



2022

Year-end Report

January - December 2022

Year-end Report 2022

January 1 – December 31, 2022

The fourth quarter in figures

- Net sales amounted to TSEK 19,929 (9,174).
- Loss after taxes amounted to TSEK 31,948 (28,726).
- Earnings per share was SEK -0.5 (-0.5).
- Cash flow from current operations was TSEK -25,687 (-20,456).

The full year in figures

- Net sales amounted to TSEK 56,985 (31,726).
- Loss after taxes amounted to TSEK 99,388 (94,077).
- Earnings per share was SEK -1.7 (-1.9).
- Cash flow from current operations was TSEK -88,975 (-89,629).

Important events during the fourth 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 surveillance data of OssDsign Catalyst® shows zero percent device related complication rate.
- OssDsign completes a directed new share issue and raised proceeds of approximately SEK 65.6 million.
- Post-market surveillance continues to show low observed complication rates with OssDsign Cranial PSI.

Important events after the end of the fourth quarter

- First-in-patient case report of OssDsign Catalyst shows complete spinal fusion 6 months post-surgery.
- OssDsign reaches milestone of 500 patients treated with OssDsign Catalyst in the U.S..
- OssDsign Catalyst 1cc is launched and available in the U.S. market.

Financial overview

	2022	2021	2022	2021
<i>The group</i>	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 – Dec 31
Net sales, TSEK	19 929	9 174	56 985	31 726
Operating profit, TSEK	-22 906	-24 328	-90 494	-89 702
Profit for the period, TSEK	-31 948	-28 726	-99 388	-93 918
Solidity, %	71%	76%	71%	76%
Earnings per share, SEK	-0.5	-0.5	-1.7	-1.9
Average number of employees	50.3	46.4	48.2	44.1



“ The fourth quarter was another record quarter and marked a strong finish to a very successful year for OssDsign demonstrating greater scalability and sustained high growth ”

A year of sustained high growth and demonstrated scalability

Sustained high growth despite a challenging environment

Total revenue for the fourth quarter amounted to SEK 19.9 million, corresponding to a reported growth of 117% vs. the same period last year, or 89% at constant exchange rates. The fourth quarter was positively impacted by developments in Cranial PSI manufacturing allowing early shipment of products for January surgeries as well as an accelerated invoicing effect, worth approximately SEK 0.7 million. Revenue for the full year ended at SEK 57.0 million with a reported growth of 80% vs. 2021, or 62% at constant exchange rates, despite the challenging environment during the year caused by high COVID-19 rates at the beginning of the year, continuing staff shortages and delays to approval processes in the hospitals.

Continued exponential growth in the U.S.

Our focus on the U.S. – the world’s largest orthopedic market – continues to deliver excellent results with three consecutive triple-digit growth quarters during 2022. In the fourth quarter, sales in the U.S. amounted to SEK 12.0 million, corresponding to a reported growth of 162% vs the same period last year. The share of our total revenues from the U.S. increased to 60%, compared to 50% in the same period last year.

Encouragingly, the markets outside the U.S. also showed significant acceleration and sales amounted to SEK 7.9 million in the fourth quarter, corresponding to a reported growth of 73% vs. the same period last year. In early 2022 the sales force was restructured to provide an increased focus on Germany and France. We are therefore pleased to see a positive effect of these changes in the second half of the year.

Cranial PSI continues to grow and deliver more and better clinical evidence

OssDsign Cranial PSI is clearly becoming well-established in the orthopedic market with a continuously growing number of users. In December, updated post-market surveillance data for OssDsign Cranial PSI showed that the frequency of infections leading to implant removal was 1.4%. This outcome is better than observed in previous follow-up evaluations. During the year, OssDsign Cranial PSI was launched in Japan, a long-term contract was signed with the largest and most prestigious hospital network in France, and an independent research group published highly positive results on Cranial PSI from the largest U.S. patient cohort to date. Altogether, OssDsign Cranial PSI continues to manifest its differentiated position in the treatment of cranial bone defects.

