



2023

Interim Report
for the second quarter

January – June 2023

Interim Report for the second quarter of 2023

January 1 – June 30, 2023

The second quarter in figures

- Net sales amounted to TSEK 23,997 (12,483), which corresponds to a growth of 92%.
- The U.S. business demonstrated 148% growth, increasing the U.S. share of global sales to 72%.
- Further acceleration of OssDsign Catalyst, which now represents 51% of total sales in the group in the second quarter.
- Gross margin continued to develop favorably during the quarter to reach an impressive 77% (68%), driven by OssDsign Catalyst.
- Operating loss of TSEK 19,961 (23,985) was an improvement of MSEK 4.0 over previous year. Adjusting for the USD hedge revaluation effect, which affects comparability, the actual improvement was MSEK +6.7, or approximately 24% better, which clearly demonstrates increasing operating leverage in the business.
- Operating expenses are stabilizing, despite increased sales dependent items, investments in clinical programs and adverse exchange rate effects.
- Loss after taxes amounted to TSEK 20,276 (23,931).
- Earnings per share was SEK -0.3 (-0.4).
- Cash flow from current operations was TSEK -22,207 (-19,016), entirely driven by the current high sales growth, in combination with stabilizing operating expenses. Underlying cash flow trend is positive and shows a solid improvement of MSEK +7 over previous quarter.

The first half year in figures

- Net sales amounted to TSEK 45,463 (19,559), which corresponds to a growth of 132%.
- The U.S. business demonstrated 221% growth, increasing the U.S. share of global sales to 69%.

- Further acceleration of OssDsign Catalyst, which now represents 46% of total sales in the group in the first half year.
- Gross margin continued to develop favorably during the period to reach 76% (62%), driven by OssDsign Catalyst.
- Operating loss of TSEK 43,658 (48,022) showed a clear improvement over previous year. Unadjusted the improvement came out at MSEK +4.4, whereas adjusted for the USD hedge revaluation effect, which affects comparability, the improvement came out at MSEK +8.3, or approximately 15% better.
- Operating expenses are stabilizing, despite increased sales dependent items, investments in clinical programs and adverse exchange rate effects.
- Loss after taxes amounted to TSEK 43,527 (47,884).
- Earnings per share was SEK -0.6 (-0.8)
- Cash flow from current operations was TSEK -51,070 (-42,888), primarily driven by the current high sales growth, in combination with stabilizing operating expenses. The release of year-end accruals in early 2023 also contributes to the net working capital development.

Important events during the second quarter

- OssDsign reached commercial milestone of 750 implants sold in Germany.
- 1,000 patients treated with OssDsign Catalyst in the U.S.

Important events after the end of the second quarter

- OssDsign surpassed 200 patients in its prospective spinal fusion registry PROPEL.

Financial overview

	2023	2022	2023	2022	2022
	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
<i>The group</i>					
Net sales, TSEK	23 997	12 483	45 463	19 559	56 985
Operating profit, TSEK	-19 961	-23 985	-43 658	-48 022	-90 494
Profit for the period, TSEK	-20 276	-23 931	-43 527	-47 884	-99 388
Equity ratio, %	69%	72%	69%	72%	71%
Earnings per share, SEK	-0.3	-0.4	-0.6	-0.8	-1.7
Average number of employees	49.5	47.6	50.6	46.8	48.2



“ During the quarter bone graft sales significantly accelerated, making it the biggest franchise in the company. ”

Bone graft now the biggest franchise

Another strong quarter shows that we continue to deliver sustainable growth, especially in the U.S. During the period, net sales amounted to SEK 24 million, representing a growth of 92% compared to the same period last year, or 79% at constant exchange rates. As in previous quarters, we report a remarkable 148% growth in our U.S. business, making it the fifth consecutive quarter of triple-digit growth. The U.S. accounted for 72% of global sales during the quarter.

OssDsign Catalyst showed a substantial acceleration and represented 51% of global sales during the second quarter, making bone graft the biggest franchise in the company. Growth was an impressive 453% compared to the same period last year.

