



**2022**

Interim Report  
for the third quarter

January – September 2022

# Interim Report for the third quarter of 2022

January 1 – September 30, 2022

## The third quarter in figures

- Net sales amounted to TSEK 17,496 (8,922).
- Loss after taxes amounted to TSEK 19,556 (16,531).
- Earnings per share was SEK –0.3 (–0.3).
- Cash flow from current operations was TSEK –20,401 (–34,670).

## The first nine months in figures

- Net sales amounted to TSEK 37,055 (22,552).
- Loss after taxes amounted to TSEK 67,440 (65,192).
- Earnings per share was SEK –1.2 (–1.5).
- Cash flow from current operations was TSEK –63,288 (–69,173).

## Important events during the third quarter

- Article in World Neurosurgery shows positive treatment outcomes and zero implant-related complications with OssDsign Cranial PSI.

## Important events after the end of the third quarter

- OssDsign extends the Catalyst portfolio and launches new product for additional surgical procedures.
- OssDsign reaches milestone of 100 patients in its PROPEL registry ahead of time.
- First post-market safety report on OssDsign Catalyst shows zero percent device related complication rate.

## Financial overview

	2022	2021	2022	2021	2021
<i>The group</i>	Jul 1 – Sep 30	Jul 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Dec 31
Net sales, TSEK	17 496	8 922	37 055	22 552	31 726
Operating profit, TSEK	-19 566	-16 453	-67 588	-64 926	-89 702
Profit for the period, TSEK	-19 556	-16 531	-67 440	-65 192	-93 918
Equity ratio, %	70%	74%	70%	74%	76%
Earnings per share, SEK	-0.3	-0.3	-1.2	-1.5	-1.9
Average number of employees	48.0	42.9	47.5	43.4	44.1



“ The sales of OssDsign Catalyst one year after launch shows the high demand for new products that can improve spinal fusion. ”

## One year after launch, OssDsign Catalyst delivers exponential growth and shows transformative potential

Two things stand out when concluding the third quarter of 2022: we again report record-breaking revenue growth, and we now start to see the truly transformative potential that the nanosynthetic bone graft OssDsign Catalyst has for our company. Total sales during the quarter amounted to SEK 17.5 million, an increase of 96 percent compared to the same period last year (71 percent growth at constant exchange rates). Revenues for OssDsign Catalyst reached SEK 6.6 million in the quarter, contributing 38 percent to global revenues. This also means that in Q3 OssDsign Catalyst became the biggest product in the U.S., clearly contributing to the exponential 144 percent growth reported in the region, the world’s largest orthopaedic and spine market.

### First Post-Market Safety report on OssDsign Catalyst gives strong confidence

OssDsign Catalyst is an innovative synthetic bone graft that stimulates bone growth in spinal fusion procedures. After the end of the quarter, the first Post-Market Safety report for OssDsign Catalyst was presented. Since the launch in August 2021, 511 units have been sold without any device related complaints nor adverse events having been reported. This strongly supports the safety profile of OssDsign Catalyst and provides high confidence in the product going forward. This is the first post-market safety report for OssDsign Catalyst, and further evaluations will follow in the coming years.

### First 100 patients already enrolled in PROPEL

To further strengthen the evidence required to support successful commercialization, we continue to collect clinical data for OssDsign Catalyst. In January 2022 we initiated PROPEL, our U.S.-based multi-centre prospective spinal fusion registry. We set an ambitious goal to include 100 patients before the end of the year, but the level of interest from surgeons to assess OssDsign Catalyst in their centres has accelerated patient enrolment and by the beginning of November we reached 100 patients in the registry. We are very pleased with this development – the sooner we collect meaningful amounts of real-world evidence, the faster clinical evidence can be published to support the clearly very convincing pre-clinical data that has been generated for OssDsign Catalyst.

In parallel, we are conducting the clinical trial TOP FUSION in Hungary. Patient enrolment was completed in April 2022. To date we have 100% follow-up compliance for all patients who have reached the relevant 3, 6 or 12 months post operation milestones.

