



2021

Year-end Report

January – December 2021

Year-end Report 2021

January 1 – December 31, 2021

The fourth quarter in figures

- Net sales amounted to TSEK 9,174 (6,760).
- Loss after taxes amounted to TSEK 28,726 (24,952).
- Earnings per share was SEK -0.5 (-1.1).
- Cash flow from current operations was TSEK -20,456 (-24,266).

The full year in figures

- Net sales amounted to TSEK 31,726 (24,872).
- Loss after taxes amounted to TSEK 94,077 (84,590).
- Earnings per share was SEK -1.9 (-4.4).
- Cash flow from current operations was TSEK -89,629 (-79,331).

Important events during the fourth quarter

- OssDsign receives expanded FDA market clearance for OssDsign Cranial PSI.
- First patients treated with OssDsign Catalyst in the U.S.
- Post-market surveillance shows continued low complication rates with OssDsign Cranial PSI.
- OssDsign receives Innovative Technology contract from Vizient for OssDsign Cranial PSI.

Important events after the end of the fourth quarter

- OssDsign receives Institutional Review Board approval to establish a clinical registry in the U.S. to collect real-world data on OssDsign Catalyst.
- OssDsign steps up ambition to generate further clinical evidence for its bone replacement products through key recruitment.



Financial overview

	2021	2020	2021	2020
<i>The group</i>	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 – Dec 31
Net sales, TSEK	9 174	6 760	31 726	24 872
Operating profit, TSEK	-24 328	-24 692	-89 255	-83 934
Profit for the period, TSEK	-28 726	-24 952	-93 918	-84 590
Solidity, %	76%	45%	76%	45%
Earnings per share, SEK	-0.5	-1.1	-1.9	-4.4
Average number of employees	46.4	45.9	44.1	43.9



“ The year constitutes a promising start of a new era for OssDsign. ”

Another sales record marks the end of a transformative year for OssDsign

2021 was a truly exciting year for OssDsign. In January, we launched a new strategy defining our priorities for future growth, and I am proud to say that we have already started delivering on key elements of this strategy. During the year, we have signed three group purchasing agreements in the U.S. that together significantly increase the access to large health care providers. We have expanded our product portfolio and entered into a whole new business segment by the successful launch of OssDsign Catalyst in the U.S., and finally, we have accelerated our clinical programs. Altogether, the year constitutes a promising start of a new era for OssDsign.

Closing the year with yet another sales record

For the third quarter in a row, we exceeded our previous sales record. Total revenue for the fourth quarter amounted to SEK 9.2 million, with the full year ending up at SEK 31.7 million. At constant exchange rates this corresponds to a growth rate of 34 % for the quarter, compared to the same period last year, and 33 % for the full year. Whilst the pandemic undoubtedly continues to cause fluctuations in sales and dampens overall demand as elective surgeries are cancelled or postponed, we see a strong underlying demand for our highly innovative products.

Increased access to large U.S. health care providers

In mid-December our patient-specific cranial implant OssDsign Cranial PSI received an Innovative Technology contract from Vizient, Inc., the largest member-driven health care performance improvement company in the U.S., and we can now offer members of Vizient's extensive network our products. This is the third contract with a major group purchasing organization signed in the U.S. within the second half of the year. Earlier in the year we partnered with Red One Medical and entered a distribution and pricing agreement (DAPA) to provide our products to veterans and active military members, and we signed a contract with Premier Inc., giving access to a network of 4,100 hospitals. Due to the pandemic and general lead times in implementing new products in hospitals, we are not expecting a material effect on sales in the short term, but by adding high quality partnerships like these we continuously increase our access to large U.S. health care providers.

Expanded product portfolio with the launch of OssDsign Catalyst

When entering 2021, we set the highly ambitious goal to launch OssDsign Catalyst in the U.S. before the end of the year. Thanks to an astonishing effort by the whole team, we were able to launch in August, and in October the first patients were treated. We continue to progress through hospital approval processes to establish access to a wide number of institutions across our selected U.S. geographies. As OssDsign Catalyst is a high-margin, off-the-shelf product, introduced to a large and routine-use market, the launch was a transformative milestone for the company. As OssDsign Catalyst is established as yet another highly innovative addition to our global product portfolio, we expect a steady increase in sales as market conditions normalize.