Despite a significant deterioration in the availability of hospital staff in Germany that impacted most of the quarter, Cranial PSI continued to grow, reporting a good performance with 15% growth compared to the same period last year.

Adding large hospital systems to the growing customer base in the U.S.

Since the U.S. launch of OssDsign Catalyst in August 2021, we have worked systematically to broaden our customer base and establish OssDsign as the preferred bone graft product. We are therefore very pleased that we, although at an early point in time after launch, have been able to win a number of long-term contracts with large hospital systems, so-called Integrated Delivery Networks (IDNs). These are networks of healthcare units and facilities that offer a full range of healthcare services and are a very important part of the U.S. healthcare system. The agreements increase the availability of OssDsign Catalyst in the U.S. and significantly broaden our commercial opportunities. As IDNs conduct very thorough assessments of new products, these wins represent further endorsement of the high level of innovation we bring to the market.

High gross margin which is expected to increase further

For the first time, we now also disclose the gross margin in the company, which came in at an impressive 77% during the quarter and 76% for the first six months of 2023. The gross margin has been significantly lifted since the launch of OssDsign Catalyst and represents an increase of more than 30%-points compared to 2020 where OssDsign only operated with a Cranial PSI franchise. The acquisition of Sirakoss, and subsequent launch of OssDsign Catalyst, added a fully scalable and high gross margin product, and as this franchise continues to become a larger part of the company, it will continue to be accretive to gross margins. The entry into the Orthobiologics space and the successful launch of the differentiated nanosynthetic bone graft, OssDsign Catalyst, has therefore significantly transformed the profitability profile of OssDsign.

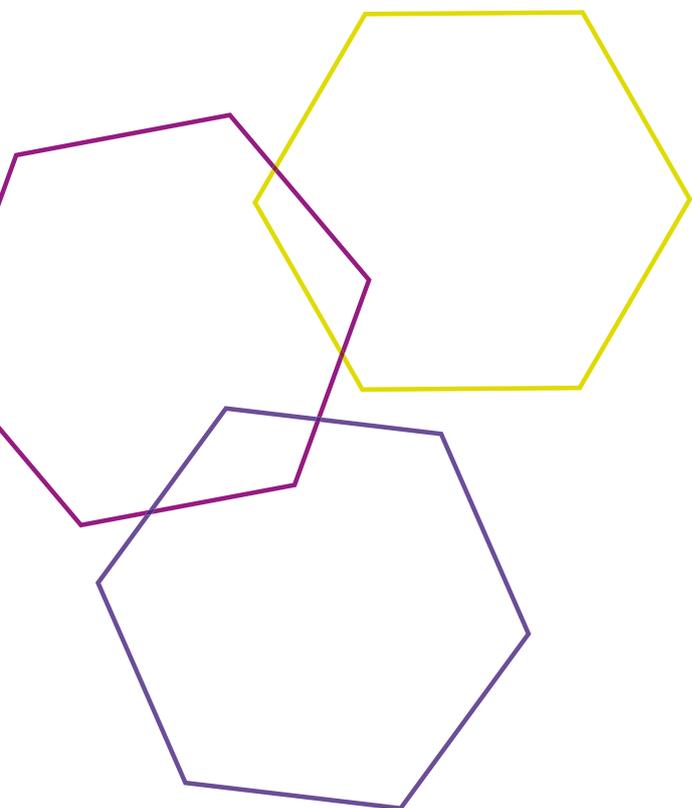
Operating leverage evident during the quarter

With a stabilized cost base, the second quarter also clearly showed how the increase in sales translated into an improved operating result, thereby showing operating leverage in the company, despite the ongoing investments in OssDsign Catalyst, specifically into clinical programs. With the sales development we have seen in recent quarters,

and in line with our overall strategy, OssDsign is increasingly becoming a US dominated orthobiologics company. These developments, combined with a focus on cost-effectiveness, will continue to positively impact profitability and operating result over time.