### Extended Catalyst product range opens new doors

In November, we communicated our plan to launch a new size of OssDsign Catalyst with expected launch date in the first quarter of 2023. The addition of a smaller 1cc option completes the product size range and opens up access to new procedures in cervical spine as well as smaller extremities. Further, the new size broadens our commercial potential as the complete size range increases competitiveness in hospital approval processes and, in addition, allows us to target Ambulatory Surgery Centers and reach broader into the surgeon population.

### **Cranial PSI continues to outperform**

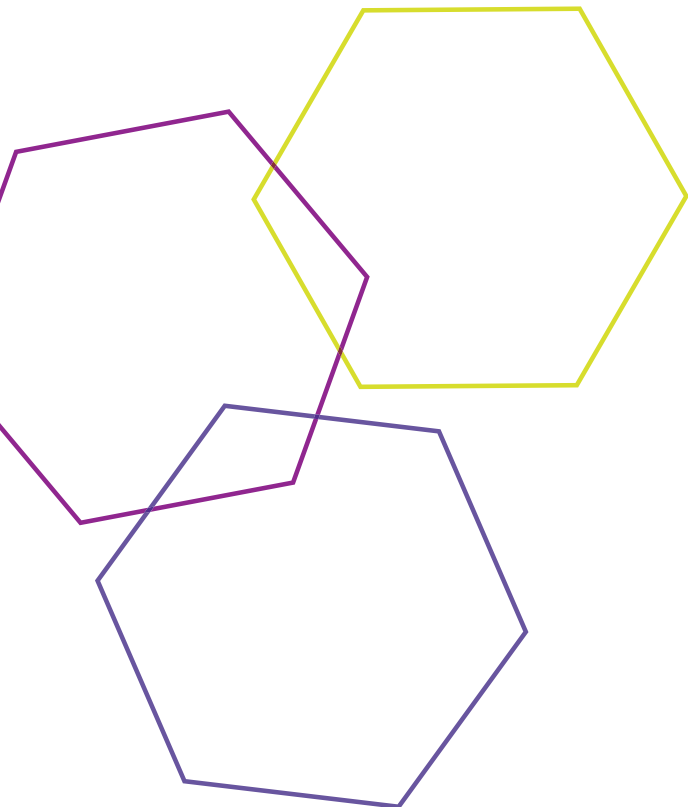
During the quarter, we saw a 24 percent growth in sales for our patient-specific implant for cranial surgeries, OssDsign Cranial PSI. The implant continues to impress neurosurgeons around the world. In September, an independent clinical research team in New York, led by Ralph Rahme, M.D., F.A.C.S., published their clinical findings, describing treatment outcomes with OssDsign PSI in the largest U.S. cohort to date. The study included 18 patients who underwent cranioplasty, showing that the procedure was successful in all cases and that no implant-related complications occurred during a 6-month median follow-up period. The results point toward the strength of our groundbreaking bone replacement products and add to a growing body of evidence and publications in peer-reviewed journals highlighting the low complication rates seen with the use of OssDsign Cranial PSI.

### **Two innovative products that accelerate growth**

With Cranial PSI, OssDsign has shown what can be achieved when advanced material science is combined with deep surgical expertise. With OssDsign Catalyst, the strong sales reported only one year after launch show there is a clear demand for new, technically advanced products. The initial results are encouraging, since momentum should increase as more clinical data is delivered to support commercialization.

In a market that remains suppressed, due to staff shortages and cancelled or postponed elective surgeries, and is therefore yet to return to pre-pandemic levels, we are very satisfied with the performance in the quarter. Consequently, we remain confident about the future sales trajectory for OssDsign. We have clearly turned a corner with a stronger product offering and greater scalability, which ultimately will accelerate value creation.

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 U.S. 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 has caused fluctuations in sales in the first nine months of 2022, especially in the first quarter. Elective surgeries started to slowly resume in the second quarter, but staff shortages continue to remain a challenge for the health care system, which leads to a higher level of uncertainty in the company's outlook and a continued depressed market, far from pre-pandemic levels. The underlying demand for OssDsign products in the long-term, however, remains intact and OssDsign hope to see a gradual improvement and stabilization of the situation during 2023.