Positive follow-up data reported, and new clinical programs accelerated

Robust clinical data is of pivotal importance to the long-term strategy and to establish our products on the market, and we continue to invest in generating clinical data for both OssDsign Cranial PSI and OssDsign Catalyst. In a long-term follow-up of OssDsign Cranial PSI, published in December, complications in the form of infections leading to explantation of OssDsign Cranial PSI, were observed in only 1.6% of 1,480 surgeries after a median follow-up time of 22 months. These positive results surpass those in the previous follow-up report, thus highlighting the continued exceptional performance of OssDsign Cranial PSI. In earlier external studies, other products available on the market have been shown to be associated with an infection rate of over 10% leading to a high rate of subsequent explantations.

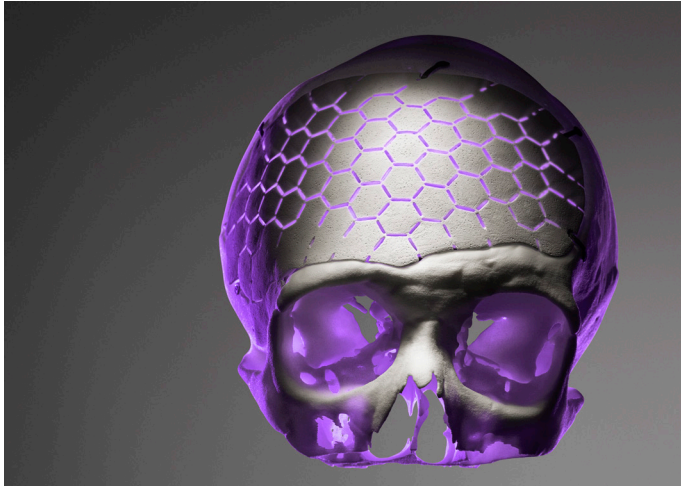
For OssDsign Catalyst, the initiation of the clinical study TOP FUSION in Hungary is a starting point for our ambition to, over time, support our convincing pre-clinical data with data from patients undergoing spinal surgery. Equally important is PROPEL, our U.S. multi-centre, prospective spinal fusion registry which will collect further evidence from a large number of patients in real-world settings. Shortly after the end of the quarter, the registry received Institutional Review Board approval, and therefore will start enrolling sites to the registry during 2022.

With a clear focus and a highly execution-focused team, we continue building momentum and increasing our future sales potential. When summarizing 2021, I am very pleased that we – despite the pandemic – are on track in implementing key elements of our long-term strategy and I look forward to 2022 with great confidence.

Morten Henneveld, CEO

Statement of Operations

Based on cutting edge material science, OssDsign develops bone replacement products that support the body's own healing capabilities and thereby improve clinical outcome in a wide range of orthopedic areas with high unmet medical needs.



Next generation bone replacement products

Current bone replacements fail to heal a wide range of skeletal defects, leading to poor clinical outcome. OssDsign is focused on two particularly challenging areas where the success rate is far from acceptable today: cranial and spinal surgeries.

OssDsign Cranial PSI – patient specific implants for cranial surgeries

OssDsign Cranial PSI is an implant used for patients who have lost a large part of the cranium. The implant is constructed from 3D printed medical-grade titanium covered by a regenerative calcium phosphate composition. While the titanium skeleton reinforces the implant and makes it possible to create larger implants that can resist physical and mechanical stress, the unique calcium phosphate composition provides healing and regenerative properties, enabling regrowth of the patient's own bone. So far, OssDsign has post market surveillance data from close to 1,500 surgeries with OssDsign Cranial PSI, showing an exceptional performance. Many cranial implant technologies are associated with high rates of costly complications and patient suffering. Multiple studies report infection rates above 10%, leading to the removal of many implants. In contrast, the observed rate of explantations due to infections in patients who received OssDsign Cranial PSI was only 1.6% at a median follow-up time of 22 months. The global market for cranial implants is estimated to USD 2,500 million with an expected CAGR of 7% between 2021–2025, whereof the addressable market for OssDsign's implant products is estimated to USD 350 million. OssDsign Cranial PSI has regulatory approval in Europe, the US and Japan.