In summary, we once again delivered remarkable growth and I am very pleased with the underlying performance in the company, where we continue to deliver on our strategic plan. With the scalability we demonstrate in the company, I feel very confident we will deliver further growth and operating leverage in the quarters to come.

Morten Henneveld, CEO



Statement of Operations

Based on cutting edge material science, OssDsign develops regenerative 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 – groundbreaking technology 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 to resist physical and mechanical stress, the unique calcium phosphate composition provides healing and regenerative properties, allowing regrowth of the patient's own bone tissues. Over time, the calcium phosphate composition is replaced with bone, leaving the patient with a well-integrated implant, potentially lasting a lifetime.

To date, OssDsign has post market surveillance data from 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%, of which many implants will need to be removed and replaced. In contrast, the observed rate of explantations due to infections in patients who received OssDsign Cranial PSI was only 1.4% at an average follow-up time of 21 months, implying a far lower need for implant revisions, thereby reducing the cost of care for the healthcare system and better patient outcomes.

The global market for cranial implants is estimated to be USD 2.5 billion with an expected CAGR of 7% between 2021–2025, whereof the addressable market for OssDsign's implant products is estimated to be USD 0.4 billion. OssDsign Cranial PSI has regulatory approval in Europe, the U.S. and Japan.

OssDsign Catalyst – an off-the-shelf nanosynthetic 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. For a spinal fusion surgery to be successful, two or more vertebrae must fuse and be permanently connected. Bone replacement material plays a crucial role in the fusion as it stimulates bone growth between the vertebrae, but due to the presence of a relatively large gap between the vertebrae proper fusion is challenging to achieve with today's standard treatments.

OssDsign Catalyst is an innovative nanosynthetic bone graft composed of a proprietary nanocrystalline silicated 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 high gross margin product with great scalability and a large potential in the market for standard procedures, providing the opportunity for significant and sustained 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 post-pandemic impact of COVID-19 on its operations, especially as it pertains to staff shortages and delays to hospital approval processes. These continue to remain a challenge for the health care system and could, consequently, also negatively impact the company's result. The underlying demand for OssDsign products in the mid-long term, however, remains intact and OssDsign hope to see a continued improvement of the situation during 2023.

Development of profit and financial position

SECOND QUARTER

Sales and Gross margin

The OssDsign group net sales for the second quarter of 2023 amounted to TSEK 23,997 (12,483), which corresponds to a growth of 92% compared to Q2 2022, or 79% in constant currency terms. It is also an increase over the previous quarter, thus making Q2 another all-time-high. In the same period the parent company's net sales amounted to TSEK 12,345 (10,676).

Key drivers of this extraordinary and sustainable growth were again the U.S. and OssDsign Catalyst. Total net sales in the U.S. for the second quarter grew by 148% compared to Q2 2022. This very strong growth in our main market, quarter on quarter, means it now constitutes 72% of our total business. Rest of World also demonstrated good growth in the second quarter, despite significant hospital staff shortage issues in Germany, our main European market.

Gross margin continued to develop well in the second quarter, reaching 77%, compared to 68% in Q2 2022. The gross margin improvement is driven by the U.S. and OssDsign Catalyst, which is now 51% of global sales in the quarter. It is also the continuation of a steady upwards trend over several years, increasing by more than 30%-points since 2020.

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 April – June 2023 amounted to TSEK 19,961 (23,985), an improvement of MSEK +4.0 over previous year. Other operating income had MSEK +1.5 impact on this year's Q2 result, driven by unrealized exchange rate gains from revaluation of our USD hedge. The corresponding impact in Q2 2022 was MSEK +4.2, thus inflating the result in the comparison period. Adjusting for the hedge effect, the improvement over the prior year came out at MSEK +6.7, or 24% better, which clearly demonstrates increasing operating leverage in the business, despite strategic investments in clinical programs and increased sales dependent items.