# Development of profit and financial position

## THIRD QUARTER

### Net sales

Net sales for the third quarter of 2022 amounted to TSEK 17,496 (8,922), which corresponds to an increase of 96%, or 71% in constant currency terms, as compared to Q3 2021. It is also a 40% increase over the previous quarter 2022. Achieved sales for the third quarter are an all-time-high for the OssDsign group, as well as for OssDsign Inc.

At TSEK 10,769 our U.S. operations achieve their all-time-high on sales and constitute 62% of the group's sales for the quarter, thereby being our largest region. This is in line with our strategy and also signifies a meaningful revenue contribution of TSEK 6,558 from our bonegraft franchise, which constitutes 38% of total group sales for the quarter.

In the same period the parent company's Net sales amounted to TSEK 12,469 (8,418).

### Operating profit/loss

Operating profit for the period July – September 2022 amounted to TSEK -19,566 (-16,454). Operating expenses have increased vs the same quarter previous year, partly as a result of our activity ramp-up in clinical programs and increased personnel cost run rate, but also from considerable negative effects from the weak SEK on our foreign operations, especially in the U.S. Our operating result is therefore lower than vs the same quarter previous year.

Operating expenses are virtually flat vs previous quarter and we continue to see a strong positive contribution from Other operating income, as a result of exchange rate hedge gains.

### Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 109,026 and at the end of the period they were TSEK 88,756. Cash flow from operating activities amounted to TSEK -20,401 (-34,670), where last year was negatively affected by temporal effects. Total cash flow for the period was TSEK -20,647 (-60,034), where last year was negatively impacted by the new share issue and deferred cash payments towards the Sirakoss acquisition. Investments in tangible fixed assets amounted to TSEK 118 (0) in the period.

## FIRST NINE MONTHS

### Net sales

Net sales for the first nine months of 2022 amounted to TSEK 37,055 (22,552), which corresponds to an increase of 64%, or 49% in constant currency terms, as compared to the first nine months of 2021.

Sales in the first nine months of 2022 are initially affected by direct COVID-19 effects from the Omikron variant, especially in the U.S. From the second quarter onwards we can see the beginning of a trend in a positive direction, albeit still with a long way to go to pre-pandemic levels. So, in a continued depressed market on elective procedures and systemic staff shortages, we still manage to report an all-time-high on sales for the group in the period, as well as for our U.S. operations.

In the same period the parent company's Net sales amounted to TSEK 30,068 (22,432).

### Operating profit/loss

Operating profit for the period January – September 2022 amounted to TSEK -67,588 (-64,927). Operating expenses have increased vs previous year, partly as a result of our increased activities in clinical programs and increased personnel cost run rate, both as a full-year effect from last year's hires and also from new hires in 2022, but also from considerable negative effects from the weak SEK on our foreign operations, especially in the U.S.

Our operating result is lower than last year and we continue to see a strong positive contribution from Other operating income, as a result of exchange rate gains, in the period.

### Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 151,366 and at the end of the period they were TSEK 88,756. Cash flow from operating activities amounted to TSEK -63,288 (-69,173). The total cash flow for the period was TSEK -63,364 (148,473), where last year was positively driven by the new share issue. Investments in tangible fixed assets amounted to TSEK 129 (57) in the period. Investments in acquisition of group companies amounted to TSEK 0 in the period vs -26,004 in the same period previous year, due to deferred cash payments towards the Sirakoss acquisition.

## **IMPORTANT EVENTS DURING THE THIRD QUARTER**

### **Article in World Neurosurgery shows positive treatment outcomes and zero implant-related complications with OssDsign Cranial PSI**

In September an independent clinical research team in New York, U.S., led by Ralph Rahme, M.D., F.A.C.S., have published their clinical findings, describing treatment outcomes with OssDsign PSI in the largest U.S. cohort to date. The study included 18 patients who underwent cranioplasty, showing that the procedure was successful in all cases, and that no implant-related complications occurred during a 6-month median follow-up period. The clinical paper was published in the journal World Neurosurgery.

