



2021

Interim Report
for the second quarter

January – June 2021

Interim Report for the second quarter of 2021

January 1 – June 30, 2021

The second quarter in figures

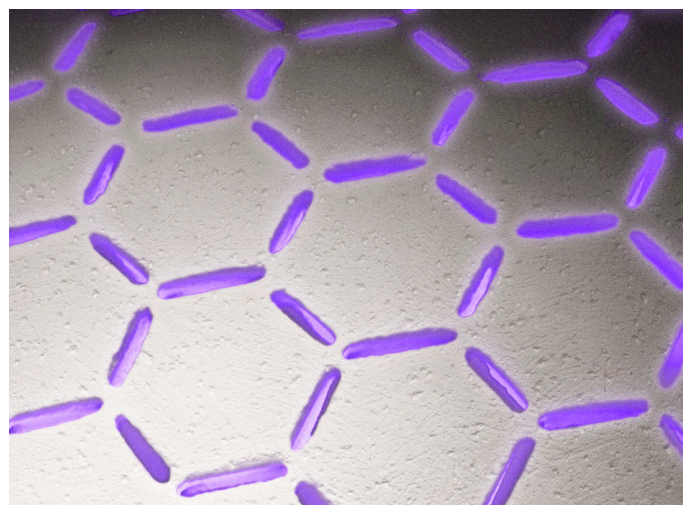
- Net sales amounted to TSEK 7,643 (3,905).
- Loss after taxes amounted to TSEK 25,332 (22,586).
- Earnings per share was SEK -0.4 (-1.3).
- Cash flow from current operations was TSEK -11,169 (-15,829).

The first half year in figures

- Net sales amounted to TSEK 13,629 (11,631).
- Loss after taxes amounted to TSEK 48,661 (40,898).
- Earnings per share was SEK -1.2 (-2.3).
- Cash flow from current operations was TSEK -34,503 (-37,962).

Important events during the second quarter

- OssDsign raised SEK 270 million in a 185% oversubscribed rights issue and utilised the over-allotment option of SEK 30 million.
- New scientific paper in Journal of Neurosurgery further confirms osteointegration of OssDsign Cranial PSI implants in humans, a clear differentiation from competitors.
- New preclinical trial data, published in The Spine Journal, shows that OssDsign's innovative synthetic bone graft OssDsign Catalyst outperforms a comparable device in bone formation following spinal fusion surgery.



Important events after the end of the second quarter

- OssDsign Catalyst now launched on the U.S. market.
- OssDsign enters into agreement with Premier Inc, a leading group purchasing organisation in the U.S. giving access to 4,100 hospitals.
- OssDsign partners with Red One Medical and enters into DAPA agreement to provide reconstructive cranial solutions and synthetic bone grafts to U.S. veterans and active military members.
- OssDsign selected to exhibit OssDsign Cranial PSI at Vizion Innovative Technology Exchange in the U.S.
- OssDsign's Management and Board of Directors increase their long-term commitment through acquisition of warrants for a total amount of approximately SEK 1.3 million.

Financial overview

	2021	2020	2021	2020	2020
	April 1 – June 30	April 1 – June 30	Jan 1 – June 30	Jan 1 – June 30	Jan 1 – Dec 31
<i>The group</i>					
Net sales, TSEK	7 643	3 905	13 629	11 631	24 872
Operating profit, TSEK	-25 159	-22 489	-48 473	-40 748	-83 934
Profit for the period, TSEK	-25 332	-22 586	-48 661	-40 898	-84 590
Solidity, %	68%	78%	68%	78%	45%
Earnings per share, SEK	-0.4	-1.3	-1.2	-2.3	-4.4
Average number of employees	43.9	39.3	43.6	40.1	43.9



“ During the last years, we have been able to build a strong network among influential neurosurgeons and gained trust for our regenerative cranial implants. This will serve us well in the imminent roll-out of the latest addition to our product portfolio, OssDsign Catalyst. ”

Oversubscribed rights issue provides financial strength to implement our growth strategy

In May, we were delighted to announce that our recent rights issue, including an over-allotment, brought SEK 270 million to the company before transaction costs. We experienced a high level of interest from both existing and new investors – consequentially, no guarantee commitments had to be utilised. By this, we are now set to implement the next steps in our growth strategy.