OssDsign Catalyst – an off-the-shelf synthetic bone graft

Nearly 80% of Americans experience low back pain at some point in their lives and more than 1.5 million undergo spinal surgery each year. Approximately 20% of these surgeries are unsuccessful due to the lack of proper fusion between the implant and the spine. When surgeons perform the procedure, they use a combination of hardware to fixate the vertebrae and bone replacement material to stimulate bone growth. OssDsign Catalyst is an innovative synthetic bone graft composed of a proprietary nanocrystalline structure of calcium phosphate. Similar to the body's own bone mineral architecture, OssDsign Catalyst provides a favorable bone biology environment for rapid and reliable bone formation.

OssDsign Catalyst is a higher margin and scalable product with a large potential in the market for standard procedures, enabling extensive growth. OssDsign Catalyst received FDA clearance in 2020 and was launched in the U.S. in August 2021. The U.S. market for synthetic bone grafts in spinal surgeries is valued at USD 1.8 billion and the global market at USD 2.6 billion, with an expected CAGR of 7% during 2021-2025.

COVID-19 pandemic

OssDsign is continuously monitoring the impact of Covid-19 on its operations. The pandemic continues to cause fluctuations in sales and dampens overall demand as elective surgeries are cancelled or postponed. 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 OssDsign expects to see an improvement and stabilization of the situation during 2022.

A Swedish-based global company

OssDsign is headquartered in Uppsala, Sweden, and has a strong commercial presence in the U.S., Europe and selected Asian countries. The company employs 47 people and is listed on Nasdaq First North Growth Market in Stockholm.

Development of profit and financial position

FOURTH QUARTER

Net sales

The OssDsign group Net sales for the fourth quarter of 2021 amounted to TSEK 9,174 (6,760), which corresponds to a growth of 34% in constant currency terms, as compared to Q4 2020. It is also a slight increase over the previous quarter 2021, thus making Q4 another all-time-high. In the same period the parent company Net sales amounted to TSEK 8,703 (6,211).

Despite the growth, sales in Q4 2021 were negatively affected by COVID-19 effects, especially in Germany from mid-November onwards and in the US, both early in the quarter and also resurging towards the end of the quarter and continuing into the new year. The main contribution to Q4 2021 sales growth comes from France, with tripled sales vs last year, and the US, doubling their sales vs last year, even with the abovementioned COVID-19 impact.

As the parent company sales are to subsidiaries or direct to the markets, the above description is also applicable to the parent company's sales development.

Operating profit/loss and Net financial items

Operating loss for the period October – December 2021 amounted to TSEK 24,328 (24,692). Other operating income has had a positive impact on the result, largely due to exchange rate gains. Operating expenses have increased vs previous year and vs previous quarter this year as a result of additional personnel and a higher activity level. In addition, the Sirakoss patents have increased the amortisation of intangible assets which impacted negatively on the fourth quarter operating profit.

The development of Other operating expenses has contributed positively to the Operating result due to a reduction in the provision for contingent consideration related to the Sirakoss acquisition.

Net financial items, on the other hand, have been affected negatively as the Sirakoss acquisition related deferred cash compensation actually paid in 2021 exceeded the relevant discounted provision, where the deviation was attributable to the discounting.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 197,961 and at the end of the period they were TSEK 151,366. Cash flow from operating activities amounted to TSEK -20,456 (-24,266). The total cash flow for the period was TSEK -46,683 (-4,352), largely driven by the final unconditional deferred cash consideration related to the Sirakoss acquisition (for further information, see note 36 on page 77 of the OssDsign Annual Report 2020). No other investments were made in the period.

