OSSDSIGN®

Annual Report 2024

Content

"In just three years since its launch, OssDsign has established itself as a serious contender in the U.S. orthobiologics market and has successfully delivered on several key milestones."

Morten Henneveld, CEO

OssDsign at a glance

OssDsign pioneers the future of orthobiologics, developing and delivering the latest generation synthetic bone grafts. Utilizing cutting-edge material science, the company has developed OssDsign Catalyst which enhances the body's natural healing abilities, helping patients regain the lives they deserve. With a high-margin product and scalable business model, OssDsign is growing exponentially.

USD 1.8 billion

Size of the market for orthobiologics used in spinal surgery.

> 1.5 million

of instrumental spinal procedures are performed each year in the U.S. alone, of which 750 000 are fusion procedures.

4:1

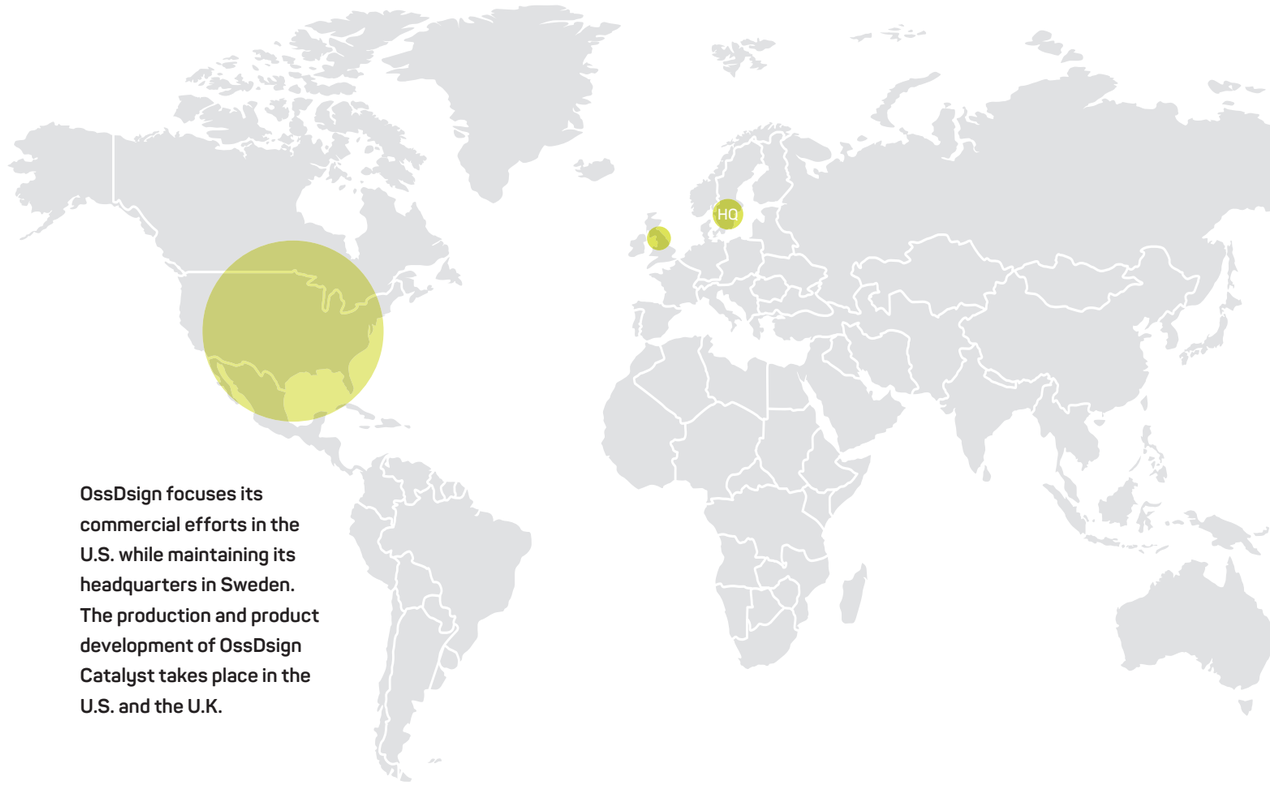
Expected growth ratio of latest generation synthetic bone grafts compared to earlier generations.

