding to proceeds of SEK 30,031,250.

Provided that the Rights Issue is fully subscribed, the number of shares in OssDsign will increase from 22,166,460 shares to a maximum of 53,199,504 shares and the share capital from SEK 1,385,403.75 to SEK 3,324,969.00. For shareholders who do not participate in the Rights Issue there will thus be a dilution effect corresponding to approximately 58.3 percent, but they may however be financially compensated for the dilution effect by selling their subscription rights. If the board of directors resolves on a possible Over-allotment Issue constituting an expansion of the Rights Issue, shareholders may experience an additional dilution effect corresponding to a maximum of approximately 6.8 percent and entails that the number of shares in the Company increases from a maximum of 22,166,460 shares to 57,074,504 shares. In the Over-allotment Issue, there will be no possibility to gain economic compensation for the dilution effect by selling subscription rights.

PREFERENTIAL RIGHTS

Those who on the record date on 16 April 2021 are registered as shareholders in the share register kept by Euroclear Sweden AB ("**Euroclear**") on behalf of the Company have a preferential right to subscribe for new shares in relation to the number of shares held on the record date.

One (1) subscription right will be obtained per each existing share held on the record date. The subscription rights entitle the holder to subscribe for new shares with preferential right, where five (5) subscription rights entitle to subscription for seven (7) new shares.

SUBSCRIPTION PRICE

The new shares are issued at a subscription price of SEK 7.75 per share. No commission will be charged.

RECORD DATE

The record date at Euroclear for determining of which shareholders who are entitled to receive subscription rights in the Rights Issue is 16 April 2021. The shares in the Company are traded including the right to receive subscription rights in the Rights Issue up to and including 14 April 2021. The shares in the Company are traded excluding the right to receive subscription rights in the Rights Issue from 15 April 2021.

SUBSCRIPTION PERIOD

Subscription of new shares by exercise of subscription rights is effected by means of simultaneous cash payment, and shall take place during the period from and including 21 April 2021, up to and including 7 May 2021. During this period, subscription of new shares can also be made without subscription rights. The Company's board of directors is entitled to extend the subscription period. Any extension will be announced by the Company through a press release no later than 7 May 2021. The press release will be available on the Company's website, www.ossdsign.com.

ISSUE STATEMENT AND SUBSCRIPTION FORM

DIRECTLY REGISTERED SHAREHOLDERS

The shareholders or representatives of shareholders who, on the record date, 16 April 2021, are registered in the share register maintained by Euroclear on behalf of the Company will be sent a pre-printed issue statement. The issue statement sets out, inter alia, the number of subscription rights received. Persons included in the special list of pledgees and guardians maintained in connection with the share register will not receive any issue statement and will instead be informed separately. Settlement notes (Sw. *VP-avi*) will not be distributed regarding the registration of subscription rights on the shareholders securities accounts.

NOMINEE-REGISTERED SHAREHOLDERS

Shareholders of OssDsign whose holdings are nominee-registered with a bank or other nominee will not receive an issue statement from Euroclear. Subscription and payment, with or without preferential rights must, instead, be made in accordance with instructions from the respective nominee.

SHAREHOLDERS REGISTERED IN CERTAIN UNAUTHORISED JURISDICTIONS

The allotment of subscription rights and the issuance of new shares through exercise of subscription rights to persons resident in countries other than Sweden may be affected by securities legislation in such countries. Consequently, subject to certain exceptions, shareholders whose existing shares are directly registered on a securities account and whose registered address is in the United States, Australia, Canada, Japan, New Zealand, South Africa, Hong Kong, Singapore, Switzerland or any other jurisdiction where participation would require additional prospectuses, will not receive any subscription rights on their respective securities accounts or be allowed to subscribe for new shares, nor will they receive the Prospectus. In countries other than Sweden that are also members of the EES and that have implemented the Prospectus Directive, an offer of securities can only be submitted in accordance with exceptions in the Prospectus

Directive and any relevant implementation measure (including measure for implementation of the Prospectus Directive). Subscription rights which otherwise would have been delivered to such shareholders will be sold and the sales proceeds, less deduction of costs, will be paid to such shareholders to the deposit account that is linked to the securities account. Amounts less than SEK 100 will not be paid.

TRADING IN SUBSCRIPTION RIGHTS

Trading in subscription rights will take place on Nasdaq First North Growth Market during the period from and including 21 April 2021 up to and including 4 May 2021, under the ticker OSSD TR. The ISIN code for the subscription rights is SE0015938105. Securities institutions with requisite authorisation will provide brokerage services regarding the purchase and sale of subscription rights. Anyone with intent to buy or sell subscription rights must therefore contact their bank or brokerage. Subscription rights that are not intended to be used for subscription in the rights issue must be sold no later than 4 May 2021 or exercised for subscription of shares no later than 7 May 2021 in order not to become invalid and lose their value. If a subscription right is sold, the priority preferential rights as well as the subsidiary preferential rights is transferred to the new holder of the subscription right.

SUBSCRIPTION WITH PREFERENTIAL RIGHTS

Subscription with preferential rights shall take place through simultaneous cash payment during the period from and including 21 April 2021 up to and including 7 May 2021. Note that it may take several banking days for such payment to reach the recipient account. Upon expiry of the subscription period, unexercised subscription rights will lapse and become worthless. Unexercised subscription rights will thereafter be deleted from the holder's securities account without notification from Euroclear.

In order for the value of the subscription rights not to be lost, the holder must either:

- exercise the subscription rights and subscribe for new shares no later than 7 May 2021, or in accordance with instructions from the subscriber's nominee, or
- sell the subscription rights that are not to be exercised no later than 4 May 2021.

DIRECTLY REGISTERED SHAREHOLDERS

Directly registered shareholders' subscription of new shares by exercise of subscription rights is affected by means of simultaneous cash payment which must be received by DNB no later than 7 May 2021 at 15.00 (CET), through one of the following alternatives:

- **Issue statement – pre-printed payment slip from Euroclear**
  In cases where all received subscription rights are used for subscription, only the issued pre-printed payment slip shall be used as a basis for subscription by cash payment. Special application form (I) must then not be used. Note that notification of subscription is binding and that no additions or changes may be made to the payment slip or in amounts to be paid.
- **Special application form (I) – subscription based on subscription rights**
  If subscription rights are acquired or disposed of, or a different number of subscription rights than those stated in the pre-printed issue report are used for subscription, the Special application form (I) shall be used as a basis for subscription by cash payment. Note that payment for subscribed shares must be made in accordance with the instructions on the subscription form at the same time as the subscription form is submitted to DNB. In this case, the pre-printed payment slip from Euroclear shall not be used. Incomplete or incorrectly completed subscription form may be disregarded. Note that registration for subscription is binding.