OssDsign Catalyst brings significant scalability to the company

The year was characterized by significant sales contribution from our recently launched bone graft business, which represented 38% of global revenues in the fourth quarter and approximately 30% for the full year, a clear testament to the scalability of this business. Looking at the full year, the successful launch of OssDsign Catalyst in the U.S. is the key contributor to the high revenue growth. OssDsign Catalyst is a high gross-margin and fully scalable product and will therefore, as its contribution grows over time, gradually improve the profitability in the company.

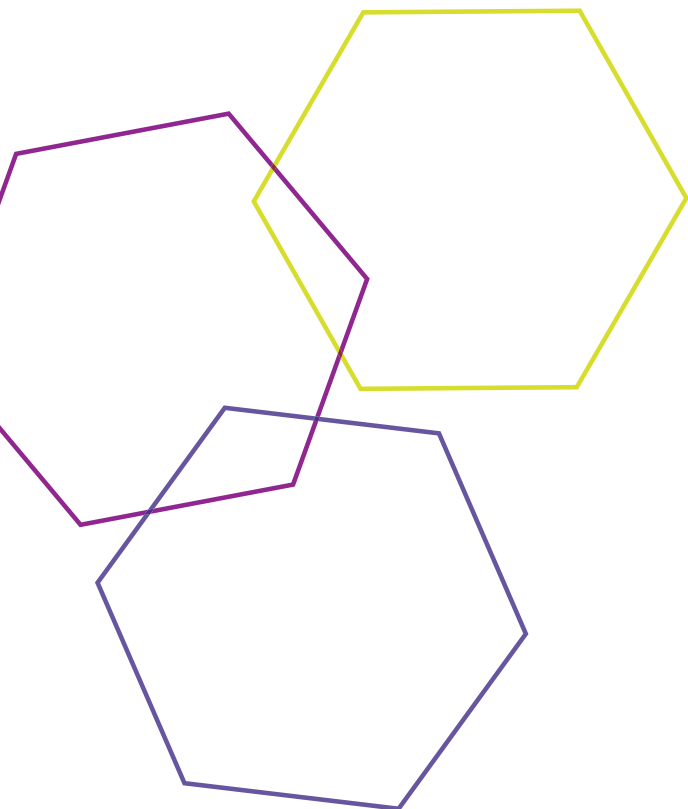
After the quarter ended, the important milestone of 500 patients treated in the U.S. was achieved. In addition, and in line with our strategy, we continue to bring innovation to the market and announced the launch of the 1cc size of OssDsign Catalyst aimed at cervical spine and smaller extremities.

We also made significant progress in our clinical programs. In November, we announced that more than 100 patients were enrolled in the PROPEL registry. The first post-market safety report was published during the fourth quarter and showed zero device-related complaints and no adverse events related. Equally important, the first case report from our TOP FUSION study was also published in the peer-reviewed Biomedical Journal of Scientific & Technical Research. Although this report was based on observations in a single patient, the results are very encouraging with evidence of progression to fusion observed at three months post-surgery with complete spinal fusion being achieved at six months, accompanied by improvements in both pain and function outcomes.

Strengthened balance sheet

The fourth quarter marked a strong finish to a very successful year for OssDsign demonstrating greater scalability and sustained high growth. Simultaneously, we took very important steps in our clinical programs and published more clinical evidence on our products. Combined with a strengthened balance sheet and strong investor support during the directed share issue at the end of the year, the company is now poised to continue its growth journey.