## **IMPORTANT EVENTS AFTER THE END OF THE THIRD QUARTER**

### **OssDsign extends the Catalyst portfolio and launches new product for additional surgical procedures**

On November 3rd OssDsign announced that the company is launching a new size of OssDsign Catalyst. The additional volume option of 1 cubic centimetre (cc) completes the existing product range of 10, 5 and 2,5 ccs, and broadens the access to new procedures in both cervical spine and smaller extremities. The product is expected to launch in the first quarter of 2023. The addition of the 1cc option completes the size range of OssDsign Catalyst, giving the company competitive strength in hospital approval processes and allowing for deeper usage in already approved hospitals.

### **OssDsign reaches milestone of 100 patients in its PROPEL registry ahead of time**

On Nov 9th OssDsign announced that the company had reached the milestone of 100 patients in the multi-centre, prospective spinal fusion registry, PROPEL. The registry was initiated in March 2022, to gather real-world data from patients who have been treated with OssDsign Catalyst. During 2022, clinics have gradually enrolled patients to the PROPEL 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 is 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, is recorded.

### **First post-market safety report of OssDsign Catalyst shows zero percent device related complication rate**

On November 17<sup>th</sup> OssDsign announced that the first post-market safety report of OssDsign Catalyst shows that 511 units of the product have been sold since the product launch in August 2021 until August 31, 2022. The report did not record any device related complaints nor device related adverse events in that period.

## OTHER DISCLOSURES

### Ownership structure

At the end of the third quarter there were 2,349 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 September 30, 2022, 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 48 (43) employees, of whom 50% were women. This includes employees at the office and production plant in Uppsala, as well as sales representatives in France, Germany, the UK and USA.

### Financing

The Board regularly reviews the company's existing and forecasted cash flows to ensure that the company has the funds and resources required to conduct the business and the strategic direction decided by the Board. The company's long-term cash requirements are largely determined by how successful current and future products will be/are on the market. As of September 30th, 2022, the group's cash and cash equivalents amounted to SEK 88.8 Million. Based on the sales development of the company's products the board has confidence in the company's ability to become profitable and cash flow positive in the longer term. The Board is currently considering the short- to medium-term cash development projections and requirements, where the arrangement of a credit facility is one of several options being considered.

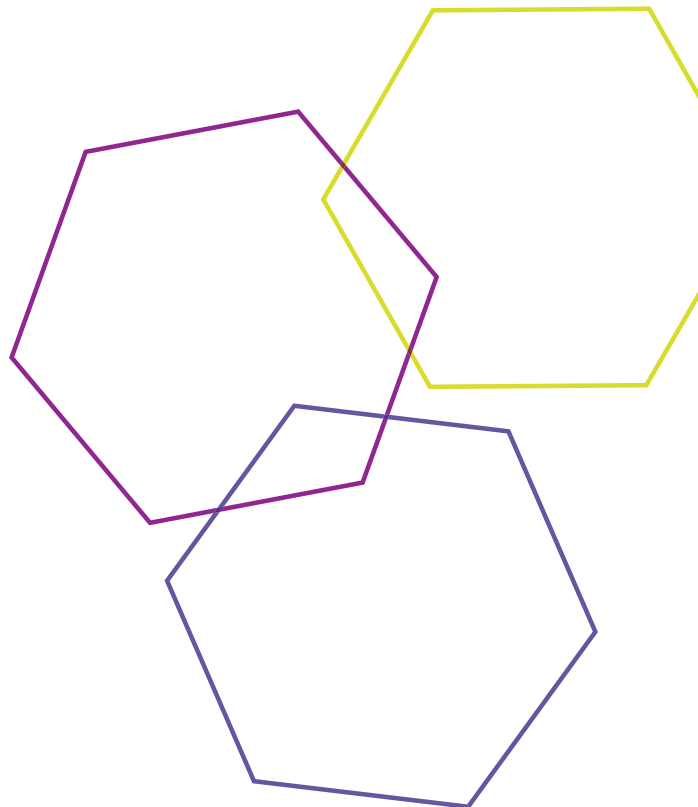
### Transactions with related parties

The subsidiaries OssDsign USA Inc, OssDsign Ltd and Sirakoss Ltd invoice their costs to the parent company in accordance with transfer pricing agreements.