FULL YEAR

Net sales

The OssDsign group Net sales for the full year of 2021 amounted to TSEK 31,726 (24,872), which corresponds to an increase of 33% in constant currency terms, as compared to the full year of 2020. In the same period the parent company Net sales amounted to TSEK 31,135 (24,374).

Sales for the full year of 2021 continued to suffer from COVID-19 related effects yet managed to post a healthy growth. Quarter on quarter growth across several markets, with the main growth markets being the US and France. Germany was also on track to deliver solid growth, however this was curtailed in Q4 due to the Omikron spread, albeit still positive for the full year.

As the parent company sales are to subsidiaries or direct to the markets, the above description is also applicable to the parent company's sales development.

Operating profit/loss and Net financial items

Operating loss for the period January – December 2021 amounted to TSEK 89,255 (83,934). Other operating income has had a positive impact on the result, largely due to exchange rate gains. 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 of 2020. Additional personnel and higher activity level towards the end of the year also contributed to the expense increase and hence also to the increased operating loss. Furthermore, the Sirakoss patents have increased the amortisation of intangible assets which impacted negatively on the 2021 operating profit.

The development of Other operating expenses has contributed positively to the Operating result due to a reduction in the provision for contingent consideration related to the Sirakoss acquisition.

Net financial items, on the other hand, have been affected negatively as the Sirakoss acquisition related deferred cash compensation actually paid in 2021 exceeded the relevant discounted provision, where the deviation was attributable to the discounting.

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 151,366. Cash flow from operating activities amounted to TSEK -89,629 (-79,097). The total cash flow for the period was TSEK 101,791 (-63,592), positively driven by the new share issue but also with a large negative impact from the two unconditional deferred cash considerations related to the Sirakoss acquisition (for further information, see note 36 on page 77 of the OssDsign Annual Report 2020). Investments in tangible fixed assets amounted to only TSEK -57 (-2,496). No further investments were made in the period.

Proposed profit disposition

The Board of Directors have not yet made a decision on the proposal for profit disposition. The proposal will be made public as soon as such a decision has been made.

IMPORTANT EVENTS DURING THE FOURTH QUARTER

OssDsign receives expanded FDA market clearance for OssDsign Cranial PSI

On October 4th, OssDsign announced that it has received expanded market clearance from the U.S. Food and Drug Administration (FDA) for OssDsign Cranial PSI – a patient specific cranial implant. The clearance highlights the osteo-conductive properties of OssDsign’s patented calcium phosphate composition to be resorbed and replaced with bone tissue.

First patients treated with OssDsign Catalyst in U.S.

In early October the first patients in the U.S. were treated with OssDsign Catalyst – a synthetic bone graft composed from a patented nanocrystalline structure that rapidly stimulates the formation of healthy bone tissue after spinal fusion surgery. OssDsign Catalyst received market clearance from the Food and Drug Administration (FDA) in 2020 and after the acquisition by OssDsign in November 2020, was launched on the American market in August 2021. The addressable market for synthetic bone grafts after spinal fusion surgeries is valued at USD 2.6 billion and has a CAGR of approximately 7% during the period 2021–2025.

Post-market surveillance shows continued low complication rates with OssDsign Cranial PSI

In December OssDsign presented updated clinical data from a long-term follow-up of the company’s innovative product OssDsign Cranial PSI, which is used in the treatment of cranial bone defects. The data, based on 1,480 surgeries, shows that the frequency of infections leading to implant removal was 1.6% after a median follow-up time of 22 months. This positive outcome exceeds what has been observed in previous follow-up reports, thus highlighting the continued exceptional performance of OssDsign Cranial PSI.

OssDsign receives Innovative Technology contract from Vizient for OssDsign Cranial PSI

OssDsign Cranial PSI received an Innovative Technology contract from Vizient, Inc., the largest member-driven health care performance improvement company in the U.S. The contract was awarded based on the recommendation of OssDsign Cranial PSI by hospital experts who serve on one of Vizient’s member-led councils. Vizient represents a diverse membership base that includes academic medical centers, pediatric facilities, community hospitals, integrated health delivery networks and non-acute health care providers and represents more than \$110 billion in annual purchasing volume.