Continued sales growth despite ongoing COVID-19 pandemic

Despite the ongoing COVID-19 pandemic, sales continued to develop well during the second quarter. Total revenues reached SEK 7.6 million (8.1 million at constant exchange rates), representing a growth rate of 112% in comparison with the corresponding period of last year and a 28% increase over the last quarter. Q2 2021 therefore comes in as the best quarter to date for the company, an impressive achievement considering the current COVID-19 situation. Whilst we are seeing gradual improvements, we cannot exclude fluctuations in our quarterly revenues for some time to come, until the effects of the pandemic on hospital operations have lessened. In the mid-long term, we see ample opportunities for considerable and steady growth of our established products for cranial surgery, addressing a market valued at USD 0.6 bn. The recent win of a group purchasing agreement with Premier Inc. will grant us an important distribution channel to a new customer base in the U.S. Premier is a group purchasing organisation (GPO) uniting an alliance of approximately 4,100 U.S. hospitals. Further, we have entered into an agreement with Red One Medical, a private sector organisation that identify medical innovation for the U.S. Department of Veterans Affairs and Department of Defense. Through the Distribution and Pricing Agreement (DAPA), OssDsign will provide the opportunity for current and retired military staff, a population of roughly 20 million service members, to be treated with the company’s state-of-the-art cranioplasty implants for cranial bone defects and synthetic bone grafts.

The continued restrictions in Japan combined with a slow vaccine roll out unfortunately means that the launch in Japan is delayed. We are now expecting to launch in the last quarter of the year – an important starting point for the establishment of our regenerative implant solution on yet another of the world’s largest geographical markets.

We will continue our mission to increase the use of OssDsign Cranial PSI, our patient specific implant solution for cranial surgery which has enabled us to establish excellent relations with a high and still-growing number of influential neurosurgeons. This network will serve as an important platform during the forthcoming launch of our innovative bone graft substitute, OssDsign Catalyst.

OssDsign Catalyst launched in the U.S. – entering a USD 2.6 bn market

On top of our existing franchise in cranial surgery, we are now entering a segment with five times higher sales potential with the latest addition to our product portfolio – OssDsign Catalyst. This novel synthetic bone graft, based on a unique nanocrystalline structure and chemistry, is designed to stimulate the formation of healthy bone tissue. The product has been cleared to market in the U.S. and is now available for use in spinal surgery, a market valued at USD 2.6 billion. The fact that we already have managed to scale up the production

and make the product available for the U.S. market is a great achievement by the whole team at OssDsign. Today, many spinal patients do not achieve the desired clinical outcome, spinal fusion, hence there is a substantial need for new innovative products that can improve healing, bone formation and clinical results. We have a dedicated sales team and a range of experienced distributors lined up for the U.S. launch.

In a recently published preclinical study in the renowned scientific magazine The Spine Journal, OssDsign Catalyst achieved superior fusion and healing in comparison to both autograft and a comparable market-cleared device. These data add to the solid scientific foundation for commercialising OssDsign Catalyst and underlines its unique properties. The study was performed in a well-established model, and the results will be important in introducing the product to our future customer base. In parallel, we are investing in further clinical data, and inclusion of patients to clinical study (TOP-FUSION) is scheduled to commence in September. The objective is to determine the safety of OssDsign Catalyst and to assess the rate of radiographic and clinical spinal fusion up to 24 months after surgery in patients with degenerative disc disease.

A solid base for future growth

I am proud that we have continued to deliver on the key milestones we promised, won two important US GPO contracts, and will shortly launch the first bone graft clinical program. We are now optimally positioned to deliver strong sales growth during the coming years, based on a solid financial position and unique products for cranial and spinal surgery.

Morten Henneveld, CEO

Statement of Operations

OssDsign AB is a Swedish medical-technology company that develops and markets regenerative implant solutions for bone and tissue restoration.



Overview

OssDsign designs, manufactures and sells patient-specific and off-the-shelf implants for the treatment of injuries and defects in the skull and face. Through the acquisition of Sirakoss Ltd in 2020, OssDsign now also provides a bone-graft substitute for use in spinal surgery. OssDsign was founded in 2011 and currently employs approximately 50 employees located at head office in Uppsala, Sweden, as well as in Scotland, the U.S., Germany, and the United Kingdom.