Operating expenses are stabilizing and even reducing in the past two quarters, despite increased sales dependent items and adverse exchange rate effects, which combine to explain more than the reported increase vs Q2 2022.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 95,611 and at the end of the period they were TSEK 73,561. Cash flow from operating activities amounted to TSEK -22,207 (-19,016), primarily as the net effect of positive development in operating result and negative in working capital. This is a natural consequence of our current operating expense stabilization, as compared to the steep increase in Q2 2022, which generated higher levels of payables and accruals and thereby a temporary working capital improvement in the comparison period.

In addition, as a result of the sales acceleration on OssDsign Catalyst, net working capital is adversely impacted by inventory build as well as increased receivables.

The total cash flow for the period was TSEK -22,364 (18,715).

The comparison vs Q1 2023 was positive with total cash consumption being close to MSEK 7.0 lower in the second quarter. This improvement was driven by the positive development of both operating result and working capital and was also in line with expectations.

A minor investment of TSEK 28 (10) was made in tangible fixed assets in the period.

FIRST HALF YEAR

Sales and Gross margin

The OssDsign group net sales for the first half year of 2023 amounted to TSEK 45,463 (19,559), which corresponds to a growth of 132% compared to the first half year of 2022, or 114% in constant currency terms. In the same period the parent company's net sales amounted to TSEK 26,982 (17,593).

Key drivers of the extraordinary and sustainable growth in the first half year were the U.S. and OssDsign Catalyst. Total net

sales in the U.S. for the first half year grew by 221% compared to the first half year of 2022 and our main market constitutes 69% of our total business for the period. Rest of World also demonstrated a good growth of 47% in the first half year vs previous year.

Gross margin developed well in the first half year, reaching 76%, compared to 62% in the first half year of 2022. The gross margin improvement is driven by the U.S. and OssDsign Catalyst, which is 46% of global sales in the period. It is also the continuation of a steady upwards trend over several years, increasing by approximately 30%-points since 2020.

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 – June 2023 amounted to TSEK 43,658 (48,022), an improvement of MSEK +4.4 over previous year. Other operating income had MSEK +1.5 impact on this year's first half year result, driven by unrealized exchange rate gains from revaluation of our USD hedge. The corresponding impact in the first half year of 2022 was MSEK +5.4, thus inflating the result in the comparison period. Adjusting for the hedge effect, the improvement over previous year came out at MSEK +8.3, or 15% better, which clearly demonstrates increasing operating leverage in the business, despite strategic investments in clinical programs and increased sales dependent items.

Operating expenses have increased vs the same period previous year as a result of our investments in significantly growing the business, specifically U.S. and clinical programs. This notwithstanding, as operating expenses now start to stabilize, the sales and gross margin development will drive further operating leverage, as already evident in the current period.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 124,653 and at the end of the period they were TSEK 73,561. Cash flow from operating activities amounted to TSEK -51,070 (-42,888), primarily as the net effect of positive development in operating result and negative in working capital.

This is a natural consequence of our current operating expense stabilization, as compared to the steep increase in 2022, which generated higher levels of payables and accruals and thereby a temporary working capital improvement in the comparison period. The release of year-end accruals in 2023 contributes further to skew the comparison.

In addition, as a result of the sales acceleration on OssDsign Catalyst, net working capital is adversely impacted by inventory build as well as increased receivables.

The total cash flow for the period was TSEK -51,402 (42,717).

A minor investment of TSEK 75 (10) was made in tangible fixed assets in the period.

IMPORTANT EVENTS DURING THE SECOND QUARTER

OssDsign reached commercial milestone of 750 implants sold in Germany

On April 27, OssDsign announced that the company had reached the commercial milestone of 750 implants sold in Germany since market entry, with a significant acceleration in sales during the last two years.

1,000 patients treated with OssDsign Catalyst in the U.S.

On May 9, OssDsign announced that 1,000 patients had been treated in the U.S. with the innovative nanosynthetic bone graft OssDsign Catalyst. Product awareness is increasing considerably, which is reflected in the rapidly growing number of patients treated.