OssDsign Catalyst – the latest generation synthetic bone graft

Unlike traditional synthetic bone grafts, OssDsign Catalyst shows rapid and robust bone formation, even in poorly vascularized environments. OssDsign Catalyst's patented nanocrystalline structure and incorporated silicon ions, which mimics the body's natural bone, enable bone formation in the centre of the fusion mass. The result is a decreased risk of non-unions, making it highly applicable for both simple and complex patients.

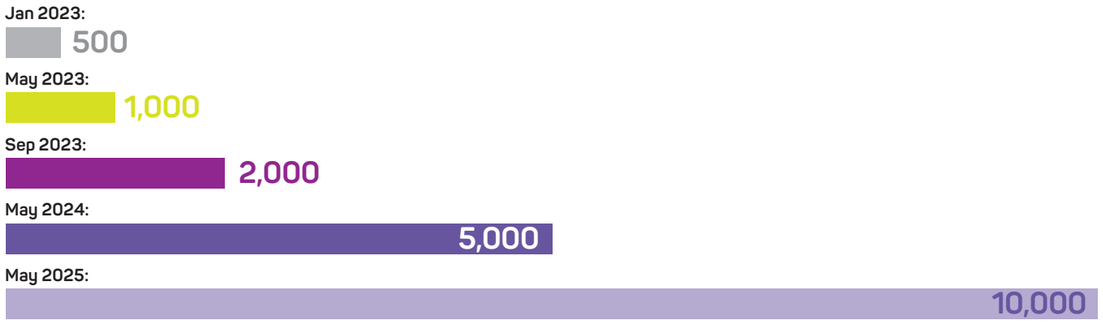
Exceptional clinical outcomes

24-month follow up results from the clinical study TOP FUSION demonstrate a 100% spinal fusion rate and improved quality of life after surgery with the innovative nanosynthetic bone graft OssDsign Catalyst. OssDsign has in a short time built extensive pre-clinical and clinical evidence. So far, 6 clinical and peer-reviewed publications, 4 clinical white papers and 4 pre-clinical publications and white papers, show that OssDsign Catalyst leads to consistent and rapid bone healing and remodeling in spinal fusion surgeries. The clinical registry PROPEL continues to collect real-world data.



OssDsign focuses its commercial efforts in the U.S. while maintaining its headquarters in Sweden. The production and product development of OssDsign Catalyst takes place in the U.S. and the U.K.

Number of patients treated with OssDsign Catalyst



The number of patients treated with OssDsign Catalyst in the U.S. as of May 2025.

Key financial figures

(TSEK)	2024	2023
Net sales	133,940	112,157
Operating profit	-49,426	-91,956
Profit before tax	-49,083	-130,655
Cash equivalents	100,858	165,938
Cash flow from operating activities	-62,379	-93,909
Equity ratio	70%	70%
Earnings per share	-0.5	-1.6
Average number of employees	26.6	47.8

↑ 108%

The sales growth (CER) for OssDsign Catalyst in 2024 compared to 2023.

↑ 95.4%

Gross margin in 2024. A significant development compared to 74.6% gross margin in 2023.

Significant events in 2024

OssDsign reports exceptional data from the clinical study TOP FUSION
On January 9, OssDsign announced the submission of positive data from the clinical study TOP FUSION to a peer-reviewed scientific journal. The top-line results indicate a 93% spinal fusion rate at 12 months, as assessed by an independent radiological review from Medical Metrics Inc. using CT imaging.