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 clinical 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 1,995 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 1.4% at a median follow-up time of 21 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 orthobiologics 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 and post-pandemic impact

OssDsign is continuously monitoring the impact of COVID-19 on its operations. The pandemic has caused fluctuations in sales in 2022, especially in the first quarter. Elective surgeries started to slowly resume in the second quarter, but staff shortages and delays to hospital approval processes 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. As an example of this, December witnessed a spike in critical staffing levels and increased flu outbreaks, leading to a sudden retraction in the market that carried on into the beginning of 2023. 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

FOURTH QUARTER

Net sales

The OssDsign group Net sales for the fourth quarter of 2022 amounted to TSEK 19,929 (9,174), which corresponds to a growth of 117% as compared to Q4 2021, or 89% in constant currency terms. It is also an increase over the previous quarter in 2022, thus making Q4 another all-time-high. In the same period the parent company Net sales amounted to TSEK 11,681 (8,703).

We are extremely pleased with the achieved growth rate. In light of continuing staff shortages and delays to approval processes, in the aftermath of the pandemic, this growth is even more impressive. The main contribution to Q4 2022 sales growth comes from the U.S. and Germany, but with other markets also posting good growth numbers.

Underlying product margin continues to develop well in the fourth quarter, whereas year-end accounting entries have mixed effects on gross margin.

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 2022 amounted to TSEK 22,906 (24,328). Other operating income has again had a considerable positive impact on the result, this time from revaluation of provisions for contingent consideration related to the Sirakoss acquisition. The exchange rate effects from revaluation of USD balances were actually negative for the quarter due to both lower balances and a lower USD/SEK balance day rate.

Operating expenses have increased both vs previous year and vs previous quarter this year. The increase vs previous year is driven by strategic mid-long term investments in clinical programs and increased U.S. presence and sales dependent items. With an increasing U.S. cost base vs. previous year, the higher USD/SEK rate adversely impacts operating expenses.

The increase vs previous quarter this year is primarily driven by one-off items such as higher accruals and year-end entries, but also by other sales dependent items and new personnel. All of which impact negatively on the operating result.

Net financial items, on the other hand, have been negatively affected by revaluation of provisions for contingent consideration related to the Sirakoss acquisition, insofar as such effects are attributable to discounting or exchange rate changes.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 88,756 and at the end of the period they were TSEK 124,653. Cash flow from operating activities amounted to TSEK -25,687 (-20,456). The total cash flow for the period was TSEK 36,103 (-46,683), driven by the directed share issue. No investments were made in the period.

FULL YEAR

Net sales

The OssDsign group Net sales for the full year of 2022 amounted to TSEK 56,985 (31,726), which corresponds to an increase of 80% as compared to the full year of 2021, or 62% in constant currency terms. In the same period the parent company Net sales amounted to TSEK 41,743 (31,135).

Sales for the full year of 2022 continued to be challenged by post-pandemic effects, such as staff shortages and delays to approval processes, and we expect this challenging environment to continue in 2023. We are therefore especially proud of delivering such a high growth for the year, as well as quarter on quarter growth across several markets, including a strong finish in Europe.

Underlying product margin has developed well throughout the year, largely driven by favourable product and market mix.

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 2022 amounted to TSEK 90,494 (89,255). Other operating income has had a significant positive impact on the result due to exchange rate gains and revaluation of provisions for contingent consideration related to the Sirakoss acquisition.

Operating expenses have increased vs previous year, driven by strategic mid-long term investments in clinical programs and increased U.S. presence and sales driven items. With an increasing U.S. cost base vs. previous year, the higher USD/SEK rate adversely impacts operating expenses. All of which with a negative impact on the operating result.

Approximately 50% of the increase in operating expenses vs previous year derives from exchange rate effects and sales driven items and another 50% from our investments in clinical programs and an increased U.S. presence. Excluding such residual effects and strategic efforts, we see a healthy underlying leverage in our operations.

Net financial items, on the other hand, have been negatively affected by revaluation of provisions for contingent consideration related to the Sirakoss acquisition, insofar as such effects are attributable to discounting or exchange rate changes.