As of the closing date, the Parent Company has liabilities to OssDsign USA Inc of TSEK 3,052 and to OssDsign Ltd of TSEK 245 and a claim on Sirakoss Ltd of TSEK 277.

### 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 38 and 81-84 of the OssDsign Annual Report 2021.





## Consolidated summary income statement

SEK 000'	2022	2021	2022	2021	2021
	Jul 1 – Sep 30	Jul 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Dec 31
Net sales	17 496	8 922	37 055	22 552	31 726
Other operating income/Other income	5 013	1 740	10 851	2 476	5 060
Work performed by the group/ parent company for its own use and capitalised	–	–	–	–	-936
Raw materials and consumables/Cost of material	-4 518	-1 882	-9 883	-6 999	-9 947
Other external expenses	-16 778	-10 148	-45 752	-31 923	-46 028
Personnel costs	-17 925	-12 046	-51 860	-42 450	-58 059
Depreciation, amortisation and impairment of tangible and intangible fixed assets/ non-financial assets	-2 442	-2 435	-7 330	-7 347	-9 733
Impairment losses on financial assets	44	-6	88	3	-70
Other operating expenses/Other expenses	-456	-599	-757	-1 239	-1 714
<b>Operating profit</b>	<b>-19 566</b>	<b>-16 454</b>	<b>-67 588</b>	<b>-64 927</b>	<b>-89 702</b>
<i>Profit from financial items</i>					
Net interest income	-117	-239	-228	-540	-4 427
<b>Profit after financial items</b>	<b>-19 682</b>	<b>-16 693</b>	<b>-67 815</b>	<b>-65 467</b>	<b>-94 130</b>
Tax expense	126	162	375	275	211
<b>Profit for the period</b>	<b>-19 556</b>	<b>-16 531</b>	<b>-67 440</b>	<b>-65 192</b>	<b>-93 918</b>
<i>Earnings per share</i>					
Basic earnings per share, SEK	-0.3	-0.3	-1.2	-1.5	-1.9

## Consolidated summary statement of comprehensive income

SEK 000'	2022	2021	2022	2021	2021
	Jul 1 – Sep 30	Jul 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Dec 31
<b>Profit/loss for the period</b>	<b>-19 556</b>	<b>-16 531</b>	<b>-67 440</b>	<b>-65 192</b>	<b>-93 918</b>
<i>Other comprehensive income for the period</i>					
Items that will be reclassified subsequently to profit or loss	1 055	101	1 760	197	303
Income tax relating to items that will be reclassified	–	–	–	–	–
<b>Other comprehensive income for the period</b>	<b>1 055</b>	<b>101</b>	<b>1 760</b>	<b>197</b>	<b>303</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-18 501</b>	<b>-16 430</b>	<b>-65 681</b>	<b>-64 995</b>	<b>-93 615</b>

# Consolidated summary balance sheet

	2022	2021	2021
SEK 000'	Sep 30	Sep 30	Dec 31
<b>ASSETS</b>			
<i>Fixed assets</i>			
Intangible fixed assets	155 356	161 316	159 826
Tangible fixed assets	14 427	15 234	14 349
Financial assets	2 517	2 369	2 371
<b>Total fixed assets</b>	<b>172 300</b>	<b>178 919</b>	<b>176 546</b>
<i>Current assets</i>			
Inventories	4 157	2 669	2 125
Current receivables	10 367	8 978	8 637
Other receivables	2 761	1 324	1 974
Prepaid expenses and other accrued income	2 405	1 635	3 338
Cash equivalents	88 756	197 961	151 366
<b>Total current assets</b>	<b>108 445</b>	<b>212 567</b>	<b>167 439</b>
<b>TOTAL ASSETS</b>	<b>280 745</b>	<b>391 486</b>	<b>343 986</b>