12-month data from the clinical study of OssDsign Catalyst published in Biomedical Journal of Scientific & Technical Research
On January 24, OssDsign announced that the previously communicated outstanding 12-month results from the clinical study TOP FUSION have been published in the peer-reviewed journal Biomedical Journal of Scientific & Technical Research. The results demonstrate a 93% spinal fusion rate and improved quality of life and pain following surgery with the novel nano-synthetic bone graft OssDsign Catalyst.

OssDsign appoints Tom Buckland as Chief Technical Officer
On February 29, OssDsign announced that Tom Buckland, the company's current VP of Strategy, Business Development, and Regulatory Affairs, has been appointed Chief Technical Officer (CTO). The promotion is a key part of the company's change of direction into a pure-play orthobiologics company focusing exclusively on the U.S. market. In his new role, Buckland will be responsible for operations and manufacturing, research and development, quality assurance, and regulatory affairs.

OssDsign awarded long-term agreement with Premier, Inc.
On April 2, OssDsign announced that the company would receive a new group purchasing (GPO) agreement for Bone and Bone Substitute Implantable Products with Premier, Inc. This leading U.S. healthcare improvement company unites an alliance of approximately 4,350 U.S. hospitals, health systems, and more than 300,000 other providers and organizations. The agreement spans three years. Effective July 1, 2024, it allows Premier members, at their discretion, to benefit from special pricing and terms pre-negotiated by Premier for OssDsign's nanosynthetic bone graft, OssDsign Catalyst.

OssDsign expands military access with new contract covering 100 additional VA orthopedic hospitals
On April 29, OssDsign announced that it had been awarded a new Veteran Affairs (VA) contract covering approximately 100 additional VA orthopedic hospitals nationwide. The contract is a continuation of OssDsign's collaboaration with Red One Medical and provides increased access to the important U.S. military market.

5,000 patients treated with OssDsign Catalyst in the U.S.
On May 30, OssDsign announced that the company is continuing to successfully penetrate the U.S. orthobiologics market. At the time, 5,000 patients had been treated with the innovative nanosynthetic bone graft OssDsign Catalyst. The continuous and rapid increase in treated patients is a strong testament to how well OssDsign Catalyst has been received in the U.S. market since its launch in August 2021.

OssDsign appoints Stephen Anderson as Vice President of Marketing
On October 2, OssDsign appointed Stephen Anderson as Vice President of Marketing. He brings over 25 years of global experience in marketing, sales, and engineering within the medical device industry. Stephen Anderson has held various senior positions, including Senior Vice President of Sales and Marketing at Sharp Fluidics, Vice President of Sales and Marketing at NeoSurgical, and Global Director of Marketing at Zimmer Spine. This recruitment represents a strategic move to enhance the company's presence in the U.S. Stephen Anderson will be based in the U.S. and will be a member of the executive management team.

OssDsign has held extraordinary general meeting
On December 18, OssDsign held an extraordinary general meeting. The meeting resolved to adopt the board's proposed resolution on a long-term incentive program for employees and contractors including a directed issue of warrants and approval of transfer of warrants; and to adopt the resolution proposed by certain shareholders regarding a long-term incentive programme for board members including a directed issue of warrants and approval of transfer of warrants.

Significant events after the year-end

OssDsign reaches its target of 300 patients enrolled in the prospective spinal fusion registry PROPEL
On February 25, 2025, OssDsign announced that it had reached its target of 300 enrolled patients in the multi-center, prospective spinal fusion registry PROPEL. This registry, initiated in March 2022, collects real-world data from patients treated with OssDsign Catalyst.

24-month follow up data from the clinical study of OssDsign Catalyst show 100% spinal fusion
On April 9, 2025 OssDsign announced that the 24-month follow up results from the clinical study TOP FUSION will be published in the peer-reviewed journal Biomedical Journal of Scientific & Technical Research. The results demonstrate a 100% spinal fusion rate and improved quality of life and pain after surgery with the innovative nanosynthetic bone graft OssDsign Catalyst.