CMF implants

The foundation of the Company is a patented calcium-phosphate material, which gradually transforms into bone during the healing process. Based on this bioceramic material, the Company has developed patient-specific cranial implants, and an off-the-shelf product for burr-hole closure and bone-flap fixation. The products lead to an improved healing process with a low risk of complications. The products are manufactured at the OssDsign site in Uppsala, Sweden. The Company has regulatory approvals in the EU, the U.S. and Japan, and is now in an expansion phase with more than 1,000 surgeries having been performed with OssDsign's Cranial PSI implant. OssDsign initiated commercialisation in the U.S., the world's largest Medtech market during 2017, and has since seen strong growth, making the U.S. the largest market for OssDsign. The Company continues to see significant growth opportunities in the U.S. and intends to carry out significant market initiatives there in the coming years. In addition, OssDsign will invest in continued growth in Europe where OssDsign is now established in all key markets. First steps have also been taken towards establishing a position in the

Japanese market where a national business partner, Muranaka Medical Instruments, was appointed during 2020. Mutual launch preparations have been delayed to Q4 2021 due to COVID-19 but preparations are ongoing.

Orthobiologics

In November 2020, OssDsign completed the acquisition of Sirakoss Ltd, taking the first transformative step to becoming a broader orthopaedic player by expanding into the large and fast-growing Orthobiologics segment. OssDsign's product portfolio is now broadened with a next-generation nano-synthetic bone-graft substitute designed for treating skeletal defects. The acquisition allows OssDsign to leverage strong commercial synergies with a broad customer and sales-channel overlap as well as the combined Sirakoss and OssDsign teams with their proven track records in the Orthobiologics business. Sirakoss received FDA clearance for the product in June 2020, and is now available on the U.S. market.

COVID-19 pandemic

OssDsign is continuously monitoring the impact of COVID-19 on a short- and medium-term basis. During the second quarter most countries had some lightening in restrictions, but there was still a resurgence of restrictions and postponed elective surgeries across many markets. A higher level of uncertainty in the Company's outlook therefore remains. The underlying demand for OssDsign products in the long-term, however, remains intact and with the current vaccination programs ongoing, OssDsign expects to see an improvement and stabilisation of the situation during 2021.

Development of profit and financial position

SECOND QUARTER

Net sales

Net sales for the second quarter of 2021 amounted to TSEK 7,643 (3,905), which corresponds to a significant growth of 112% in constant currency terms, as compared to Q2 2020.

It is also a 28% increase over the previous quarter 2021.

Actual SEK sales figures achieved are almost level with our best ever quarter, ie Q1 2020, and in constant currency terms we are even 7% above that level. An impressive achievement considering the current COVID-19 situation.

Sales in Q2 2021 continue to suffer from restricted access to hospitals and postponed surgeries but the negative effects are less severe than in the comparison period Q2 2020.

Operating profit/loss

Operating profit for the period April – June 2021 amounted to TSEK –25,159 (-22,489). Operating expenses have increased vs previous year as well as previous quarter this year, partly as a result of the added run rate from Sirakoss operations and partly as an effect of restructuring activities. In addition, the Sirakoss patents have increased amortisation of intangible assets which impacts negatively on the second quarter operating profit.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 25,922 and at the end of the period they were TSEK 257,972. Cash flow from operating activities amounted to TSEK –11,169 (-15,829). The total cash flow for the period was TSEK 232,107 (-17,366), positively driven by the new share issue. No investments were made in the period (TSEK 1,408).

FIRST HALF YEAR

Net sales

Net sales for the first half year of 2021 amounted to TSEK 13,629 (11,631), which corresponds to an increase of 26% in constant currency terms, as compared to the first half year of 2020.

Sales in the first half year of 2021 are clearly affected by COVID-19 restrictions, albeit gradually reducing in certain markets. Despite starting the year with a Q1 that is up against our best ever quarter, ie Q1 2020, our main markets have now regained sufficient momentum to be ahead of previous year, with an underlying growth of 48% in Germany and 29% in the U.S. The continued negative effects of COVID-19 restrictions are most evident in France and the U.K.

Operating profit/loss

Operating profit for the period January – June 2021 amounted to TSEK –48,473 (-40,748). Operating expenses have increased vs previous year as a result of the added run rate from Sirakoss operations and the restructuring activities that commenced in the second half year of 2020 and which now accumulate to a full six-month effect. In addition, the Sirakoss patents have increased amortisation of intangible assets which impacts negatively on the half year operating profit.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 49,403 and at the end of the period they were TSEK 257,972. Cash flow from operating activities amounted to TSEK –34,503 (-37,962). The total cash flow for the period was TSEK 208,508 (-41,775), positively driven by the new share issue. Investments in tangible fixed assets amounted to only TSEK 57 (1,433). No investments in intangible assets were made in the period (TSEK 0).