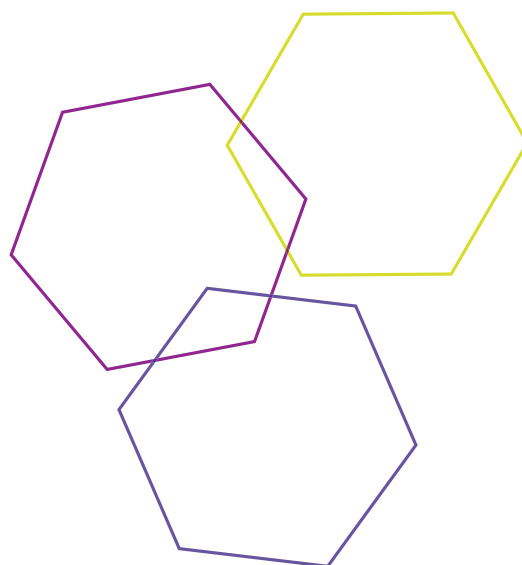
IMPORTANT EVENTS AFTER THE END OF THE FOURTH QUARTER

OssDsign receives approval to establish a clinical registry in the U.S. to collect real-world data on OssDsign Catalyst

In January, the Western Institutional Review Board (WIRB), one of the largest institutional research review organizations in the U.S., approved OssDsign’s application to establish PROPEL, a multi-centre, prospective spinal fusion registry, providing opportunity to study real-world data from patients who have been treated with OssDsign Catalyst. During 2022, clinics will gradually be enrolled to the registry, with the objective to evaluate the use and outcome of OssDsign Catalyst in a real-world clinical practice. The primary endpoint of the study will be measuring the rate of spinal fusion, using computer tomography (CT) or radiography, 12 months postoperatively. Additionally, patients’ quality of life and neurological function, as well as the clinical safety profile of the spinal implant will be recorded.

OssDsign steps up ambition to generate further clinical evidence for its bone replacement products through key recruitment

On February 7th, OssDsign announced the recruitment of Melanie Marshall to a new position as Vice President Clinical & Medical Affairs. This is an important step in the strategic ambition to accelerate data collection and publication of clinical evidence for the company’s innovative bone replacement products, OssDsign Cranial PSI and OssDsign Catalyst. Melanie Marshall has a wealth of experience from senior positions at global medtech companies, such as Boston Scientific, Apatech/Baxter and Medtronic. Melanie Marshall will take on her new position on 1 March 2022. She will join as a member of the executive management team and report directly to the CEO.



OTHER DISCLOSURES

Ownership structure

At the end of the fourth quarter there were 2,427 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 December 31, 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 47 (45) employees, of whom 43% were women. This includes employees at the office and production plants in Uppsala and Aberdeen, 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 December 31, 2021, the group's cash and cash equivalents amounted to SEK 151.4 Million. Based on the sales development of the company's products, as well as the further growth opportunities presented by the launch of OssDsign Catalyst, the board has confidence in the company's ability to become profitable and cash flow positive, given normalised market conditions.

However, the market disturbances caused by COVID-19 have had negative business impact on OssDsign in 2021, with effects continuing into Q1 2022.

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 claims on OssDsign USA Inc of TSEK 4,251 (1,745), OssDsign Ltd of TSEK 247 (-411) and Sirakoss Ltd of TSEK 58 (-60).

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. Risks related to COVID-19 should still be taken into account, not the least as those risks have continued to affect OssDsign negatively in 2021, which has also been outlined in the section "Development of profit and financial position" above. Any reference in this text to risk or thereto related negative effects for the OssDsign group, in connection with COVID-19 or otherwise, is equally applicable to the parent company. Further information regarding the Company's risk exposure can be found on pages 39-40 and 78-81 of the OssDsign Annual Report 2020.