Groundbreaking study highlights enhanced bone formation with novel silicate-containing synthetic bone grafts
On April 11, 2025 OssDsign announced that a new preclinical study comparing the bone-forming potential of different silicate-containing calcium phosphate synthetic bone grafts has been published in the peer-reviewed scientific journal Journal of Orthopaedic Surgery and Research. The study demonstrates that OssDsign Catalyst is the first clinically available synthetic bone graft to successfully generate robust, functional bone in challenging avascular environments at early time points.

OssDsign announces CEO transition planned for the second half of 2025
On April 30 OssDsign announced that Morten Henneveld will step down as CEO at the end of the year to support the establishment of leadership with an even stronger presence and focus on the US market. The board will begin recruiting a new CEO to lead the company's continued expansion in the United States.

10,000 patients treated with OssDsign Catalyst® in the U.S.
On May 12, 2025, OssDsign announced that it has reached its milestone of 10,000 patients treated with the innovative nanosynthetic bone graft, OssDsign Catalyst, confirming its continued success in the U.S. orthobiologics market.

A word from our CEO

OssDsign continues to make its mark in orthobiologics

Our strategic shift into a pure play orthobiologics and U.S. centric company from January 2024 has fundamentally strengthened our business, demonstrating high gross margin, increased operating leverage and improved cash flow.

The company delivered sustained high growth throughout all quarters in 2024, with full-year sales for 2024 at SEK 133.9 million, representing a 107% increase compared to 2023 orthobiologics sales or 108% on a constant currency basis. We also significantly improved our gross margin, reaching 95.4% for the full year of 2024, a notable increase from 74.6% blended margin 2023. The positive financial impact of our strategic shift was also demonstrated with operating cash flow of SEK -62.4 million in 2024, and SEK -50 million adjusted for the non-recurring payments related to the closure of the former cranial PSI business. This marks a significant improvement from SEK -94.9 million in 2023, demonstrating the scalability and operating leverage in the orthobiologics business model.

OssDsign Catalyst – a state-of-the-art technology platform

Despite operating in a highly competitive market, we have shown there are vast growth opportunities when offering state-of-the-art innovation that solves the clinical challenges. In spine surgeries, the core clinical goal is to stabilize the spine and relieve pain, requiring a fully bridging bone to be formed. The faster you can grow bone, the higher the chance for a successful outcome. Unfortunately, the clinical goal is often challenged by fundamental human biology, as a bridging bone requires bone formation in the center of the fusion mass in the challenging avascular environment. Unlike traditional synthetic bone grafts that only grow bone slowly from the edges, which can lead to delayed fusion or even non-union, OssDsign Catalyst stands alone with its unique nanoscale structure that mimics natural bone. Combined with silicate substitutes, OssDsign Catalyst triggers two distinct bone formation pathways simultaneously, making it exceptionally effective. In other words, OssDsign Catalyst simultaneously grows bone at the edges and at the center of the fusion mass, leading to demonstrated rapid and reliable bone formation – even in challenging poorly vascularized environments – making it highly applicable for both simple and complex patients. In addition, the nanoscale structure and silicate substitute offer exceptional intraoperative handling qualities for surgeons, allowing for easy mixing, molding, and placement of the graft without any irrigation. All of this makes OssDsign Catalyst a highly differentiated offering.

Building a foundation of clinical excellence

Our commitment to clinical evidence also continues to differentiate OssDsign. Besides the first-in-patient clinical study, TOP FUSION, the company also established its prospective, multi-center spinal fusion registry, PROPEL in the first half of 2022, in which we recently reached the target of enrolling 300 patients. With 14 clinical and pre-clinical white papers and peer-reviewed publications, we have already established a substantial body of evidence demonstrating the safety and efficacy of OssDsign Catalyst, not only achieving very high fusion rates but also proven high speed of fusion across the early pre-clinical studies to TOP FUSION and PROPEL. This growing clinical repository strengthens our value proposition in interactions with surgeons and hospitals and supports our market expansion.