IMPORTANT EVENTS AFTER THE END OF THE SECOND QUARTER

OssDsign surpassed 200 patients in its prospective spinal fusion registry PROPEL

On August 16, OssDsign announced that the company had enrolled 200 patients in the multi-center, 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.

OTHER DISCLOSURES

Ownership structure

At the end of the second quarter, there were 2,390 shareholders in OssDsign AB, of which the seven largest shareholders 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 June 30, 2023, were TAMT AB, Karolinska Development AB and SEB Venture Capital.

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 50 (48) employees, of whom 48% were women. This includes employees at the office and production plants in Uppsala and Aberdeen, as well as sales representatives and other employees in Germany, France, 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 are on the market. As of June 30, 2023, the group's cash and cash equivalents amounted to SEK 73.6 Million. Based on the sales development of the company's products the board has confidence in the company's mid- to long-term ability to become profitable and cash flow positive.

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 a claim on OssDsign USA Inc of TSEK 6,825, a liability to OssDsign Ltd of TSEK 260 and a liability to Sirakoss Ltd of TSEK 418.

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.

In addition, developments in 2022 also introduced war, inflation, energy cost increases 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 36 and 77-80 of the OssDsign Annual Report 2022.

Post-pandemic risks related to COVID-19 should still be recognized, insofar as continued staff shortages and delays to hospital approval processes could negatively impact the company's result.

Consolidated summary income statement

SEK 000'	2023	2022	2023	2022	2022
	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Net sales	23 997	12 483	45 463	19 559	56 985
Other income	1 489	4 171	1 520	5 416	15 743
Cost of material	-3 027	-3 264	-6 353	-4 943	-11 850
Other external expenses	-19 681	-16 454	-39 369	-28 974	-64 433
Personnel costs	-19 592	-18 597	-39 717	-33 936	-74 001
Depreciation, amortisation and impairment losses	-2 334	-2 452	-4 671	-4 888	-9 718
Impairment losses on financial assets	-37	132	-65	45	77
Other expenses	-776	-4	-466	-301	-3 295
Operating profit	-19 961	-23 985	-43 658	-48 022	-90 494
<i>Profit from financial items</i>					
Net interest	-111	-67	-208	-111	-9 135
Profit after financial items	-20 072	-24 053	-43 866	-48 133	-99 629
Corporation tax for the year	-203	122	339	249	242
Profit for the period	-20 276	-23 931	-43 527	-47 884	-99 388
<i>Earnings per share</i>					
Basic earnings per share, SEK	-0.3	-0.4	-0.6	-0.8	-1.7

Consolidated summary statement of comprehensive income

SEK 000'	2023	2022	2023	2022	2022
	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Profit/loss for the period	-20 276	-23 931	-43 527	-47 884	-99 388
<i>Other comprehensive income for the period</i>					
Items that will be reclassified subsequently to profit or loss	408	626	371	704	1 044
Other comprehensive income for the period	408	626	371	704	1 044
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-19 867	-23 305	-43 156	-47 180	-98 344

Consolidated summary balance sheet

	2023	2022	2022
SEK 000'	Jun 30	Jun 30	Dec 31
ASSETS			
<i>Fixed assets</i>			
Intangible assets	150 905	156 846	153 866
Tangible fixed assets	11 987	15 249	13 539
Financial assets	2 470	2 524	2 885
Total fixed assets	165 362	174 619	170 290
<i>Current assets</i>			
Inventories	5 674	2 742	4 418
Accounts receivable	15 928	8 331	13 220
Other receivables	2 532	2 667	2 134
Prepayments	3 224	2 867	3 409
Cash and cash equivalents	73 562	109 026	124 653
Total current assets	100 921	125 633	147 834
TOTAL ASSETS	266 283	300 252	318 124