IMPORTANT EVENTS DURING THE SECOND QUARTER

OssDsign raises SEK 270 million in a 185% oversubscribed rights issue and utilised the over-allotment option of SEK 30 million.

On May 12th, OssDsign reported that a new share issue with preferential rights for the company's existing shareholders of approximately SEK 240 million was oversubscribed, without the need of utilising guarantee commitments. The subscription ratio in the share issue amounted to approximately 185%. Due to strong demand, the company carried out a directed issue with deviation from the shareholders' preferential rights of approximately SEK 30 million. Shares in the directed issue were allotted to strategic and institutional investors. Through the two separate issues, OssDsign received proceeds amounting to approximately SEK 270 million before transaction costs.

New scientific paper in Journal of Neurosurgery further confirms osteointegration of OssDsign Cranial PSI implants in humans, a clear differentiation from competitors.

On May 5th independent researchers from Uppsala University Hospital, Sweden, published a scientific paper in Journal of Neurosurgery describing bone integration in patients implanted with OssDsign Cranial PSI. Samples from four patients consistently showed vascularised bone, integrating the OssDsign implant with surrounding native bone. The study results reaffirmed positive findings presented in previously published papers and further strengthens the benefits of OssDsign's custom-made calcium phosphate implants.

New preclinical trial data, published in The Spine Journal, shows that OssDsign's innovative synthetic bone graft OssDsign Catalyst outperforms a comparable device in bone formation following spinal fusion surgery.

On June 2nd the study results on the recently acquired orthobiological product OssDsign Catalyst was published following a preclinical study examining bone formation and function following spinal fusion surgery. The results showed that OssDsign Catalyst induced rapid and reliable bone formation and that successful fusion was achieved in 100% of the studied subjects at 26 weeks, compared to 60% in the group where a comparable market-cleared device was used.

IMPORTANT EVENTS AFTER THE END OF THE SECOND QUARTER

OssDsign Catalyst was launched in the U.S.

In August, OssDsign Catalyst was launched in the U.S. OssDsign Catalyst has market clearance on the U.S. market and is now available for use in spinal surgery, a market valued at USD 2.6 billion.

OssDsign enters into agreement with Premier Inc, a leading group purchasing organisation in the U.S. giving access to 4,100 hospitals.

On July 5th, OssDsign announced that the company had been awarded a group purchasing agreement for 3D Medical Printing Products and Accessories with Premier Inc. The new agreement allows Premier members, at their discretion, to take advantage of special pricing and terms pre-negotiated by Premier for OssDsign's cranial reconstructive solutions. Premier is a leading group purchasing organisation (GPO) serving approximately 4,100 U.S. hospitals and health systems and more than 200,000 other providers and organisations.

OssDsign partners with Red One Medical and enter into DAPA agreement to provide reconstructive cranial solutions and synthetic bone grafts to U.S. veterans and active military members.

OssDsign announced in August the partnership with Red One Medical, a private sector scout of medical innovation for the Department of Veterans Affairs (VA) and Department of Defense (DoD) in the U.S. Through the Distribution and Pricing Agreement (DAPA), American veterans and warfighters will have access to OssDsigns products for the treatment of patients who have suffered from cranial or spinal bone defects.

OssDsign selected to exhibit OssDsign Cranial PSI at Vizient Innovative Technology Exchange in the U.S.

On July 8th, OssDsign announced the company had been selected to exhibit Cranial PSI, a patient-specific 3D-printed implant using OssDsign's personalised bone replacement technology, at the Vizient Innovative Technology Exchange on September 20 – 21. Vizient Inc is a group purchasing organisation (GPO) serving more than half of the healthcare organisations across the U.S. Participation at the Technology Exchange is a first step to getting a contract to supply to the Vizient alliance which includes 97% of the nation's academic medical center.

OssDsign's Management and Board of Directors increase their long-term commitment through acquisition of warrants for a total amount of approximately SEK 1.3 million.

July 1st OssDsign announced that its Management and Board of Directors had acquired 3.8 million warrants under the 2021/2024 long-term incentive programme for a total amount of approximately SEK 1.3 million.

OTHER DISCLOSURES

Ownership structure

At the end of the second quarter there were 2,471 shareholders in OssDsign AB, of which the seven largest shareholders all owned more than 5.0% each and together more than 50.0% of the capital and voting rights. The total number of shares was 57,074,504. The largest shareholders on June 30, 2021 were SEB Ventures and Karolinska Development AB.