Special application form (I) can be obtained from DNB at the telephone number or email below or be downloaded from DNB's website, www.dnb.se/emission. Completed subscription form must be sent or handed in at the address below in connection with payment and be received by DNB no later than 15.00 on 7 May 2021. It is only permitted to submit one (1) Special application form (I). In the event that more than one subscription form is submitted, only the last one received will be considered. Other subscription forms will thus be disregarded. Note that registration for subscription is binding.

DNB Bank ASA, branch in Sweden
Att: Securities Services & Custody
105 88 Stockholm, Sweden
Telephone: +46 8 473 45 50
E-mail: emissioner@dnb.se (scanned registration form)
Registration forms sent by post should be sent well in advance of the last subscription date.

DIRECTLY REGISTERED SHAREHOLDERS WHO ARE NOT RESIDENT IN SWEDEN

Directly registered shareholders who are not resident in Sweden and are entitled to subscribe for new shares in the Rights Issue and who are not subject to the restrictions according to "*Shareholders registered in certain unauthorised jurisdictions*", and who are unable to use the pre-printed payment slip from Euroclear, may pay in SEK through a foreign bank in accordance with the instructions below:

Account holder: DNB Bank ASA Sweden Branch
IBAN: SE8391900000091952922404
BIC: DNBASESXXXX
Bank: DNB Bank ASA Sweden Branch

In connection with payment, the subscriber's name, securities account number and payment identity stated on the issue statement must be quoted. The payment must be received by DNB no later than 7 May 2021 at 15.00 (CET).

If the subscription refers to a number of shares other than that stated in the issue report, Special application form (I) shall be used instead. This can be obtained from DNB by telephone +46 8 473 45 50, via email emissioner@dnb.se or be downloaded from DNB's website, www.dnb.se/emission. Completed subscription form and payment must be received by DNB no later than 7 May 2021 at 15.00 (CET).

NOMINEE-REGISTERED SHAREHOLDERS
Nominee-registered shareholders with a custody account and who wish to subscribe for shares in the Rights Issue by exercise of subscription rights must apply for subscription in accordance with the instructions from their respective nominee.

SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Subscription of shares without preferential rights shall take place during the same period as subscription of shares with preferential rights, i.e. from and including 21 April 2021 up to and including 7 May 2021.

DIRECTLY REGISTERED SHAREHOLDERS AND OTHERS
Registration for subscription without preferential rights take place by filing Special application form (II), signing it and sending it to DNB at the address below. This can be obtained from DNB by telephone +46 8 473 45 50, via email emissioner@dnb.se or be downloaded from DNB's website, www.dnb.se/emission. No payment shall be made in connection with notification of subscription for shares without preferential rights but shall be made in accordance with what is stated below. Special application form (II) must be received by DNB no later than 15.00 (CET) on 7 May 2021. It is only permitted to submit one (1) Special application form (II). In the event that more than one subscription form is submitted, only the last one received will be considered. Other subscription forms will thus be left without consideration. Note that registration for subscription is binding.
DNB Bank ASA, branch in Sweden
Att: Securities Services & Custody
105 88 Stockholm, Sweden
Telephone: +46 8 473 45 50
E-mail: emissioner@dnb.se (scanned registration form)
Registration forms sent by post should be sent well in advance of the last subscription date.

NOMINEE-REGISTERED SHAREHOLDERS
Holders of a depository with a nominee who wishes to subscribe for shares in the Rights Issue without preferential rights may register for subscription in accordance with instructions from the respective nominee.
Subscriber with depository: In order to invoke subsidiary preferential rights, the subscription must be made via the same nominee as the subscription with preferential rights.

ALLOCATION PRINCIPLES FOR SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS
Subscription may also take place without subscription rights. In the event not all shares are subscribed for by use of subscription rights in accordance with the above, the board of directors shall, within the limit of the maximum amount of the Rights Issue, decide on allotment of shares subscribed for without subscription rights. Firstly, such allotment shall be made to those who have subscribed for shares with subscription rights, regardless if they were shareholders on the record date or not, pro rata in relation to the number of shares subscribed for through exercise of subscription rights and, insofar this cannot be done, by drawing lots. Secondly, allotment shall be made to those who have subscribed for shares without subscription rights, pro rata in relation to the number of shares subscribed for and, insofar this cannot be done, by drawing lots. Thirdly, allotment shall be made to those who have entered into so-called top guarantee undertakings, in relation to such guarantee undertakings. Fourthly, allotment shall be made to those who have entered into so-called bottom guarantee undertakings, in relation to such guarantee undertakings.

If the board decides to exercise the Over-allotment Issue constituting an expansion of the Rights Issue, the board of directors will allocate the shares from it at its discretion and with deviation from the preferential right.

Please note: Nominee-registered (depositary) subscriber, who wish to increase the probability of being allotted without preferential rights by also subscribing for shares with preferential rights, must, however, subscribe for shares without preferential rights through the same nominee as they subscribed for shares with preferential rights. Otherwise, these is no possibility at the time of allotment to identify a particular subscriber who has subscribed for shares both with and without the support of subscription rights.

NOTICE OF ALLOCATION IN THE EVENT OF SUBSCRIPTION WITHOUT PREFENTIAL RIGHTS
Notice of any allotment of shares subscribed for without preferential rights is provided by sending an allotment notice in the form of a contract note. Payment must be made no later than the day that appears on the contract note. No notice is given to the person who has no received allotment. If payment is not made on time, the shares may be transferred to another. Should the sale price in the event of such a transfer fall below the price in accordance with this offer, the person who originally received the allotment of these shares may be liable for all or part of the difference. Nominee-registered shareholders receive notification of allotment from the nominee in accordance with their routines.

PAID SUBSCRIBED SHARES (BTA)

Subscription through paid subscribed shares is registered at Euroclear as soon as possible, normally a few banking days after payment. Thereafter the subscriber receives a settlement note (Sw. VP-avi) confirming the registration of paid subscribed shares (Sw. betalda tecknade aktier, "BTA") on the subscriber's securities account. The newly subscribed shares are registered as BTA on the securities account until the new issue has been registered with the Swedish Companies Registration Office.

TRADING IN BTA

Trading in BTA on Nasdaq First North Growth Market is expected to take place during the period from and including 21 April 2021, up to and including the day the Swedish Companies Registration Office has registered the Rights Issue and BTA is re-registered as shares, which is expected to take place around week 21 2021. Trading in BTA will be under the ticker OSSD BTA. The ISIN code for the BTA is SE0015938113. Securities institutions with the necessary permits are at the service of brokering the purchase and sale of BTA.

DELIVERY OF SHARES

As soon as the issue has been registered with the Swedish Companies Registration Office, which is expected to take place around week 21 2021, BTA will be re-registered as shares without special notification from Euroclear. For those shareholders who have their shareholdings registered as nominees, information will come from the respective nominee. Such a re-registration is expected to take place around week 21 2021. The newly issued shares will be admitted to trading on Nasdaq First North Growth Market in connection with the re-registration.