Consolidated summary income statement

SEK 000'	2021	2020	2021	2020
	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 – Dec 31
Net sales	9 174	6 760	31 726	24 872
Other operating income/Other income	1 522	546	3 998	1 298
Work performed by the group/ parent company for its own use and capitalised	-	-	-	-
Raw materials and consumables/Cost of material	-2 948	-2 348	-9 947	-8 871
Other external expenses	-14 036	-11 808	-45 958	-38 839
Personnel costs	-15 609	-14 288	-58 059	-53 290
Depreciation, amortisation and impairment of tangible and intangible fixed assets/ non-financial assets	-2 387	-1 766	-9 733	-6 580
Impairment losses on financial assets	-73	-29	-70	368
Other operating expenses/Other expenses	28	-1 759	-1 211	-2 892
Operating profit	-24 328	-24 692	-89 255	-83 934
<i>Profit from financial items</i>				
Net financial items	-4 282	-249	-4 822	-608
Profit after financial items	-28 610	-24 941	-94 077	-84 542
Tax expense	-116	-10	159	-48
Profit for the period	-28 726	-24 952	-93 918	-84 590
Earnings per share				
Basic earnings per share, SEK	-0.5	-1.1	-1.9	-4.4

Consolidated summary of comprehensive income

SEK 000'	2021	2020	2021	2020
	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 – Dec 31
Profit/loss for the period	-28 726	-24 952	-93 918	-84 590
<i>Other comprehensive income for the period</i>				
Items that will be reclassified subsequently to profit or loss	106	70	303	-52
Income tax relating to items that will be reclassified	-	-	-	-
Other comprehensive income for the period	106	70	303	-52
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-28 620	-24 882	-93 615	-84 642

Consolidated summary balance sheet

	2021	2020
<i>SEK 000'</i>	Dec 31	Dec 31
ASSETS		
<i>Fixed assets</i>		
Intangible fixed assets	159 826	165 786
Tangible fixed assets	14 349	18 016
Financial assets	2 371	2 366
Total fixed assets	176 546	186 168
<i>Current assets</i>		
Inventories	2 125	2 051
Current receivables	8 637	6 247
Other receivables	1 974	1 672
Prepaid expenses and other accrued income	3 338	1 109
Cash equivalents	151 366	49 403
Total current assets	167 439	60 482
TOTAL ASSETS	343 986	246 650

	2021	2020
<i>SEK 000'</i>	Dec 31	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES		
Equity	262 722	112 068
Total equity	262 722	112 068
<i>Long-term liabilities</i>		
Liabilities to credit institutions	1 241	1 754
Lease liabilities	9 994	12 244
Other liabilities	49 134	51 614
Total long-term liabilities	60 369	65 612
<i>Current liabilities</i>		
Liabilities to credit institutions	646	873
Accounts payable	4 564	2 851
Lease liabilities	2 251	2 367
Current tax liability	-	-
Other liabilities	1 435	48 804
Accrued expenses and deferred income	12 001	14 075
Total current liabilities	20 895	68 970
Total liabilities	81 264	134 582
TOTAL EQUITY AND LIABILITIES	343 986	246 650

Consolidated change in shareholder's equity in summary

SEK 000'	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	-	-	-	-	-84 590	-84 590
Other comprehensive income	-	-	-	-52	-	-52
Total comprehensive income	-	-	-	-52	-84 590	-84 642
<i>Transactions with shareholders</i>						
Warrant program	-	-	176	-	-	176
New share issue	277	-	64 892	-	-	65 169
Issue expenses	-	-	-3 910	-	-	-3 910
Total transactions with shareholders	277	-	61 158	-	-	61 435
CLOSING BALANCE 2020-12-31	1 385	-	355 625	-17	-244 925	112 068
Opening balance 2021-01-01	1 385	-	355 625	-17	-244 925	112 068
Profit/loss for the period	-	-	-	-	-93 918	-93 918
Other comprehensive income	-	-	-	303	-	303
Total comprehensive income	-	-	-	303	-93 918	-93 615
<i>Transactions with shareholders</i>						
Warrant programmes	-	-	1 189	-	-	1 189
New share issue	2 182	-	268 355	-	-	270 537
Issue expenses	-	-	-27 457	-	-	-27 457
Total transactions with shareholders	2 182	-	242 087	-	-	244 269
CLOSING BALANCE 2021-12-31	3 567	-	597 712	286	-338 843	262 722