Group structure

OssDsign AB is the parent company of the Group which, in addition to OssDsign AB, consists of the wholly owned subsidiaries OssDsign Ltd with its registered office in England, OssDsign USA Inc with its registered office in Maryland, USA, and Sirakoss Ltd with its registered office in Scotland. OssDsign's operations are mainly conducted through the parent company OssDsign AB, based in Uppsala.

Employees

At the end of the period, there were a total of 44 (40) employees, of whom 43% were women. This includes employees at the office and production plant in Uppsala, as well as sales representatives in Germany, the U.K. and the U.S.

Financing

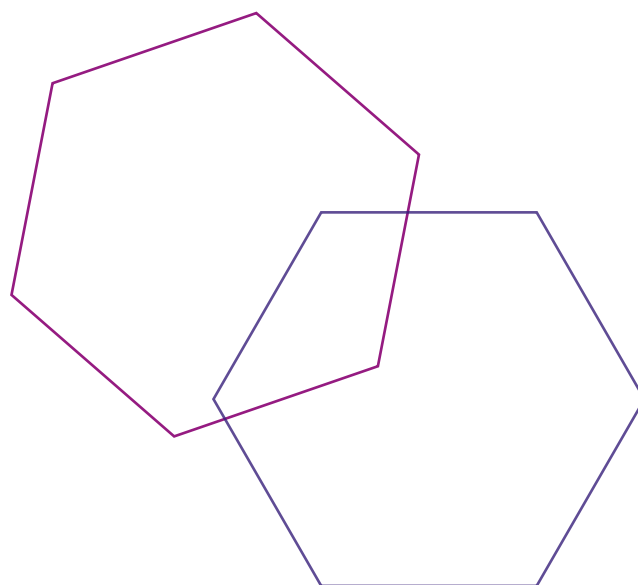
The Board regularly reviews the company's existing and forecasted cash flows to ensure that the company has the funds and resources required to conduct the business and the strategic direction decided by the Board. The company's long-term cash requirements are largely determined by how successful current and future products will be on the market. As of June 30, 2021, the group's cash and cash equivalents amounted to SEK 258.0 Million. Based on the sales development of the company's current products, which continue to show strong growth despite COVID-19 impact, the board has confidence in the company's ability to become profitable and cash flow positive in the medium term. In addition, the recent acquisition of Sirakoss Ltd presents additional significant growth opportunities with the company being in a position to expand into the U.S. spinal bone graft market during the second half of 2021. In order to continuously be able to realise the strategic opportunity of the Sirakoss acquisition, the company has, in the second quarter, raised SEK 270 million in gross proceeds through a rights issue and over-allotment.

Transactions with related parties

The subsidiaries OssDsign USA Inc and OssDsign Ltd invoice their costs to the parent company in accordance with transfer pricing agreements. As of the closing date, the Parent Company has a claim on OssDsign USA Inc of TSEK 2,198, a debt to OssDsign Ltd of TSEK 177 and a debt to Sirakoss Ltd of TSEK 13.

Risks and uncertainties

OssDsign risks and uncertainties include, but are not limited to, financial risks such as future financing, foreign exchange and credit risks. In addition to market risks, there are risks related to OssDsign operations, such as obtaining the necessary government licenses, product development, patents and intellectually property rights, product liability and forward-looking information that may affect the Company. Further information regarding the Company's risk exposure can be found on pages 40 and 79-82 of the OssDsign Annual Report 2020.



Consolidated summary income statement

SEK 000'	2021	2020	2021	2020	2020
	April 1 – June 30	April 1 – June 30	Jan 1 – June 30	Jan 1 – June 30	Jan 1 – Dec 31
Net sales	7 643	3 905	13 630	11 631	24 872
Other operating income/Other income	161	-249	736	491	1 298
Work performed by the group/ parent company for its own use and capitalised	-	-	-	-	-
Raw materials and consumables/Cost of material	-2 649	-2 286	-5 117	-4 787	-8 871
Other external expenses	-10 404	-9 254	-21 775	-18 555	-38 839
Personnel costs	-16 564	-12 405	-30 404	-25 868	-53 290
Depreciation, amortisation and impairment of tangible and intangible fixed assets/ non-financial assets	-3 146	-1 715	-4 912	-3 023	-6 580
Impairment losses on financial assets	-21	248	9	318	368
Other operating expenses/Other expenses	-179	-732	-640	-956	-2 892
Operating profit	-25 159	-22 489	-48 473	-40 748	-83 934
<i>Profit from financial items</i>					
Net interest income	-158	-98	-301	-150	-608
Profit after financial items	-25 317	-22 586	-48 774	-40 898	-84 542
Tax expense	-15	-	113	-	-48
Profit for the period	-25 332	-22 586	-48 661	-40 898	-84 590
<i>Earnings per share</i>					
Basic earnings per share, SEK	-0.4	-1.3	-1.2	-2.3	-4.4