TRADING IN NEW SHARES

The OssDsign shares are traded on Nasdaq First North Growth Market. The shares are traded under the ticker OSSD and have ISIN code SE0012570448. The shares issued in connection with the Rights Issue will be admitted to trading in connection with the conversion of BTA into shares, which is expected to take place around week 21 2021.

SUBSCRIPTION COMMITMENTS AND GUARANTEE COMMITMENTS

The Rights Issue is fully covered by subscription commitments and guarantee commitments. The subscription and guarantee commitments are not secured through bank guarantees, restricted funds, pledged assets or similar arrangements. Consequently, there is a risk that one or more parties will not fulfil their respective commitments. For further description, see section "*Risk factors*" under the heading "*Subscription commitments and guarantee commitments are not secured*".

The subscription commitments amount to approximately SEK 119.3 million, representing approximately 49.6 per cent of the Rights Issue. Subscription commitments have been undertaken by SEB Venture Capital, Karolinska Development, Linc AB, Lancelot Asset Management, Fouriertransform AB, Sebastian Jahreskog, Tamt AB, Ulti AB, Nordic Cross Asset Management and Modelio Equity AB. Among the members of the Company's board of directors and current as well as previous senior executives, subscription commitments have been undertaken by Simon Cartmell, Anders Qvarnström, Newton Aguiar, Morten Henneveld, Henrik Hjort, Kajsa Björklund, Malin Kylberg, Ulrik Birgersson and Rick Thomas. No consideration will be paid for the subscription commitments that have been entered into.

Name	Subscription commitment, SEK	Percentage of the Rights Issue, %
SEB Venture Capital	29,798,060	12.39
Karolinska Development	28,362,931	11.79
Linc AB	15,780,457	6.56
Lancelot Asset Management	7,106,750	2.95
Fouriertransform AB	7,890,229	3.28
Sebastian Jahreskog	8,593,200	3.75
Tamt AB	7,486,500	3.11
Ulti AB	957,892	0.40
Nordic Cross Asset Management	10,680,198	4.44
Modelio Equity AB	1,085,000	0.45
Board of directors and current as well as previous senior executives		
Simon Cartmell	488,250	0.20
Anders Qvarnström	249,550	0.10
Newton Aguiar	451,360	0.19
Morten Henneveld	189,875	0.08
Henrik Hjort	16,275	0.01
Kajsa Björklund	48,825	0.02
Malin Kylberg	43,400	0.02
Ulrik Birgersson	17,360	0.01
Rick Thomas	68,355	0.03
Total	**119,314,466**	**49.61 %**

Received guarantee commitments amount to approximately SEK 121.2 million, representing approximately 50.4 per cent of the Rights Issue. The guarantee commitments have been undertaken by existing shareholders and external investors including Linc AB, Modelio Equity AB, Nyenburgh Investment Partners, Theodor Jeansson, Lancelot Asset Management, Ulf Tidholm and Thomas Eklund. Linc AB's guarantee commitment is a so-called top guarantee covering the area between

approximately 89.9 per cent up to 100 per cent of the Rights Issue. The remaining guarantee commitments are included in a so-called bottom guarantee covering the area between approximately 49.6 per cent and 89.9 per cent of the Rights Issue. In respect of the guarantee commitment to Linc AB, OssDsign shall pay compensation of 10 per cent of the guaranteed amount, representing in total approximately SEK 2.4 million. In respect of the remaining guarantee commitments, the Company shall pay compensation of 6.5 per cent of the guaranteed amount, representing in total approximately SEK 6.3 million. The guarantee commitments were entered into in February 2021.

Name	Guarantee commitment, SEK	Percentage of the Rights Issue, %
Top guarantee		
Linc AB[19]	24,219,540	10.07
Bottom guarantee		
Modelio Equity AB [20]	39,172,088	16.29
Nyenburgh Investment Partners[21]	19,000,000	7.90
Theodor Jeansson[22]	8,000,000	2.08
Lancelot Asset Management[23]	25,000,000	10.39
Ulf Tidholm[24]	800,000	0.33
Thomas Eklund[25]	5,000,000	3.33
Total	**121,191,625**	**50.39**

OVER-ALLOTMENT ISSUE

In order to accommodate a possible oversubscription in the Rights Issue, the extraordinary general meeting also approved on 9 April 2021, in accordance with the board's proposal, to authorise the Company's board of directors to resolve on the Over-allotment Issue in the form of an issue of additional a maximum of 3,875,000 shares at a subscription price of SEK 7.75 per share constituting an expansion of the Rights Issue. If the Over-allotment Issue is fully exercised, it means a further increase in the share capital up to SEK 242,187.50, as well as an increase in the number of shares with a further maximum of 3,875,000 shares.

If both the Rights Issue and the Over-allotment Issue are fully exercised, OssDsign's share capital will increase by a total of SEK 2,181,752.75. The Over-allotment Issue constituting an expansion of the Rights Issue is conditional on the Rights Issue being oversubscribed and will, upon full exercise, provide the Company with additional issue proceeds of approximately SEK 30 million before deductions of transaction costs. The allotment of new shares in the Over-allotment Issue constituting an expansion of the Rights Issue will be decided by the board of directors without preferential rights for existing shareholders. The reason for the decision on the Over-allotment Issue and the deviation from the shareholder's preferential rights is to, when oversubscribing in the Rights Issue, satisfy a stronger demand than the original assessment and to broaden the shareholder base with strategic investors.

Delivery of the shares in the Over-allotment Issue constituting an expansion of the Rights Issue will take place as soon as the Over-allotment Issue has been registered with the Swedish Companies Registration Office, which is expected to take place around week 20 2021.

[19] Address: Birger Jarlsgatan 33, SE-111 45 Stockholm, Sweden.
[20] Address: Riddargatan 35, SE-114 57 Stockholm, Sweden.
[21] Address: 3 Beursplein 5, 1012 JW Amsterdam, the Netherlands.
[22] Address: The subscription commitment (preferential right) has been provided by the company Tamt AB, and the guarantee commitment has been provided by Theodor Jeansson as natural person. Can be contacted via the Company's address Rapsgatan 23 A, SE-754 50 Uppsala, Sweden.
[23] Address: Nybrokajen 7, SE-111 48 Stockholm, Sweden.
[24] Address: The subscription commitment (preferential right) has been provided by the company Ulti AB, and the guarantee commitment has been provided by Ulf Tidholm as natural person. Can be contacted via the Company's address Rapsgatan 23 A, SE-754 50 Uppsala, Sweden.
[25] Address: can be contacted via the Company's address Rapsgatan 23 A, SE-754 50 Uppsala, Sweden.

DIVIDEND

The new shares entitle to dividends for the first time on the record date for dividends occurring after the new shares have been registered with the Swedish Companies Registration Office.

ANNOUNCEMENT OF THE OUTCOME IN THE RIGHTS ISSUE

The outcome of the Rights Issue, and whether the Company exercises the Over-allotment Issue constituting an expansion of the Rights Issue, will be announced through a press release as soon as it becomes known to the Company, which is estimated to be on or around 11 May 2021.