	2022	2021	2021
SEK 000'	Sep 30	Sep 30	Dec 31
<b>SHAREHOLDER EQUITY AND LIABILITIES</b>			
<b>Equity</b>	197 479	291 312	262 722
<b>Total equity</b>	<b>197 479</b>	<b>291 312</b>	<b>262 722</b>
<i>Long-term liabilities</i>			
Liabilities to credit institutions	856	1 369	1 241
Lease liabilities	10 446	10 535	9 994
Other liabilities	48 739	51 219	49 134
<b>Total long-term liabilities</b>	<b>60 041</b>	<b>63 123</b>	<b>60 369</b>
<i>Current liabilities</i>			
Liabilities to credit institutions	513	974	646
Accounts payable	5 101	2 630	4 564
Lease liabilities	2 577	2 271	2 251
Current tax liability	–	–	–
Other liabilities	1 549	22 257	1 435
Accrued expenses and deferred income	13 484	8 919	12 001
<b>Total current liabilities</b>	<b>23 225</b>	<b>37 051</b>	<b>20 895</b>
<b>Total liabilities</b>	<b>83 266</b>	<b>100 174</b>	<b>81 264</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>280 745</b>	<b>391 486</b>	<b>343 986</b>

## Consolidated change in shareholder's equity in summary

<i>SEK 000'</i>	Share Capital	Subscribed Capital Unpaid	Other Capital Contributions	Reserves	Profit (loss) brought forward	Total Equity
<b>Opening balance 2021-01-01</b>	<b>1 385</b>	<b>-</b>	<b>355 625</b>	<b>-17</b>	<b>-244 925</b>	<b>112 068</b>
Profit/loss for the period	-	-	-	-	-65 192	-65 192
Other comprehensive income	-	-	-	197	-	197
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197</b>	<b>-65 192</b>	<b>-64 995</b>
<i>Transactions with shareholders</i>						
Warrant program	-	-	1 159	-	-	1 159
New share issue	2 182	-	268 355	-	-	270 537
Issue expenses	-	-	-27 457	-	-	-27 457
Total transactions with shareholders	2 182	-	242 057	-	-	244 239
<b>CLOSING BALANCE 2021-09-30</b>	<b>3 567</b>	<b>-</b>	<b>597 682</b>	<b>180</b>	<b>-310 117</b>	<b>291 312</b>
<b>Opening balance 2022-01-01</b>	<b>3 567</b>	<b>-</b>	<b>596 347</b>	<b>286</b>	<b>-337 478</b>	<b>262 722</b>
Profit/loss for the period	-	-	-	-	-67 440	-67 440
Other comprehensive income	-	-	-	1 759	-	1 759
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 759</b>	<b>-67 440</b>	<b>-65 681</b>
<i>Transactions with shareholders</i>						
Warrant programmes	-	-	-	-	438	438
New share issue	-	-	-	-	-	-
Issue expenses	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	438	438
<b>CLOSING BALANCE 2022-09-30</b>	<b>3 567</b>	<b>-</b>	<b>-</b>	<b>2 046</b>	<b>-404 481</b>	<b>197 479</b>