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 124,653. Cash flow from operating activities amounted to TSEK -88,975 (-89,629). The total cash flow for the period was TSEK -27,261 (101,791), where both years were positively driven by new share issues, albeit to a lesser extent in 2022.

Investments in tangible fixed assets amounted to only TSEK -129 (-57). 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 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 addition of the 1 cc 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 November 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 17th, 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.

OssDsign completes a directed new share issue and raised proceeds of approximately SEK 65.6 million

On November 29th, OssDsign completed a directed new share issue which among others was subscribed by Adrigo Small & Midcap and two of the company's largest shareholders, Karolinska Development AB and Lancelot Asset Management. The subscription price was set to SEK 4.60 and was determined through an accelerated book-building procedure carried out by the company's financial advisor SEB. Through the directed new share issue, OssDsign will receive approximately SEK 65.6 million before the deduction of transaction costs. The rationale for the issue was to secure financing of the company's previously communicated strategy and expansion plan "ASCENT25". The growth strategy involves, among other things, building a global bone graft business, accelerating growth in the US, expanding the product portfolio, and accelerating clinical programs.

Post-market surveillance continues to show low observed complication rates with OssDsign Cranial PSI

On December 16th, OssDsign announced updated complaints 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 1,995 surgeries, shows that the frequency of infections leading to implant removal was 1.4% after an average follow-up time of 21 months. This positive outcome exceeds what has been observed in previous follow-ups, thus highlighting the exceptional performance of OssDsign Cranial PSI.

IMPORTANT EVENTS AFTER THE END OF THE FOURTH QUARTER

First-in-patient case report of OssDsign Catalyst shows complete spinal fusion 6 months post-surgery

On January 4th, OssDsign announced that a first-in-patient case report from the clinical study TOP FUSION has been published in Biomedical Journal of Scientific & Technical Research. The peer-reviewed article presents data showing complete spinal fusion 6 months after surgery with the novel nanosynthetic bone graft OssDsign Catalyst.

OssDsign reaches a milestone of 500 patients treated with OssDsign Catalyst® in the U.S.

On January 9th, OssDsign announced that 500 patients have now been treated in the U.S. with the innovative nanosynthetic bone graft, OssDsign Catalyst. Since the launch, awareness of the product has increased exponentially, which is reflected in the growing number of patients who benefit from the treatment. Reaching the 500-patient milestone is a significant achievement in the effort to expand the product's presence in the U.S. market.

OssDsign Catalyst 1cc is launched and available in the U.S. market

On January 10th, OssDsign commenced the launch of a new size of OssDsign Catalyst in the U.S. market. The additional volume option of 1 cubic centimeter (cc) is fully available on the market and completes the existing product range of 10, 5, and 2,5 cc, thereby broadening access to new procedures in both the cervical spine and smaller extremities.

OTHER DISCLOSURES

Ownership structure

At the end of the fourth quarter there were 2,383 shareholders in OssDsign AB, of which the seven largest shareholders all owned more than 5.0% each and together more than 55.0% of the capital and voting rights. The total number of shares was 71,343,130. The largest shareholders on December 31, 2022, were SEB Ventures, Karolinska Development AB and TAMT 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 51 (48) employees, of whom 49% 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 on the market. In order to satisfy requirements in the medium term, the company has, in the fourth quarter, raised SEK 65.6 Million in gross proceeds through a directed share issue. As of December 31st, 2022, the group's cash and cash equivalents amounted to SEK 124.7 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.