IMPORTANT INFORMATION REGARDING LEI AND NID

According to the EU-directive 2014/65/EU of 15 May 2014 on markets in financial instruments ("**MiFID II**"), all investors wishing to trade in financial instruments need a global identification code to carry out securities transactions from 3 January 2018. These requirements mean that all legal persons need to apply for registration of a Legal Entity Identifier code ("**LEI**"), and all natural persons need to find out their national ID or National Client Identifier ("**NID**"), in order to be able to subscribe for shares without preferential rights in the Rights Issue. Note that it is the legal status of the shareholder that determines whether an LEI code or an NID number is required and that ABG Sundal Collier and DNB may be prevented from carrying out the transaction for the person if an LEI code or NID number (as applicable) is not provided. Legal persons who need an LEI code can turn to one of the providers available on the market. Instructions regarding the global LEI system can be found at www.gleif.org/en/about-lei/get-lei-find-lei-issuing-organizations. For natural persons who only have Swedish citizenship, the NID number consists of "SE" followed by the person's social security number. If the person in question has several or something other than Swedish citizenship, the NID number may be another type of number. Those who intend to

register an interest in subscribing for shares within the framework of the Rights Issue are encouraged to apply for registration of the LEI code (legal persons) or to find out their NID number (natural persons) as soon as this information must be stated in the notification.

INFORMATION TO DISTRIBUTORS

For the purposes of the product governance requirements contained in: (a) MiFID II, (b) articles 9 and 10 of the Commission delegated directive (EU) 2017/593 supplementing MiFID II, and (c) chapter 5 in the SFSA's regulations on securities transactions, FFS 2017:2, (collectively "MiFID II's product governance requirements"), and without liability for damages that may be incumbent on a "producer" (in accordance with MiFID II's product governance requirements) in other respects, shares in the Company have been subject to a product approval process, where the target market for shares in the Company are (i) non-professional clients and (ii) investors who meet the requirements for professional clients and equal counterparties, each according to MiFID II ("the target market"). Notwithstanding the target market assessment, the distributors should note that: the value of the shares in the Company may decrease and it is not certain that investors will get back all or part of the invested amount: shares in the Company offer no guaranteed income and no capital protection: and an investment in shares in the Company is only suitable for investors who do not need a guaranteed income or capital protection, who (either alone or together with a financial or other advisor) are able to evaluate the benefits and risks of such an investment and who have sufficient funds to bear any losses that may arise therefrom. The target market assessment does not affect the requirements of any contractual, legal, or regulatory sales restrictions in relation to the Rights Issue and the Over-allotment Issue constituting an expansion of the Rights Issue. The target market assessment is not to be considered as (a) a suitability or suitability assessment in accordance with MiFID II; or (b) a recommendation to any investor or group of investors to invest in, acquire, or take any other action regarding shares in the Company.

Each distributor is responsible for its own target market assessment regarding shares in the Company and for determining appropriate distribution channels.

INFORMATION REGARDING THE PROCESSING OF PERSONAL DATA

ABG Sundal Collier and DNB process their customers' personal data in accordance with current personal data legislation. Anyone who subscribes for shares in the Rights Issue will provide information to ABG Sundal Collier and DNB. Personal data submitted to ABG Sundal Collier and/or DNB will be processed in computer systems to the extent necessary to provide services and administer customer arrangements. Personal data collected from other than the customer to whom the processing relates may also be processed. It may happen that personal data is processed in computer systems at companies or organisations with which ABG Sundal Collier and/or DNB cooperate. Information on the processing of personal data is provided by ABG Sundal Collier and DNB, which also receive requests for correction of personal data. Address information may be obtained by ABG Sundal Collier and/or DNB through an automatic process at Euroclear. For more information, see ABG Sundal Collier's and DNB's respective website.

OTHER INFORMATION

The Company is not entitled to cancel the Rights Issue. Subscription of new shares, with or without subscription rights, is irrevocable and subscribers cannot withdraw or change such a subscription of new shares, unless otherwise follows from the Prospectus or applicable law.

Incomplete or incorrectly completed subscription forms, as well as subscription forms that are not accompanied by the required identity and authorisation documents, may be disregarded. Only one subscription form per subscriber will be considered. In the event that several subscription forms are received from the same subscriber, only the most recently received subscription form will be considered. In the event that an excessive amount is paid in by a subscriber for the new shares, DNB will arrange for repayment of excess amounts over SEK 100. If the subscription payment is paid in late, is insufficient or is paid incorrectly, notification of subscription may be disregarded. Paid issue proceeds will, provided that it exceeds SEK 100, then be repaid. No interest will be paid for such payment.

The fact that DNB has acted as an issuer in the Rights Issue does not mean that DNB regards the person who has subscribed for shares as a customer.

BOARD OF DIRECTORS AND SENIOR EXECUTIVES

THE BOARD OF DIRECTORS

The Company's board of directors currently comprises of five board members, elected for the period until the close of the 2021 annual general meeting. OssDsign's board of directors can be reached at the Company's address: Rapsgatan 23A, SE-754 50 Uppsala.

The table below presents the board of directors, their positions, the year of appointment and their independence in relation to the Company and its senior executives, as well as in relation to the Company's major shareholders. Major shareholder is defined in the Swedish Corporate Governance Code as a shareholder who controls ten per cent or more of the shares or votes in the Company.

			Independent in relation to	
Name	**Position**	**Member since**	**the Company and the executive management**	**major shareholders**
Simon Cartmell	Chairman	2016	No	Yes
Newton Aguiar	Board member	2019	Yes	Yes
Viktor Drvota	Board member	2015	Yes	No
Håkan Engqvist	Board member	2016	No	Yes
Anders Qvarnström	Board member	2019	Yes	Yes

Presented below is further information about the board of directors' positions, other ongoing assignments, other relevant experience and holdings of shares and share-related instruments in the Company as per 31 March 2021.

SIMON CARTMELL

Board member and chairman of the board since 2016.

Education and experience: Bachelor of Science in Medical Microbiology from the University of Manchester and a Master's of Science in Management and Economics from the University of London, and a Fellow of the London Business School Sloan Program. Simon Cartmell has over 40 years' experience in senior executive and board positions in both private and listed companies in the pharmaceuticals, biotech, medtech and diagnostic sectors.

Other ongoing assignments: Chairman of the board of Oviva AG as well as board member of Axis Spine Technologies Ltd. and Route2Property Ltd.
In addition, he is CEO and board member of Route2Advisors Ltd.

Holdings: 45,000 shares and 122,332 warrants of series 2019/2022:2.

NEWTON AGUIAR

Board member since 2019.