	2023	2022	2022
SEK 000'	Jun 30	Jun 30	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES			
Equity	183 577	215 980	226 734
Total equity	183 577	215 980	226 734
<i>Long-term liabilities</i>			
Mortgage debts	471	984	727
Finance lease liabilities	8 471	11 108	9 779
Other liabilities	50 504	48 871	51 164
Total long-term liabilities	59 445	60 963	61 670
<i>Current liabilities</i>			
Mortgage debts	513	513	513
Accounts payable	4 781	5 980	5 757
Finance lease liabilities	2 637	2 611	2 581
Current tax liability	59	0	98
Other current liabilities	1 748	1 514	1 866
Accrued expenses and deferred income	13 640	12 692	18 906
Total current liabilities	23 261	23 310	29 720
Total liabilities	82 706	84 272	91 390
TOTAL EQUITY AND LIABILITIES	266 283	300 252	318 124

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 2022-01-01	3 567	-	596 347	286	-337 478	262 722
Profit/loss for the period	-	-	-	-	-47 884	-47 884
Other comprehensive income	-	-	-	704	-	704
Total comprehensive income	-	-	-	704	-47 884	-47 180
<i>Transactions with shareholders</i>						
Warrant program	-	-	-	-	438	438
New share issue	-	-	-	-	-	-
Issue expenses	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-
CLOSING BALANCE 2022-06-30	3 567	-	596 347	990	-384 924	215 980
Opening balance 2023-01-01	4 459	-	658 492	1 330	-437 547	266 734
Profit/loss for the period	-	-	-	-	-	-43 527
Other comprehensive income	-	-	-	370	-43 527	370
Total comprehensive income	-	-	-	370	-42 527	-43 158
<i>Transactions with shareholders</i>						
Warrant programmes	-	-	-	-	-	-
New share issue	-	-	-	-	-	-
Issue expenses	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-
CLOSING BALANCE 2023-06-30	4 459	-	658 492	1 699	-481 074	183 577

Consolidated summary statement of cash flows

	2023	2022	2023	2022	2022
SEK 000'	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Operating activities					
Profit after financial items	-20 072	-24 053	-43 866	-48 133	-99 629
Non cash adjustments	1 741	1 615	3 441	3 388	9 253
Income tax paid	-884	-18	-111	-61	-545
	-19 216	-22 456	-40 537	-44 806	-90 922
Change in inventory	-431	155	-1 176	-514	-2 267
Change in receivables	-756	-568	-2 386	1 435	-3 180
Change in liabilities	-1 806	3 853	-6 971	997	7 141
Total change in working capital	-2 992	3 440	-10 533	1 918	1 947
Cash flow from operating activities	-22 207	-19 016	-51 070	-42 888	-89 229
Investment activities					
Acquisition of intangible fixed assets	-	-	-	-	-
Acquisition of tangible fixed assets	-29	-10	-75	-10	-129
Acquisition of group companies	-	-	-	-	-
Cash flow from investment activities	-29	-10	-75	-10	-129
Financing activities					
New share issue	-	-	-	-	65 636
Share issue costs	-	-	-	-	-3 717
Warrants	-	359	-	438	438
Other change in financial fixed assets	-	-	-	-	-
Repayment of borrowing	-128	-47	-257	-257	-513
Cash flow from financing activities	-128	311	-257	181	61 843
Cash flow for the period	-22 364	-18 715	-51 402	-42 717	-27 515
Cash equivalents at the beginning of the period	95 611	127 393	124 653	151 366	151 366
Exchange rate differences in cash equivalents	314	348	310	377	548
CASH EQUIVALENTS AT THE END OF THE PERIOD	73 561	109 026	73 561	109 026	124 653

Summary income statement, parent company

SEK 000'	2023	2022	2023	2022	2022
	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Net sales	12 345	10 676	26 982	17 599	41 743
Other income	1 481	3 856	1 512	5 101	14 829
Cost of material	-3 185	-2 593	-6 511	-4 390	-10 799
Other external expenses	-17 619	-24 684	-40 502	-43 779	-83 260
Personnel costs	-11 683	-12 063	-22 242	-22 153	-45 204
Depreciation, amortisation and impairment losses	-165	-212	-337	-493	-891
Impairment losses on financial assets	-	-	-	-	-
Other expenses	-122	-113	-203	-284	-2 454
Operating profit	-18 949	-25 132	-41 302	-48 398	-86 036
<i>Profit from financial items</i>					
Net interest	-22	33	-42	84	-8 948
Profit after financial items	-18 971	-25 099	-41 344	-48 314	-94 984
Corporation tax for the year	-	-	-	-	-
PROFIT FOR THE PERIOD	-18 971	-25 099	-41 344	-48 314	-94 984