# Consolidated summary statement of cash flows

	2022	2021	2022	2021	2021
SEK 000'	Jul 1 – Sep 30	Jul 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Dec 31
<b>Operating activities</b>					
Profit after financial items	-19 682	-16 686	-67 815	-65 440	-94 130
Non cash adjustments	1 672	1 828	5 059	5 537	9 492
Income tax paid	-26	424	-87	-279	-51
	<b>-18 037</b>	<b>-14 434</b>	<b>-62 843</b>	<b>-60 185</b>	<b>-84 689</b>
Change in inventory	-1 266	-217	-1 780	-541	22
Change in receivables	-497	44	938	-2 160	-4 386
Change in liabilities	601	-20 063	396	-6 287	-731
<b>Total change in working capital</b>	<b>-2 364</b>	<b>-20 236</b>	<b>-446</b>	<b>-8 988</b>	<b>-5 095</b>
<b>Cash flow from operating activities</b>	<b>-20 401</b>	<b>-34 670</b>	<b>-63 288</b>	<b>-69 173</b>	<b>-89 784</b>
<b>Investment activities</b>					
Acquisition of intangible fixed assets	-	-	-	-	-
Acquisition of tangible fixed assets	-118	-	-129	-57	-57
Acquisition of group companies	-	-26 004	-	-26 004	-51 796
<b>Cash flow from investment activities</b>	<b>-20 401</b>	<b>-26 004</b>	<b>-129</b>	<b>-26 061</b>	<b>-51 853</b>
<b>Financing activities</b>					
New share issue	-	-	-	270 537	270 537
Share issue costs	-	-310	-	-27 457	-27 457
Warrants	-	1 089	438	1 089	1 119
Other change in financial fixed assets	-	32	-	158	158
Repayment of borrowing	-128	-171	-385	-620	-929
<b>Cash flow from financing activities</b>	<b>-128</b>	<b>640</b>	<b>53</b>	<b>243 067</b>	<b>243 428</b>
<b>Cash flow for the period</b>	<b>-20 647</b>	<b>-60 034</b>	<b>-63 364</b>	<b>148 473</b>	<b>101 791</b>
Cash equivalents at the beginning of the period	109 026	257 972	151 366	49 403	49 403
Exchange rate differences in cash equivalents	377	23	754	85	173
<b>CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>88 756</b>	<b>197 961</b>	<b>88 756</b>	<b>197 961</b>	<b>151 366</b>

# Summary income statement, parent company

	2022	2021	2022	2021	2021
SEK 000'	Jul 1 – Sep 30	Jul 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Sep 30	Jan 1 – Dec 31
Net sales	12 469	8 418	30 068	22 432	31 135
Other operating income/Other income	3 107	2 103	8 208	2 517	4 583
Raw materials and consumables/ Cost of material	-2 406	-1 902	-6 796	-5 281	-8 014
Other external expenses	-27 462	-15 114	-71 241	-51 069	-72 512
Personnel costs	-9 170	-8 185	-31 323	-28 332	-38 361
Depreciation, amortisation and impairment of tangible and intangible fixed assets/non- financial assets	-202	-287	-695	-865	-1 140
Other operating expenses	-452	-585	-736	-997	-1 290
<b>Operating profit</b>	<b>-24 117</b>	<b>15 552</b>	<b>-72 515</b>	<b>-61 595</b>	<b>-85 599</b>
<i>Profit from financial items</i>					
Net interest income	-22	-141	62	-231	-4 025
<b>Profit after financial items</b>	<b>-24 139</b>	<b>-15 693</b>	<b>-72 453</b>	<b>-61 826</b>	<b>-89 624</b>
Tax expense	-	-	-	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>-24 139</b>	<b>-15 693</b>	<b>-72 453</b>	<b>-61 826</b>	<b>-89 624</b>

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

# Summary balance sheet, parent company

	2022	2021	2021
<i>SEK 000'</i>	Sep 30	Sep 30	Dec 31
<b>ASSETS</b>			
Subscribed capital unpaid	–	–	–
<i>Fixed assets</i>			
<b>Tangible fixed assets</b>	<b>1 726</b>	<b>2 577</b>	<b>2 303</b>
<i>Financial assets</i>			
Shares in group companies	137 687	137 687	137 687
Other long-term receivables	2 315	2 315	2 314
<b>Total financial fixed assets</b>	<b>140 002</b>	<b>140 002</b>	<b>140 001</b>
<b>Total fixed assets</b>	<b>141 728</b>	<b>142 579</b>	<b>142 304</b>
<i>Current assets</i>			
Inventories	3 707	2 423	1 928
Current receivables	2 325	3 014	1 991
Receivables from group companies	3 569	7 186	8 293
Current tax receivables	133	442	66
Other receivables	2 405	809	1 871
Prepaid expenses and other accrued income	2 327	1 606	2 977
Cash equivalents	82 151	195 194	148 335
<b>Total current assets</b>	<b>96 618</b>	<b>210 674</b>	<b>165 460</b>
<b>TOTAL ASSETS</b>	<b>238 346</b>	<b>353 253</b>	<b>307 765</b>