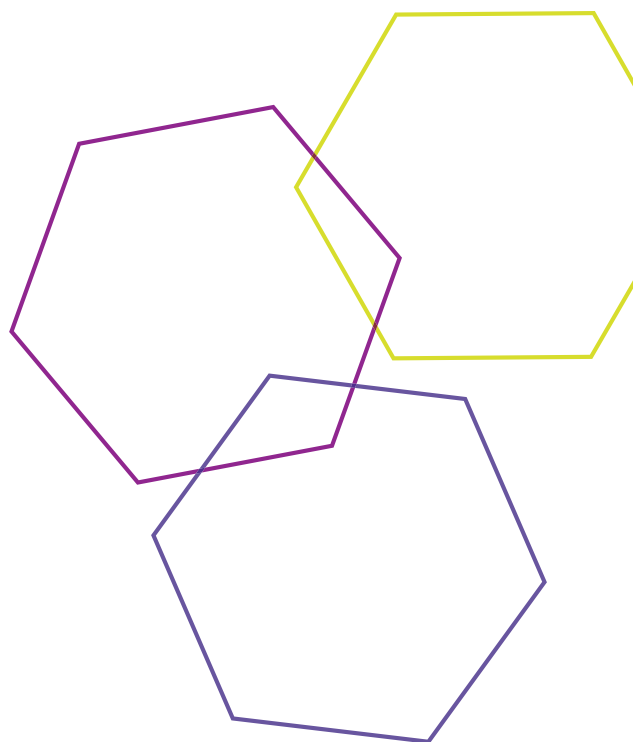
Transactions with related parties

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 claims on OssDsign USA Inc of TSEK 3,193 and on Sirakoss Ltd of TSEK 391 and a liability to OssDsign Ltd of TSEK 191.

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 intellectual property rights, product liability and forward-looking information that may affect the Company. In addition, developments in 2022 have also introduced war, inflation, energy and interest rate risks to the agenda, all of which may come to affect access to raw materials, distribution, cost of goods and services, as well as customer demand and access to capital. 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

<i>SEK 000'</i>	2022	2021	2022	2021
	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 – Dec 31
Net sales	19 929	9 174	56 985	31 726
Other operating income/Other income	6 425	1 522	15 743	5 060
Change of inventory items under production, finished goods and work in progress on behalf of others	-1 422	-	111	-936
Raw materials and consumables/Cost of material	-2 079	-2 948	-11 962	-9 947
Other external expenses	-18 681	-14 036	-64 433	-46 028
Personnel costs	-22 141	-15 609	-74 001	-58 059
Depreciation, amortization and impairment of tangible and intangible fixed assets/non-financial assets	-2 388	-2 387	-9 718	-9 733
Impairment losses on financial assets	-12	-73	77	-70
Other operating expenses/Other expenses	-2 537	28	-3 295	-1 714
Operating profit	-22 906	-24 328	-90 494	-89 702
<i>Profit from financial items</i>				
Net interest income	-8 908	-4 282	-9 135	-4 427
Profit after financial items	-31 814	-28 610	-99 629	-94 130
Tax expense	-134	-116	242	211
Profit for the period	-31 948	-28 726	-99 388	-93 918
<i>Earnings per share</i>				
Basic earnings per share, SEK	-0.5	-0.5	-1.7	-1.9

Consolidated summary statement of comprehensive income

<i>SEK 000'</i>	2022	2021	2022	2021
	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 – Dec 31
Profit/loss for the period	-31 948	-28 726	-99 388	-93 918
<i>Other comprehensive income for the period</i>				
Items that will be reclassified subsequently to profit or loss	-716	106	1 044	303
Income tax relating to items that will be reclassified	-	-	-	-
Other comprehensive income for the period	-716	106	1 044	303
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-32 663	-28 620	-98 344	-93 615