Education and experience: Bachelor of Science in Chemistry from McGill University in 1986 and Master of Business Administration (MBA) from JL Kellogg Graduate School of Management, Northwestern University in 1992. Newton Aguiar has considerable experience of board work and has been a board member of a number of public and private companies, including healthcare companies based in Sweden. He has also been Senior Healthcare Advisor in Warburg Pincus and partner and Head of Europe for Avista Capital.

Other ongoing assignments: Board member of Intervacc AB and Palette Life Sciences AB.

Holdings: 41,600 shares and 30,583 warrants of series 2019:2022:2.

VIKTOR DRVOTA

Board member since 2015.

Education and experience: Qualified doctor, docent and assistant professor of cardiology at Karolinska Institutet. Viktor Drvota has more than 17 years' experience of venture capital within life science. Viktor Drvota was responsible for life science at SEB Venture Capital 2002–2016 and has many years of experience of board duties in biotech and medtech companies.

Other ongoing assignments: CEO of Karolinska Development AB. Chairman of the board of Modus Therapeutics AB, Modus Therapeutics Holding AB, Umecrine Cognition AB and KDev Investments AB. Board member of UC Research AB, Dilafor AB and Dilafor Incentive AB. Deputy board member of Promimic AB and Svenska Vaccinfabriken Produktion AB.

Holdings: -

HÅKAN ENGQVIST

Board member since 2016

Education and experience: Certified civil engineer in material science, senior lecturer in material science and professor in applied material science at Uppsala University. Håkan Engqvist has lengthy research experience with a focus on bioceramic materials as a replacement for hard tissue as well as on systems for pharmaceutical distribution. Håkan Engqvist is the primary inventor of the Company's product OSSDSIGN Cranial as well as co-founder of OssDsign and has also founded several other companies. Håkan Engqvist also has experience from board positions in a number of companies, including pharmaceutical companies and medtech.

Other ongoing assignments: CEO and board member of Aduro Material AB. Chairman of the board of Psilox AB. Board member of Emplicure AB. Partner of GP Bio Ltd.

Holdings: 224,000 shares and 122,332 warrants of series 2019/2022:2.

ANDERS QVARNSTRÖM

Board member since 2019.

Education and experience: Master of Science in Chemical Engineering (with specialization in biochemistry), from Royal Institute of Technology, Stockholm. Anders Qvarnström has 34 years of international experience from several General Management positions in listed and private biotech and medical device companies. He has experience in running business and companies internationally and has built up sales and marketing in EU, Japan and the US. He has recently been Country Manager for Nilfisk Inc. Japan and Divisional Manager at St. Jude Medical Japan Co as well as COO for Global Kinetics Corp. (Australia).

Other ongoing assignments: Chairman of the board of iCellate AB.

Holdings: 23,000 shares and 30,583 warrants of series 2019/2022:2.

SENIOR EXECUTIVES

The Company's group management comprises six individuals. The table below presents the senior executives, their positions and the year of employment in the Company.

Name	Position	Employed since
Morten Henneveld	CEO	2020
Kajsa Björklund	VP of Technical Operations	2016
Ulrik Birgersson	Director of Clinical Engineering	2016
Malin Kylberg	Director of Quality Assurance & Regulatory Affairs	2017
Anders Svensson	CFO	2021
Rick Thomas	VP of Commercial Operations	2016

Presented below is information about the senior executives' positions, other ongoing assignments, other relevant experience and holdings of shares and share-related instruments in the Company as of 31 March 2021.

MORTEN HENNEVELD

CEO since 2020.

Education and experience: MSc in international business administration from Copenhagen Business School, Denmark. Morten Henneveld has extensive international experience within medical technology products with a background as Director, Commercial Excellence for Coloplast during the period 2008-2012, including a period working in the US, and after that, as Malmö-based Managing Director, Sweden and Regional Vice President, Nordics for Biomet followed by the position of Vice President, EMEA Spine for Zimmer Biomet during the period 2012-2016. Morten was most recently Senior Vice President, Business Transformation & Strategy for GN Group.

Other ongoing assignments: Advisory Board Member at SIME Clinical AI.

Holdings: 17,500 shares.

KAJSA BJÖRKLUND

VP of Technical Operations since 2018 and previously Director of Development since 2016.

Education and experience: PhD in Inorganic Chemistry as well as M.Sc. in Chemistry from Uppsala University. Executive MBA from Mgruppen Svenska Management-gruppen AB. Kajsa Björklund has worked within the Life Science industry since 2001 and has experience from positions as, among others, line manager, project manager and consultant, with a focus on medtech and products within vitro diagnostics. Kajsa Björklund has comprehensive experience within product development, project management, design transfer and quality work. Kajsa Björklund's role as Director of Technical Operations includes responsibility for production, product supply, manufacturing technology and product development.

Other ongoing assignments: -

Holdings: 9,000 shares and 24,466 stock options of series 2019/2022.

ULRIK BIRGERSSON

Director of Clinical Engineering since 2016.

Education and experience: Educated engineer in Computer Technology Engineering at Royal Institute of Technology. PhD from Karolinska Institutet. Ulrik Birgersson has over fifteen years' experience from the Life Science industry and has held various positions, with a particular focus on pre-clinical and clinical studies and trial applications, including administration of applications and reporting to and communication with medical agencies such as, for example, the American pharmaceutical authority, the FDA. Ulrik Birgersson was, among others, involved in the work prior to the PMA approval that SciBase received in 2017, and was then responsible for managing the pre-IDE and pre-PMA discussions with the FDA.

Other ongoing assignments: CEO of Data Vigilence Consulting AB.

Holdings: 1,600 shares and 24,466 stock options of series 2019/2022.

MALIN KYLBERG

Director of Quality Assurance & Regulatory Affairs since 2017.

Education and experience: Master's degree in natural sciences and mathematics from Uppsala University. Malin Kylberg has worked with quality assurance in the Life Sciences industry during the last 20 years and has comprehensive experience from quality work and regulatory issues in both pharmaceutical and medical technology companies, including among others senior positions with responsibilities such as being the responsible individual appointed by the Swedish Medical Products Agency.

Other ongoing assignments: -

Holding: 4,000 shares and 24,466 stock options of series 2019/2022.

ANDERS SVENSSON

CFO since 2021.

Education and experience: MBA focusing on strategies/finance from the Australian Graduate School of Management. Anders has many years and solid experience of leading positions extending over a number of different industries and including both manufacturing and service companies. Anders is an entrepreneurial CFO and company manager with broad experience from pharma, lighting, electronics, retail trade and digitalisation/software development in Sweden and internationally, and possesses good qualifications for managing finance departments.

Other ongoing assignments: -

Holdings: -

RICK THOMAS

VP of Commercial Operations since 2016.

Education and experience: Bachelor of Science in pharmacology from Sheffield University (Sheffield, the UK). Rick Thomas has 22 years' experience from commercial roles in the pharmaceutical and medtech industries, initially in large organisations such as Medtronic and subsequently with companies in the start-up phase. Rick Thomas was, among others, a member of the management group of Apatech, a British company successfully sold to Baxter for approximately USD 330 million in March 2010.