Consolidated summary statement of cash flows

	2021	2020	2021	2020
SEK 000'	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 – 31 Dec
Operating activities				
Profit after financial items	-28 610	-24 941	-94 077	-84 542
Non cash adjustments	4 070	1 247	9 646	4 022
Income tax paid	176	524	-104	-700
	-24 365	-23 170	-84 534	-81 220
Change in inventory	563	673	22	-470
Change in receivables	-2 210	-2 094	-4 386	-457
Change in liabilities	5 556	326	-731	3 049
Total change in working capital	3 909	-1 095	-5 095	2 122
Cash flow from operating activities	-20 456	-24 265	-89 629	-79 097
Investment activities				
Acquisition of intangible fixed assets	-	-	-	-
Acquisition of tangible fixed assets	-	-744	-57	-2 496
Acquisition of group companies	-25 792	-15 177	-51 796	-15 177
Cash flow from investment activities	-25 792	-15 921	-51 853	-17 673
Financing activities				
New share issue	-	65 169	270 537	65 169
Share issue costs	-	-3 910	-27 457	-3 910
Warrants	30	-	1 119	-
Other change in financial fixed assets	-	-	158	-2 314
Repayment of borrowing	-465	-25 424	-1 084	-25 766
Cash flow from financing activities	-435	35 835	243 273	33 178
Cash flow for the period	-46 683	-4 351	101 791	-63 592
Cash equivalents at the beginning of the period	197 961	54 093	49 403	113 540
Exchange rate differences in cash equivalents	88	-339	173	-545
CASH EQUIVALENTS AT THE END OF THE PERIOD	151 366	49 403	151 366	49 403

Summary income statement, parent company

<i>SEK 000'</i>	2021	2020	2021	2020
	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 – Dec 31
Net sales	8 703	6 211	31 135	24 374
Other operating income/Other income	2 416	546	4 933	609
Raw materials and consumables/ Cost of material	-3 211	-2 251	-8 492	-10 580
Other external expenses	-21 443	-16 097	-72 512	-58 497
Personnel costs	-10 002	-9 906	-38 334	-35 887
Depreciation, amortisation and impairment of tangible and intangible fixed assets/non-financial assets	-275	-275	-1 140	-922
Other operating expenses	229	-1 573	-769	-340
Operating profit	-23 582	-23 345	-85 176	-81 244
<i>Profit from financial items</i>				
Net interest income	-4 188	-140	-4 420	-371
Profit after financial items	-27 770	-23 485	-89 596	-81 616
Tax expense	-	-	-	-26
PROFIT FOR THE PERIOD	-27 770	-23 485	-89 596	-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
<i>SEK 000'</i>	Dec 31	Dec 31
ASSETS		
<i>Fixed assets</i>		
Tangible fixed assets	2 303	3 386
Financial assets		
Shares in group companies	137 687	137 687
Other long-term receivables	2 314	2 314
Total financial fixed assets	140 001	140 001
Total fixed assets	142 304	143 387
<i>Current assets</i>		
Inventories	1 928	1 773
Current receivables	1 991	2 333
Receivables from group companies	8 293	3 548
Current tax receivables	66	977
Other receivables	1 871	1 229
Prepaid expenses and other accrued income	2 977	957
Cash equivalents	148 335	48 093
Total current assets	165 460	58 910
TOTAL ASSETS	307 765	202 297