Consolidated summary balance sheet

	2022	2021
<i>SEK 000'</i>	Dec 31	Dec 31
ASSETS		
<i>Fixed assets</i>		
Intangible fixed assets	153 866	159 826
Tangible fixed assets	13 539	14 349
Financial assets	2 885	2 371
Total fixed assets	170 290	176 546
<i>Current assets</i>		
Inventories	4 418	2 125
Current receivables	13 220	8 637
Other receivables	2 675	1 974
Prepaid expenses and other accrued income	3 409	3 338
Cash equivalents	124 653	151 366
Total current assets	148 375	167 439
TOTAL ASSETS	318 665	343 986
	2022	2021
<i>SEK 000'</i>	Dec 31	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES		
Equity	226 734	262 722
Total equity	226 734	262 722
<i>Long-term liabilities</i>		
Liabilities to credit institutions	727	1 241
Lease liabilities	9 779	9 994
Other liabilities	51 164	49 134
Total long-term liabilities	61 670	60 369
<i>Current liabilities</i>		
Liabilities to credit institutions	513	646
Accounts payable	5 757	4 564
Lease liabilities	2 581	2 251
Current tax liability	639	-
Other liabilities	1 866	1 435
Accrued expenses and deferred income	18 906	12 001
Total current liabilities	30 261	20 895
Total liabilities	91 931	81 264
TOTAL EQUITY AND LIABILITIES	318 665	343 986

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 2021-01-01	1 385	-	355 449	-17	-244 749	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 program	-	-	-	-	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	-	240 898	-	1 189	244 269
CLOSING BALANCE 2021-12-31	3 567	-	596 347	286	-337 478	262 722
Opening balance 2022-01-01	3 567	-	596 347	286	-337 478	262 722
Profit/loss for the period	-	-	-	-	-99 388	-99 388
Other comprehensive income	-	-	-	1 044	-	1 044
Total comprehensive income	-	-	-	1 044	-99 388	- 98 344
<i>Transactions with shareholders</i>						
Warrant programmes	-	-	-	-	438	438
New share issue	892	-	64 744	-	-	65 636
Issue expenses	-	-	-3 717	-	-	-3 717
Total transactions with shareholders	892	-	61 026	-	438	62 356
CLOSING BALANCE 2022-12-31	4 459	-	657 373	1 330	-436 428	226 734

Consolidated summary statement of cash flows

	2022	2021	2022	2021
SEK 000'	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 – 31 Dec
Operating activities				
Profit after financial items	-31 814	-28 610	-99 629	-94 130
Non cash adjustments	4 193	4 070	9 253	9 492
Income tax paid	-458	176	-545	-51
	-28 079	-24 365	-90 922	-84 689
Change in inventory	-364	563	-2 143	22
Change in receivables	-4 118	-2 210	-3 180	-4 386
Change in liabilities	6 874	5 556	7 270	-731
Total change in working capital	2 392	3 909	1 947	-5 095
Cash flow from operating activities	-25 687	-20 456	-88 975	-89 784
Investment activities				
Acquisition of intangible fixed assets	-	-	-	-
Acquisition of tangible fixed assets	-	-	-129	-57
Acquisition of group companies	-	-25 792	-	-51 796
Cash flow from investment activities	-	-25 792	-129	-51 853
Financing activities				
New share issue	65 636	-	65 636	270 537
Share issue costs	-3 717	-	-3 717	-27 457
Warrants	-	30	438	1 119
Other change in financial fixed assets	-	-	-	158
Repayment of borrowing	-128	-465	-513	-929
Cash flow from financing activities	61 790	-435	61 843	243 428
Cash flow for the period	36 103	-46 683	-27 261	101 791
Cash equivalents at the beginning of the period	88 756	197 961	151 366	49 403
Exchange rate differences in cash equivalents	-206	88	548	173
CASH EQUIVALENTS AT THE END OF THE PERIOD	124 653	151 366	124 653	151 366