Consolidated summary of comprehensive income

SEK 000'	2021	2020	2021	2020	2020
	April 1 – June 30	April 1 – June 30	Jan 1 – June 30	Jan 1 – June 30	Jan 1 – Dec 31
Profit/loss for the period	-25 332	-22 586	-48 661	-40 898	-84 590
<i>Other comprehensive income for the period</i>					
Items that will be reclassified subsequently to profit or loss	-83	-203	96	-34	-52
Income tax relating to items that will be reclassified	-	-	-	-	-
Other comprehensive income for the period	-83	-203	96	-34	-52
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-25 415	-22 789	-48 565	-40 932	-84 642

Consolidated summary balance sheet

	2021	2020	2020
SEK 000'	Jun 30	Jun 30	Dec 31
ASSETS			
<i>Fixed assets</i>			
Intangible fixed assets	162 806	24 790	165 786
Tangible fixed assets	16 166	13 139	18 016
Financial assets	2 368	2 314	2 366
Total fixed assets	181 340	40 244	186 168
<i>Current assets</i>			
Inventories	2 417	1 878	2 051
Current receivables	6 911	3 349	6 247
Other receivables	3 225	2 935	1 672
Prepaid expenses and other accrued income	1 948	712	1 109
Cash equivalents	257 972	71 685	49 403
Total current assets	272 473	80 459	60 482
TOTAL ASSETS	453 813	120 702	246 650

	2021	2020	2020
SEK 000'	Jun 30	Jun 30	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES			
Equity	306 950	94 431	112 068
Total equity	306 950	94 431	112 068
<i>Long-term liabilities</i>			
Liabilities to credit institutions	1 772	2 011	1 754
Lease liabilities	11 109	8 379	12 244
Other liabilities	51 351	-	51 614
Total long-term liabilities	64 232	10 390	65 612
<i>Current liabilities</i>			
Liabilities to credit institutions	941	513	873
Accounts payable	19 635	4 937	2 851
Lease liabilities	2 291	1 826	2 367
Current tax liability	-	-	-
Other liabilities	49 810	2 020	48 804
Accrued expenses and deferred income	9 954	6 586	14 075
Total current liabilities	82 631	15 882	68 970
Total liabilities	146 863	26 272	134 582
TOTAL EQUITY AND LIABILITIES	453 813	120 702	246 650

Consolidated change in shareholder's equity in summary

<i>SEK 000'</i>	Share Capital	Subscribed Capital Unpaid	Other Capital Contributions	Reserves	Profit (loss) brought forward	Total Equity
Opening balance 2020-01-01	1 108	-	294 467	35	-160 335	135 275
Profit/loss for the period	-	-	-	-	-40 898	-40 898
Other comprehensive income	-	-	-	-34	-	-34
Total comprehensive income	-	-	-	-34	-40 898	-40 932
<i>Transactions with shareholders</i>						
Warrant program	-	-	88	-	-	88
New share issue	-	-	-	-	-	-
Issue expenses	-	-	-	-	-	-
Total transactions with shareholders	-	-	88	-	-	88
CLOSING BALANCE 2020-06-30	1 108	-	294 555	1	-201 233	94 431
Opening balance 2021-01-01	1 385	-	355 625	-17	-244 925	112 068
Profit/loss for the period	-	-	-	-	-48 661	-48 661
Other comprehensive income	-	-	-	96	-	96
Total comprehensive income	-	-	-	96	-48 661	-48 565
<i>Transactions with shareholders</i>						
Warrant programmes	-	-	57	-	-	57
New share issue	2 182	-	268 355	-	-	270 537
Issue expenses	-	-	-27 147	-	-	-27 147
Total transactions with shareholders	2 182	-	241 265	-	-	243 447
CLOSING BALANCE 2021-06-30	3 567	-	596 890	79	-293 586	306 950