Other ongoing assignments: Board member of RedMed Consulting Ltd.

Holdings: 6,300 shares and 85,632 warrants of series 2019/2022:1.

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

There are no family relationships between any board members or senior executives and any other board members or senior executives within OssDsign. None of the board members or senior executives have during the past five years (i) been convicted of fraud-related offenses, or (ii) been subject to accusations or sanctions by statutory or regulatory authorities (including recognised professional bodies) or been disqualified by a court from acting as a member of an issuer's administrative, management or supervisory body or from holding any senior or overarching position in an issuer. There are no conflicts of interest through which the private interests of board members or senior executives would be contrary to the Company's interests.

REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

THE BOARD OF DIRECTORS

Remuneration to the board of directors is resolved upon by the general meeting. The table below shows remuneration to the board of directors in 2020, including conditional or deferred remuneration as well as any benefits in kind that the Company has granted in respect of services performed on behalf of the Company, irrespective of by whom or to what extent the services have been performed. All amounts are expressed in SEK '000.

Name[26]	Basic salary/Board remuneration	Variable remuneration	Other benefits	Social security contributions	Pension expenses	Total
Simon Cartmell	300	–	–	94	0	394
Newton Aguiar	150	–	–	47	0	197
Viktor Drvota	0	–	–	0	0	0
Håkan Engqvist	0	–	–	0	0	0
Anders Qvarnström	150	–	–	47	0	197
Total	**600**	**–**	**–**	**189**	**0**	**789**

SENIOR EXECUTIVES

Remuneration to senior executives may comprise fixed salary, variable remuneration, pension and other benefits. The tables below show remuneration to senior executives in 2020, including conditional or deferred remuneration as well as any benefits in kind that the Company has granted in respect of services performed on behalf of the Company, irrespective of by whom or to what extent the services have been performed. All amounts are expressed in SEK '000.

Name	Basic salary	Variable remuneration	Other benefits[27]	Social security contributions	Pension expenses	Total
CEO[28]	3,202	1,259[29]	105	957	459	4,757
Other senior executives [30]	4,282	–	20	1,345	1,146	6,773
Total	**7,484**	**1,259**	**125**	**2,302**	**1,605**	**11,530**

PENSION AND OTHER BENEFITS

Other than as stated in this section, OssDsign has not entered into any agreement with a member of an administrative, management or control body which provides such member with an entitlement to pension or similar benefits following termination of the engagement.

The Group has no reserved or accrued amounts for pensions and similar benefits following termination of employment or engagement.

[26] In addition, certain board of directors have received remuneration from the Company by consultancy agreements. For further information, see the section "*Legal issues, ownership structure and supplementary information*" under "*Transactions with related parties*".
[27] Refers to car benefits.
[28] Includes Morten Henneveld as well as Anders Lundqvist, who ceased to be CEO of the Company on 31 August 2020.
[29] Refers to remuneration for the financial year 2020, which will be paid in 2021.
[30] Including Kajsa Björklund, Ulrik Birgersson, Henrik Hjort (previous Director of Marketing & Business Development), Malin Kylberg and Rick Thomas as well as Claes Lindblad who ceased to be CFO of the Company on 13 November 2020. Anders Svensson has been retained by the Company as a consultant until 1 April 2021. Invoiced remuneration totalling SEK 427,600 in 2020.

FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

FINANCIAL REPORTS

The below pages of the following documents are incorporated in the Prospectus by reference and are to be read as part thereof. The parts of documents that are not incorporated in the Prospectus by reference are probably not relevant for investors or corresponding information is reproduced elsewhere in the Prospectus.

The Group's audited annual accounts as of and for the financial years ended on 31 December 2018 and 2019 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as adopted by the EU, and the Group's unaudited year-end report for the period January-December 2020 as well as the Group's unaudited interim report for the period January-March 2021 has been prepared in accordance with IAS 34 Interim Financial Reporting.

- OssDsign's unaudited interim report for the period January-March 2021 including comparison figures regarding the corresponding period in 2020, in which reference is made to the Group's consolidated summary income statement and consolidated summary of comprehensive income on page 8, the Group's consolidated summary balance sheet on page 9, the Group's consolidated change in shareholder's equity in summary on page 10, the Group's consolidated summary statement of cash flows on page 11 as well as notes on page 14.
- OssDsign's unaudited year-end report for the period January-December 2020, in which reference is made to the Group's consolidated summary income statement and consolidated summary of comprehensive income on page 8, the Group's consolidated summary balance sheet on page 9, the Group's consolidated change in shareholder's equity in summary on page 10, the Group's consolidated summary statement of cash flows on page 11 as well as notes on page 14.
- OssDsign's audited annual report for the 2019 financial year, in which reference is made to the Group's consolidated income statement and consolidated statement of comprehensive income on page 36, the Group's consolidated balance sheet on pages 37-38, the Group's consolidated change in shareholder's equity on page 39, the Group's consolidated statement of cash flows on page 40, notes on pages 46-65, as well as the auditor's report on pages 67-69.
- OssDsign's audited annual report for the 2018 financial year, in which reference is made to the Group's consolidated income statement and consolidated statement of comprehensive income on pages 6-7, the Group's consolidated balance sheet on pages 8-9, the Group's consolidated change in shareholder's equity on page 10, the Group's consolidated statement of cash flows on page 11, notes on pages 17-37 as well as the auditor's report on pages 39-41.

Other than as expressly stated, no information in the Prospectus has been reviewed or audited by the Company's auditor.

KEY PERFORMANCE INDICATORS[31]

Some of the selected key performance indicators presented below constitute alternative performance measures or key performance indicators that are not defined in accordance with IFRS, and are thus not necessarily comparable to key performance indicators under similar names used by other companies. The financial key performance indicators that are not defined in accordance with IFRS are used, together with key performance indicators defined in accordance with IFRS, in order to assist in analysis of the Group by the management and other stakeholders. See the heading "*Definitions of alternative performance measures*" for definitions and the purpose of alternative performance measures and the heading "*Reconciliation of alternative performance measures*" below for reconciliations of the aforementioned performance measures. The table below shows the Group's key performance indicators for the periods January-March 2021 and 2020 respectively, January-December 2020 as well as for the 2018 and 2019 financial years.

SEK '000	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2020	Jan-Mar 2021	Jan-Mar 2020
Profit after financial items[2]	-83,752	-55,861	-84,542	-23,457	-18,312
Solidity, %[2]	88	63	45	40	88
Earnings per share (before and after dilution)[1] (SEK)	-5.5	-11.00	-4.4	-1.1	-1.0
Average number of employees[1]	34	27	43.9	43.3	40.8
Dividend[1] (SEK)	-	-	-	-	-

[1] Defined in IFRS.
[2] Alternative performance measure.