	2021	2020
<i>SEK 000'</i>	Dec 31	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES		
<i>Equity</i>		
Restricted equity	3 567	1 385
Non-restricted equity	238 838	86 374
Total equity	242 405	87 759
<i>Provisions</i>		
Other provisions	44 394	94 162
Total Provisions	44 394	94 162
<i>Long-term liabilities</i>		
Liabilities to credit institutions	1 241	1 754
Other liabilities	-	-
Total long-term liabilities	1 241	1 754
<i>Current liabilities</i>		
Liabilities to credit institutions	513	513
Accounts payable	4 208	2 772
Liabilities to group companies	3 736	2 274
Current tax liabilities	-	-
Other current liabilities	1 348	824
Accrued expenses and deferred income	9 919	12 239
Total current liabilities	19 725	18 622
Total liabilities	65 360	114 538
TOTAL EQUITY AND LIABILITIES	307 765	202 297

Notes

Note 1 | Accounting Principles

This year-end 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 year-end 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 year-end 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'	Oct - Dec		Jan - Dec	
	2021	2020	2021	2020
USA	4 593	2 259	13 996	9 209
Europe	4 581	4 345	17 489	15 199
Rest of World	-	156	241	464
TOTAL	9 174	6 760	31 726	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 - Dec 31	Jan 1 - Dec 31
Subscribed and paid shares		
At the beginning of the period	22 166 460	17 733 168
Rights issue	34 908 044	-
Direct share issue	-	4 433 292
Subscribed and paid shares	57 074 504	22 166 460
Shares for share-based payments	-	-
SUM AT THE END OF THE PERIOD	57 074 504	22 166 460

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 OssDsign's Annual General Meeting.

Resolved shares that have not yet been issued have been approved solely for use in the Group's options program (for more information see note 7 in the Annual Report 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 year-end 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

Annual Report 2021	April 28 TH , 2022
Interim Report Q1 2022	May 24 TH , 2022
AGM 2022	June 2 ND , 2022
Interim Report Q2, 2022	August 23 RD , 2022
Interim Report Q3, 2022	November 22 ND , 2022

OSSDSIGN AB – UPPSALA FEBRUARY 22ND, 2022

Simon Cartmell
Chairman of the Board

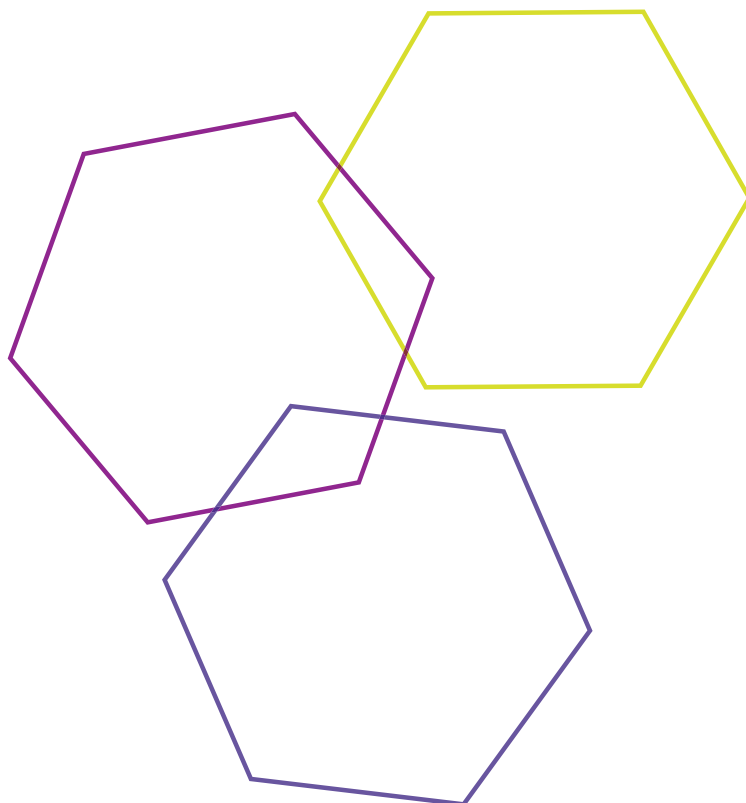
Viktor Drvota
Board member

Håkan Engqvist
Board member

Newton Aguiar
Board member

Anders Qvarnström
Board member

Morten Henneveld
CEO



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