Consolidated summary statement of cash flows

	2021	2020	2021	2020	2020
SEK 000'	1 Apr – 30 Jun	1 Apr – 30 Jun	1 Jan – 30 Jun	1 Jan – 30 Jun	1 Jan – 31 Dec
Operating activities					
Profit after financial items	-25 297	-22 586	-48 754	-40 898	-84 542
Non cash adjustments	2 511	833	3 707	1 795	4 022
Income tax paid	-425	-148	-703	-1 038	-700
	-23 211	-21 901	-45 750	-40 141	-81 220
Change in inventory	-176	-572	-324	-579	-470
Change in receivables	-1 903	4 098	-2 206	2 296	-457
Change in liabilities	14 122	2 546	13 777	463	3 049
Total change in working capital	12 043	6 072	11 247	2 179	2 122
Cash flow from operating activities	-11 168	-15 829	-34 503	-37 962	-79 097
Investment activities					
Acquisition of intangible fixed assets	-	-	-	-	-
Acquisition of tangible fixed assets	-	-1 408	-57	-1 433	-2 496
Acquisition of group companies	-	-	-	-	-15 177
Cash flow from investment activities	-	-1 408	-57	-1 433	-17 673
Financing activities					
New share issue	270 537	-	270 537	-	65 169
Share issue costs	-27 147	-	-27 147	-	-3 910
Warrants	-	-	-	234	-
Other change in financial fixed assets	126	-	125	-2 314	-2 314
Repayment of borrowing	-241	-128	-448	-299	-25 766
Cash flow from financing activities	-243 275	-128	243 067	-2 380	33 178
Cash flow for the period	232 107	-17 365	208 507	-41 775	-63 592
Cash equivalents at the beginning of the period	25 922	89 285	49 403	113 540	113 540
Exchange rate differences in cash equivalents	-57	-235	62	-81	-545
CASH EQUIVALENTS AT THE END OF THE PERIOD	257 972	71 685	257 972	71 685	49 403

Summary income statement, parent company

SEK 000'	2021	2020	2021	2020	2020
	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Net sales	7 613	4 307	14 014	11 777	24 374
Other operating income/Other income	53	-249	414	491	609
Raw materials and consumables/ Cost of material	-1 610	-2 649	-3 379	-4 842	-10 580
Other external expenses	-18 230	-13 968	-35 955	-28 563	-58 497
Personnel costs	-10 770	-8 589	-20 147	-17 391	-35 887
Depreciation, amortisation and impairment of tangible and intangible fixed assets/non- financial assets	-289	-193	-578	-358	-922
Other operating expenses	-156	-569	-412	-956	-340
Operating profit	-23 389	-21 911	-46 043	-39 842	-81 244
<i>Profit from financial items</i>					
Net interest income	-55	-80	-90	-119	-371
Profit after financial items	-23 444	-21 991	-46 133	-39 961	-81 616
Tax expense	-	-	-	-	-26
PROFIT FOR THE PERIOD	-23 444	-21 991	-46 133	-39 961	-81 642

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

Summary balance sheet, parent company

	2021	2020	2020
SEK 000'	Jun 30	Jun 30	Dec 31
ASSETS			
Subscribed capital unpaid	-	-	
<i>Fixed assets</i>			
Tangible fixed assets	2 865	2 885	3 386
<i>Financial assets</i>			
Shares in group companies	137 687	-	137 687
Other long-term receivables	2 314	2 314	2 314
Total financial fixed assets	140 001	2 314	140 001
Total fixed assets	142 866	5 200	143 387
<i>Current assets</i>			
Inventories	2 006	1 690	1 773
Current receivables	2 971	2 070	2 333
Receivables from group companies	6 667	3 720	3 548
Current tax receivables	836	682	977
Other receivables	1 740	1 759	1 229
Prepaid expenses and other accrued income	1 814	835	957
Cash equivalents	256 032	68 609	48 093
Total current assets	272 066	79 365	58 910
TOTAL ASSETS	414 932	84 565	202 297