[31] Key performance indicators are derived from the Company's audited annual reports and consolidated financial statements for the 2018 and 2019 financial years as well as the Company's unaudited year-end report for the period January-December 2020 and the Company's unaudited interim report for the period January-March 2021, which have been incorporated in the Prospectus by reference.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

The definitions presented below include definitions of key performance indicators which are not defined in accordance with IFRS (alternative performance measures). Alternative performance measures measure historical or future financial results, financial position or cash flows, but exclude or include amounts that are not adjusted in the same way in the most comparable key performance indicator as defined in the Group's accounting principles. The Group management uses alternative performance measures in order to monitor the underlying trend in the Company's operations and considers that the alternative performance measures, together with key performance indicators defined in accordance with IFRS, assist investors to understand the Company's development from period to period and can facilitate a comparison with similar companies, but are not necessarily comparable with key performance indicators bearing similar designations used by other companies. The Company considers that the alternative performance measures contribute usability and supplementary information to the investors. The alternative performance measures are not audited. See the heading "*Reconciliation of alternative performance measures*" below regarding reconciliations of alternative performance measures.

Key performance indicator	Definition	Purpose
Operating profit	Calculated as operating income minus operating costs.	The key performance indicator is intended to provide investors with an understanding of OssDsign's cost structure (net).
Profit after financial items	Calculated as operating profit plus financial income, minus financial costs.	The Company believes that the key performance indicator contributes to increased understanding of the Company's operating activities.
Total assets	Calculated as the aggregate of total assets or total of equity and liabilities at the end of the period.	The Company believes that the key performance indicator shows the change in the value of the Company's assets and liabilities over time.
Solidity	Calculated as adjusted equity divided by total assets (balance sheet total). Adjusted equity means equity including untaxed reserves less deferred tax liability.	The Company considers that the key performance indicator provides investors with an impression of the percentage of financing that derives from equity and external financing respectively. The Company further considers that it provides investors with an impression of the Company's financial stability and ability to survive in the long term.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

The tables below reflect a reconciliation of alternative performance measures based on items, secondary totals or totals included in the Group's audited financial statements for the financial years ended on 31 December 2018 and 2019, as well as for the year-end report January-December 2020 and the interim report January-March 2021 (including comparison figures regarding the corresponding period in 2020) which have been incorporated by reference to this Prospectus. The alternative performance measures are not audited.

SEK '000	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2020	Jan-Mar 2021	Jan-Mar 2020
Operating income	19,655	22,284	26,170	6,562	8,466
Total operating cost	-103,181	-72,429	-110,104	-29,876	26,725
Operating profit	-83,526	-50,145	-83,934	-23,314	-18,260
Profit from financial items					
Financial income	-	-	-	-	-
Financial cost	-226	-5,716	-608	-143	-52
Profit after financial items	-83,752	-55,861	-84,542	-23,457	-18,312
Total fixed assets	30,040	33,185	186,168	184,479	31,101
Total current assets	123,227	38,498	60,482	38,349	101,589
Total assets	153,267	71,682	246,650	222,828	132,690
Total Equity	135,275	47,492	112,068	88,962	117,176
+ Untaxed reserves	-	-	-	-	-
-Deferred tax liabilities	-	-	-	-	-
=Adjusted equity	135,275	47,492	112,068	88,962	117,176
Adjusted equity	135,275	47,492	112,068	88,962	117,176
/Total assets (balance sheet total)	153,267	71,682	246,650	222,828	132,690
= Solidity, %	88	63	45	40	88

DIVIDEND POLICY

OssDsign is a growth company, and no dividend has been distributed to its shareholders up until today. Furthermore, there is no dividend planned for the coming years, as any profits from business operations will be reinvested in the Company. In the future, when the Company's earnings and financial position so permit, dividend pay-outs may become relevant. When dividend becomes relevant, the Company's board of directors will consider factors such as the growth and profitability of the Company's business operations, working capital and investment needs, financial position and other factors when deciding on a possible dividend proposal.

SIGNIFICANT CHANGES SINCE 31 MARCH 2021

No significant changes have taken place in the Company's financial position, result or position on the market since 31 March 2021.

LEGAL ISSUES, OWNERSHIP STRUCTURE AND SUPPLEMENTARY INFORMATION

SHARES AND SHARE CAPITAL

The Company's shares are denominated in SEK and have been issued pursuant to the Swedish Companies Act. All shares are fully paid up. The Company's articles of association prescribe that the share capital shall be not less than SEK 750,000 and not more than SEK 3,000,000 and that there shall be no less than 12,000,000 shares and no more than 48,000,000 shares. On 31 December 2020, the Company's registered share capital amounted to SEK 1,385,403.75, divided into 22,166,460 shares, each with a quotient value of SEK 0.0625. As of the date of the Prospectus, the Company's registered capital amounts to SEK 1,385,403.75, divided into 22,166,460 shares.

MAJOR SHAREHOLDERS

The table below shows shareholders with holdings of at least five (5) per cent of the total number of shares and votes in the Company on 31 March 2021, based on information from Euroclear Sweden AB and subsequent known changes. Per the date of publication of the Prospectus, as far as the Company is aware, there is no direct or indirect ownership that may lead to changed control of the Company.

Name	Number of shares and votes	Share of capital and votes (%)
SEB Venture Capital	2,746,368	12.39
Fouriertransform Aktiebolag	2,181,632	9.84
Karolinska Development AB	2,614,096	11.79
Total	**7,542,096**	**34.02**

SHARE-RELATED INCENTIVE PROGRAMME

Below is a description of outstanding warrants and qualified employee stock options issued within the different incentive programs for employees, consultants and board members.

WARRANT PROGRAMME 2016/2021

On 10 November 2016, the board of directors of OssDsign approved, supported by authorisation of the general meeting, to issue 13,483 warrants. On 31 December 2020, there were 3,906 outstanding warrants. At the time of the issuance, each warrant carried an entitlement to subscribe for one (1) new share at a subscription price of SEK 850. The warrants can be exercised to subscribe for new shares during the period commencing on 1 November 2021 up to and including 30 November 2021. According to the terms of the programme, in certain cases recalculation shall take place regarding the subscription price and the number of shares to which each warrant carries an entitlement to subscribe. Recalculation has taken place as a consequence of a split of shares resolved upon at an extraordinary general meeting on 7 March 2019, after which the subscription price is SEK 53.125 per share and each warrant entitles to subscribe for 16 new shares. No recalculation will take place as a consequence of the Rights Issue.

The maximum dilution effect upon full exercise of all warrants amounts to approximately 0.28 per cent of the total number of shares and votes in the Company as of the date of the Prospectus.

Otherwise, customary terms and conditions apply to the incentive programme.

INCENTIVE PROGRAM IN ACCORDANCE WITH RESOLUTION AT THE ANNUAL GENERAL MEETING 2019

At the annual general meeting on 24 April 2019, it was resolved to introduce three (3) different incentive programs of which one in the form of so-called qualified employee stock options directed to certain key persons employed in Sweden, one warrant program directed to certain employees and consultants in Sweden and abroad as well as one warrant program directed to board members. The different incentive programmes are described below.