Summary income statement, parent company

SEK 000'	2022	2021	2022	2021
	Oct 1 – Dec 31	Oct 1 – Dec 31	Jan 1 – Dec 31	Jan 1 – Dec 31
Net sales	11 675	8 703	41 743	31 135
Other operating income/Other income	6 621	2 416	14 829	4 583
Raw materials and consumables/ Cost of material	-4 003	-3 211	-10 799	-8 014
Other external expenses	-12 019	-21 443	-83 260	-72 512
Personnel costs	-13 881	-10 002	-45 204	-38 361
Depreciation, amortisation and impairment of tangible and intangible fixed assets/non-financial assets	-196	-275	-891	-1 140
Other operating expenses	-1 718	229	-2 454	-1 290
Operating profit	-13 521	-23 582	-86 036	-85 599
<i>Profit from financial items</i>				
Net interest income	-9 010	-4 188	-8 948	-4 025
Profit after financial items	-22 531	-27 770	-94 984	-89 624
Tax expense	-	-	-	-
PROFIT FOR THE PERIOD	-22 531	-27 770	-94 984	-89 624

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

Summary balance sheet, parent company

	2022	2021
<i>SEK 000'</i>	Dec 31	Dec 31
ASSETS		
<i>Fixed assets</i>		
Tangible fixed assets	1 530	2 303
Financial assets		
Shares in group companies	137 687	137 687
Other long-term receivables	2 314	2 314
Total financial fixed assets	140 002	140 001
Total fixed assets	141 532	142 304
<i>Current assets</i>		
Inventories	4 468	1 928
Current receivables	3 034	1 991
Receivables from group companies	7 388	8 293
Current tax receivables	541	66
Other receivables	2 117	1 871
Prepaid expenses and other accrued income	3 333	2 977
Cash equivalents	120 633	148 335
Total current assets	141 514	165 460
TOTAL ASSETS	283 046	307 765

	2022	2021
<i>SEK 000'</i>	Dec 31	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES		
<i>Equity</i>		
Restricted equity	4 459	3 567
Non-restricted equity	205 319	238 838
Total equity	209 778	242 405
<i>Provisions</i>		
Other provisions	46 950	44 394
Total Provisions	46 950	44 394
<i>Long-term liabilities</i>		
Liabilities to credit institutions	727	1 241
Other liabilities	-	-
Total long-term liabilities	727	1 241
<i>Current liabilities</i>		
Liabilities to credit institutions	513	513
Accounts payable	5 508	4 208
Liabilities to group companies	3 994	3 736
Current tax liabilities	-	-
Other current liabilities	1 707	1 348
Accrued expenses and deferred income	13 869	9 919
Total current liabilities	25 591	19 725
Total liabilities	26 318	20 966
TOTAL EQUITY AND LIABILITIES	283 046	307 765

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.

The liability/provision for contingent consideration is valued at fair value as per IFRS 9 and classified as level 3 according to the IFRS valuation hierarchy.

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'	Oct - Dec		Jan - Dec	
	2022	2021	2022	2021
USA	12 021	4 593	32 546	13 996
Europe	7 715	4 581	23 917	17 489
Rest of World	193	-	522	241
TOTAL	19 929	9 174	56 985	31 726

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'	Oct - Dec		Jan - Dec	
	2022	2021	2022	2021
CMF	12 395	8 507	39 944	30 988
Orthobiologics	7 534	667	17 041	738
TOTAL	19 929	9 174	56 985	31 726

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 - Dec 31	Jan 1 - Dec 31
Subscribed and paid shares		
At the beginning of the period	57 074 504	22 166 460
Rights issue	-	34 908 044
Directed share issue	14 268 626	-
Subscribed and paid shares	71 343 130	57 074 504
Shares for share-based payments	-	-
SUM AT THE END OF THE PERIOD	71 343 130	57 074 504

The Company completed a directed share issue during the fourth quarter of 2022, which increased the number of shares by 14,268,626. The total number of shares subsequently amounted to 71,343,130 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 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 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 2022	April 27 th , 2023
Interim Report Q1, 2023	May 23 rd , 2023
AGM 2022	May 31 st , 2023
Interim Report Q2, 2023	August 22 nd , 2023
Interim Report Q3, 2023	November 21 st , 2023

OSSDSIGN AB – UPPSALA FEBRUARY 21st, 2023

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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