	2021	2020	2020
SEK 000'	Jun 30	Jun 30	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES			
<i>Equity</i>			
Restricted equity	3 567	1 108	1 385
Non-restricted equity	281 493	66 984	86 374
Total equity	285 060	68 092	87 759
<i>Provisions</i>			
Other provisions	94 007	-	94 162
Total Provisions	94 077	-	94 162
<i>Long-term liabilities</i>			
Liabilities to credit institutions	1 540	2 011	1 754
Other liabilities	-	-	-
Total long-term liabilities	1 540	2 011	1 754
<i>Current liabilities</i>			
Liabilities to credit institutions	513	513	513
Accounts payable	19 424	4 724	2 772
Liabilities to group companies	4 597	1 778	2 274
Current tax liabilities	-	-	-
Other current liabilities	1 062	1 050	824
Accrued expenses and deferred income	8 729	6 397	12 239
Total current liabilities	34 325	14 462	18 622
Total liabilities	129 872	16 473	114 538
TOTAL EQUITY AND LIABILITIES	414 932	84 565	202 297

Notes

Note 1 | Accounting Principles

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

Note 2 | Estimates and assessments

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions. There has been no change in the estimates and judgments made in the Annual Report for 2020.

Note 3 | Information regarding operating segments

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

NET SALES BY GEOGRAPHIC MARKET

SEK 000'	Apr – Jun		Jan – Jun		Jan – Dec
	2021	2020	2021	2020	2020
USA	2 725	1 180	5 085	4 508	9 209
Europe	4 831	2 700	8 302	6 855	15 199
Rest of World	87	25	242	268	464
TOTAL	7 643	3 905	13 629	11 631	24 872

Income from external customers has been attributed to individual countries from which the sales has taken place.

The Group's fixed assets are located to Sweden, the U.K. and the U.S.

Note 4 | Equity

The share capital of the Parent Company consists only of fully paid ordinary shares with a nominal (quota value) value of SEK 0.0625 / share. The company has 57,074,504 class A shares.

	2021	2020
	Jan 1 – Mar 31	Jan 1 – Jun 30
Subscribed and paid shares		
At the beginning of the period	22 166 460	17 733 168
Rights issue	34 908 044	-
Subscribed and paid shares	57 074 504	17 733 168
Shares for share-based payments	-	-
SUM AT THE END OF THE PERIOD	3 567 157	1 108 323

The Company completed a directed rights issue and over-allotment during the second quarter of 2021, which increased the number of shares by 34,908,044. The total number of shares subsequently amounted to 57,074,504 and with a quota value SEK 0.0625. The Group's issued shares have the same right to distribute and repay invested capital and represent a vote at OssDesign's Annual General Meeting.

Resolved shares that have not yet been issued have been approved solely for use in the Group's options program (for more information see note 7 in the Annual Report 2020). Amounts received for issued shares in addition to the nominal value during the year (premium) are included in the item "Other contributed capital", after deduction for registration and other similar fees and after deduction for attributable tax benefits.

Signatures

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

This report has been prepared in both a Swedish and an English version. In the event of any discrepancy between the two, the Swedish version shall apply. This report has not been audited.

Financial calendar

Interim Report Q3 2021

November 17, 2021

OSSDSIGN AB – UPPSALA AUGUST 18, 2021

Simon Cartmell
Chairman of the Board

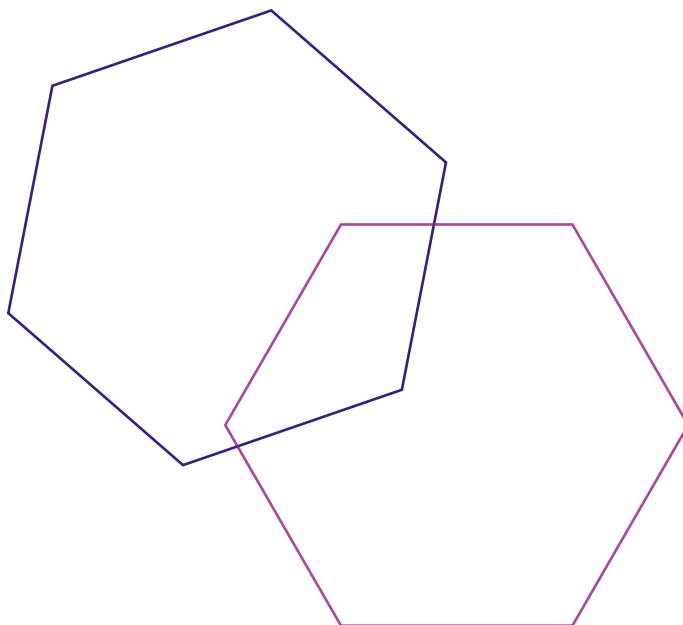
Viktor Drvota
Board member

Håkan Engqvist
Board member

Newton Aguiar
Board member

Anders Qvarnström
Board member

Morten Henneveld
CEO



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