QUALIFIED EMPLOYEE STOCK OPTIONS 2019/2022 FOR EMPLOYEES

The incentive programme initially covered up to 256,894 qualified employee stock options and was directed to certain key persons employed in Sweden. As of 31 December 2020, there were 195,728 outstanding qualified employee stock options (the remaining may not be used for subscription of new shares). Each employee stock option entitles the holder to subscribe for one (1) new share at a subscription price of SEK 31.88. The qualified employee stock options can be exercised to acquire new shares during the period commencing on 1 July 2022 up to and including 31 December 2022. According to the terms of the programme, in certain cases recalculation shall take place regarding the acquisition price as well as the number of shares to which each qualified employee stock options carries an entitlement to acquire. The recalculation terms and conditions are customary and recalculation will take place in connection with the Rights Issue.

Otherwise, customary terms and conditions apply to the incentive programme.

WARRANT PROGRAMME 2019/2022:1 FOR EMPLOYEES AND CONSULTANTS

The incentive programme initially covered up to 434,277 warrants and was directed to certain employees and consultants in Sweden and abroad. As of 31 December 2020, there were 391,461 outstanding warrants. Each warrant entitles the holder to subscribe for one (1) new share at a subscription price of SEK 31.88. The warrants may be exercised to subscribe for new shares during the period commencing on 1 July 2022 up to and including 31 December 2022. According to the terms of the programme, in certain cases recalculation shall take place of the subscription price and the number of shares to which each warrant carries an entitlement to subscribe. The recalculation terms and conditions are customary and recalculation will take place in connection with the Rights Issue.

Otherwise, customary terms and conditions apply to the incentive programme.

WARRANT PROGRAM 2019/2022:2 FOR BOARD MEMBERS

The incentive programme initially covered up to 305,830 warrants and was directed to board members. As of 31 December 2020 there were 305,830 outstanding warrants. Each warrant entitles the holder to subscribe for one (1) new share at a subscription price of SEK 31.88. The warrants may be exercised to subscribe for new shares during the period commencing on 1 July 2022 up to and including 31 December 2022. According to the terms of the programme, in certain cases recalculation shall take place of the subscription price and the number of shares to which each warrant carries an entitlement to subscribe. The recalculation terms and conditions are customary and recalculation will take place in connection with the Rights Issue.

Otherwise, customary terms and conditions apply to the incentive programme.

WARRANT AGREEMENTS

Holders of warrants of series 2016/2021 have entered into warrant agreements with the Company under which the Company has the right to repurchase warrants if the holder's employment or assignment in the Company should expire before 31 October 2020. The Company's right to repurchase warrants gradually decreases for each year. Warrants of series 2019/2022:1 are also covered by warrant agreements with customary terms. The warrant agreements also contain customary so called "good leaver" and "bad leaver" provisions. The holders of warrants of series 2019/2022:2 as well as the holders of qualified employee stock options 2019/2022 are not bound by any warrant agreements.

PROPOSED RESOLUTION REGARDING ESTABLISHMENT OF ADDITIONAL INCENTIVE PROGRAMMES

The board of directors of the Company intends to propose to the annual general meeting of OssDsign on 22 June 2021 to establish two additional incentive programmes, one of which it is proposed to include employees and consultants, and the other is proposed to include board of directors with participants in Sweden, Denmark, the UK and the US. The intention is for the incentive programmes to include warrants with customary terms and conditions.

MATERIAL AGREEMENTS

Presented below is a summary of the material agreements entered into by the Group during the preceding financial year. The summary does not include agreements entered into within the ordinary course of business.

SHARE PURCHASE AGREEMENT REGARDING SIRAKOSS LTD

In November 2020, OssDsign entered into an agreement to acquire the privately owned Scottish company Sirakoss Ltd. The acquisition increased OssDsign's product portfolio with 510(k)-cleared Osteo3 ZP Putty, a newly developed synthetic bone graft for use within orthopaedic surgery. OssDsign acquired all of the outstanding shares in Sirakoss through a cash transaction combined with customary terms and conditions for completion. The purchase price of USD 11 million, without assumption of any cash holdings or liabilities, is divided into three cash instalments, of which USD 5 million was paid at closing of the transaction and the two remaining instalments of USD 3 million each to be paid on 30 June and 31 December 2021 respectively. The sellers are also entitled to USD 2.5 million in additional conditional milestone payments from OssDsign when the cumulative net sales of Osteo^3 ZP Putty reach up to USD 60 million and USD 120 million, respectively.

ROYALTY AGREEMENT

In connection with entry into the share purchase agreement regarding Sirakoss Ltd, the sellers and OssDsign have also entered into a royalty agreement including a right for the sellers to receive a single-digit royalty fee on future sales of Osteo^3 ZP Putty or other products covered by the acquired intellectual property rights until they have expired.

AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATIONS

OssDsign has not, in the past twelve months, been a party in any authority proceedings, legal proceedings or arbitration proceedings (including proceedings that are pending or deemed likely by the Company) that are deemed likely to have a significant effect on the Company's financial position or profitability.

TRANSACTIONS WITH RELATED PARTIES

Presented below are transactions with related parties that have taken place since 1 January 2018 and up until the date of the Prospectus, all of which have taken place on market terms.

The subsidiaries OssDsign USA Inc and OssDsign Ltd invoice their costs to the parent company in accordance with a transfer pricing agreement. As of the balance sheet date on 31 December 2020, the parent company had a claim on OssDsign USA Inc of TSEK 1,745, a debt to OssDsign Ltd of TSEK 411 and a debt to Sirakoss Ltd of TSEK 60.

The Company's board of director Håkan Engqvist has received remuneration for consulting services and patents in addition to the board fee, for which invoiced amounts totalled TSEK 270 in 2018, TSEK 952 in 2019 and TSEK 290 in 2020.

The chairman of the board of directors Simon Cartmell has received remuneration for consulting services in addition to the board fee, for which invoiced amounts totalled TSEK 360 in 2018, TSEK 481 in 2019 and TSEK 304 in 2020.

CONFLICTS OF INTEREST

There are no conflicts of interest or potential conflicts of interest among the board of directors and senior executives with regard to obligations toward the Company and their private interests and/or other assignments. As stated above, certain members of the board of directors and senior executives have economic interests in the Company through holdings of shares and warrants.

No members of the board of director or senior executive has been elected or appointed as a consequence of arrangements or agreements with major shareholders, customers, suppliers or other parties.

DOCUMENTS AVAILABLE FOR INSPECTION

OssDsign's registration certificate and articles of association are available on the Company's website, www.ossdsign.com/corporate-governance. Please note that information on the website does not constitute part of the Prospectus and has not been reviewed or approved by the Swedish Financial Supervisory Authority.

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