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

Summary balance sheet, parent company

	2023	2022	2022
<i>SEK 000'</i>	Jun 30	Jun 30	Dec 31
ASSETS			
<i>Fixed assets</i>			
Intangible assets	-	-	-
Tangible fixed assets	1 268	1 810	1 530
Financial assets	140 002	140 001	140 002
Total fixed assets	141 270	141 811	141 532
<i>Current assets</i>			
Inventories	5 547	2 489	4 468
Accounts receivable	4 792	2 613	3 034
Intercompany receivables	8 749	7 101	7 388
Tax receivables	84	112	541
Other receivables	2 465	2 360	2 117
Prepayments	3 252	2 661	3 333
Cash equivalents	67 515	103 247	120 633
Total current assets	92 406	120 584	141 514
TOTAL ASSETS	233 675	262 396	283 046

	2023	2022	2022
<i>SEK 000'</i>	Jun 30	Jun 30	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES			
<i>Equity</i>			
Equity	168 432	194 529	205 319
Total equity	168 432	194 529	209 778
<i>Long-term liabilities</i>			
Mortgage debts	471	984	727
Finance lease liabilities	-	-	-
Other liabilities	46 950	44 394	46 950
Total long-term liabilities	47 421	45 378	47 677
<i>Current liabilities</i>			
Mortgage debts	513	513	513
Accounts payable	3 834	4 635	5 508
Intercompany liabilities	2 601	5 308	3 994
Current tax liabilities	-	-	-
Other current liabilities	1 563	1 378	1 707
Accrued expenses and deferred income	9 311	10 655	13 869
Total current liabilities	17 822	22 489	25 591
Total liabilities	65 243	23 473	26 318
TOTAL EQUITY AND LIABILITIES	233 675	262 396	283 046

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, with the exception of the income statement, where change in inventory of finished goods and work in progress is no longer presented. This voluntary change of accounting principle provides the reader with a truer picture, more in line with practice. The effects on the comparison period are presented in the table below. 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.

INCOME STATEMENT EFFECT

SEK 000'	Apr – Jun		Jan – Jun	
	2022 current	2022 previous	2022 current	2022 previous
Other income	4 171	4 038	5 416	5 837
Cost of material	-3 264	-3 131	-4 943	-5 365

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 2022.

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 has 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'	Apr – Jun		Jan – Jun		Jan – Dec
	2023	2022	2023	2022	2022
USA	17 237	6 939	31 292	9 755	32 546
EMEA	6 580	5 367	13 886	9 585	23 917
APAC	180	177	285	219	522
SUM	23 997	12 483	45 463	19 559	56 985

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

NET SALES BY PRODUCT CATEGORY

SEK 000'	Apr – Jun		Jan – Jun		Jan – Dec
	2023	2022	2023	2022	2022
CMF	11 741	10 267	24 403	16 610	39 944
Orthobiologics	12 256	2 216	21 060	2 949	17 041
SUM	23 997	12 483	45 463	19 559	56 985

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 71,343,130 class A shares.

	2023	2022
	Jan 1 – Jun 30	Jan 1 – Jun 30
Subscribed and paid shares		
At the beginning of the period	71 343 130	57 074 504
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

Amounts received for issued shares in addition to the nominal value during the year (premium) are included in the item "Other contributed capital", after deduction for registration and other similar fees and after deduction for attributable tax benefits.

Signatures

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

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

Financial calendar

Interim Report Q3, 2023

November 21, 2023

OSSDSIGN AB – UPPSALA AUGUST 22, 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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