	2022	2021	2021
<i>SEK 000'</i>	Sep 30	Sep 30	Dec 31
<b>SHAREHOLDER EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Restricted equity	3 567	3 567	3 567
Non-restricted equity	166 823	266 578	238 838
<b>Total equity</b>	<b>170 390</b>	<b>270 145</b>	<b>242 405</b>
<i>Provisions</i>			
Other provisions	44 394	68 004	44 394
<b>Total Provisions</b>	<b>44 394</b>	<b>68 004</b>	<b>44 394</b>
<i>Long-term liabilities</i>			
Liabilities to credit institutions	856	1 369	1 241
Other liabilities	–	–	–
<b>Total long-term liabilities</b>	<b>856</b>	<b>1 369</b>	<b>1 241</b>
<i>Current liabilities</i>			
Liabilities to credit institutions	513	513	513
Accounts payable	4 584	2 466	4 208
Liabilities to group companies	6 589	2 642	3 736
Current tax liabilities	–	–	–
Other current liabilities	1 407	518	1 348
Accrued expenses and deferred income	9 614	7 596	9 919
<b>Total current liabilities</b>	<b>22 706</b>	<b>13 735</b>	<b>19 725</b>
<b>Total liabilities</b>	<b>23 562</b>	<b>83 108</b>	<b>65 360</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>238 346</b>	<b>353 253</b>	<b>307 765</b>

# Notes

## Note 1 | Accounting Principles

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

## Note 2 | Estimates and assessments

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions. There has been no change in the estimates and judgments made in the Annual Report for 2021.

## 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.

Income from external customers has been attributed to individual countries from which the sales have taken place. The Group's fixed assets are located to Sweden, the U.K. and the U.S.

## NET SALES BY GEOGRAPHIC MARKET

SEK 000'	Jul – Sep		Jan – Sep		Jan – Dec
	2022	2021	2022	2021	2021
USA	10 769	4 414	20 524	9 461	13 996
Europe	6 617	4 508	16 202	12 850	17 489
Rest of World	110	0	329	241	241
<b>TOTAL</b>	<b>17 496</b>	<b>8 922</b>	<b>37 055</b>	<b>22 552</b>	<b>31 726</b>

Income from external customers has also been attributed to the two product categories which the company now operates, CMF and Orthobiologics.

## NET SALES BY PRODUCT CATEGORY

SEK 000'	Jul – Sep		Jan – Sep		Jan – Dec
	2022	2021	2022	2021	2021
CMF	10 938	8 851	27 548	22 481	30 988
Orthobiologics	6 558	71	9 507	71	738
<b>TOTAL</b>	<b>17 496</b>	<b>8 922</b>	<b>37 055</b>	<b>22 552</b>	<b>31 726</b>

## 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.

	2022	2021
	Jan 1 – Sep 30	Jan 1 – Sep 30
<b>Subscribed and paid shares</b>		
At the beginning of the period	57 074 504	17 733 168
Rights issue	–	34 908 044
Directed share issue	–	–
<b>Subscribed and paid shares</b>	<b>57 074 504</b>	<b>17 733 168</b>
Shares for share-based payments	–	–
<b>SUM AT THE END OF THE PERIOD</b>	<b>57 074 504</b>	<b>17 733 168</b>

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 2021). 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

Year-end Report 2022

February 21, 2023

### OSSDSIGN AB – UPPSALA NOVEMBER 22, 2022

**Simon Cartmell**  
Chairman of the Board

**Viktor Drvota**  
Board member

**Newton Aguiar**  
Board member

**Anders Qvarnström**  
Board member

**Håkan Engqvist**  
Board member

**Jill Schiaparelli**  
Board member

**Morten Henneveld**  
CEO





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