Positioned for sustained growth in a vast market

In just three years since its launch, OssDsign has established itself as a serious contender in the U.S. orthobiologics market and has successfully delivered on several key milestones. We secured broad access to hospitals and surgical centers across the market while developing a robust distributor network to support our growth. Additionally, we gained full access to the U.S. military healthcare system and achieved a significant breakthrough by winning our first major GPO contract. While we are proud of our achievements, we recognize that we have only just begun the journey. With more than 90% of the spine orthobiologics market still untapped, we see tremendous opportunities for growth. Further, we have promising opportunities in the coming years to extend our technology platform into new adjacent orthopedic segments, for which we already have FDA 510(k) clearance, broadening the addressable market even further.

With a highly differentiated state-of-the-art offering in OssDsign Catalyst that solves the clinical challenges, an increasing body of clinical evidence as well as a continuously growing customer base and usage in accounts, we have built a strong momentum and solid position in the market. We will, therefore, continue to execute our strategic priorities: Expand access and coverage in the U.S. market, expand product portfolio, build real-world clinical evidence, and prepare to launch into new adjacent orthopedics in the future.

As we look to the future, I remain highly confident in our strategy and ability to capture the significant opportunities and continue our growth trajectory.

Morten Henneveld
CEO

"Despite operating in a highly competitive market, we have shown there are vast growth opportunities when offering state-of-the-art innovation that solves the clinical challenges."

OssDsign Catalyst

An innovative nanosynthetic bone graft that promotes fast, functional, and reliable bone formation in both vascular and challenging avascular environments

The patented nanocrystalline structure of OssDsign Catalyst mirrors the body's natural bone mineral structure, creating a favorable environment for the development of healthy bone.

Whilst the number of advanced bone regeneration therapies has been increasing both in number and in clinical use, autograft (the patient's own bone) is still recognized as a gold standard for fusion. However, this requires a painful second-site surgery to harvest bone tissue from the iliac crest. Due to the limited amount of bone graft that can be collected, surgeons often need to combine the autograft with allograft-derived or synthetic bone graft substitutes. As a result, a growing number of surgeons are opting for synthetic bone grafts that can be used independently of bone tissue in spinal fusions.

The latest generation synthetic bone graft

One of the key features that sets OssDsign Catalyst apart from traditional synthetic bone grafts is its structural similarity to bone at a nano level instead of a micro level. This, along with incorporating bioidentical silicate ions to those found in human bone, enhances the bone formation process, ensuring rapid and reliable results. Unlike traditional synthetics, OssDsign Catalyst utilizes both of the body's bone formation pathways: the endochondral pathway (skeletal development and fracture repair) and the more common intramembranous pathway (bone remodeling). This allows OssDsign Catalyst to facilitate rapid bone formation even in difficult, poorly vascularized, and hypoxic environments, resulting in elevated fusion rates, even in multilevel and revision spinal surgeries [1-2].

The versatility of OssDsign Catalyst is particularly distinguished across a variety of surgical procedures and complex cases, while its user-friendly, putty-like consistency enhances ease of use. By May 2025, 10,000 patients have been treated with OssDsign Catalyst.

OssDsign Catalyst

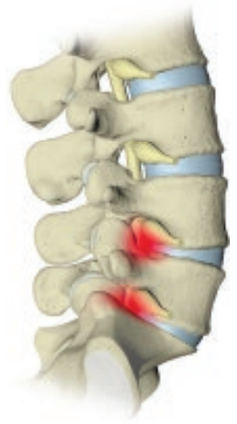
- In 2020 OssDsign Catalyst received clearance from the U.S. Food and Drug Administration (FDA) based on preclinical results from the most established and demanding non-clinical model for spinal fusion – the Boden model, surpassing results typically seen with other synthetic bone grafts used in this model.
- In September 2023, OssDsign Catalyst received an expanded indication clearance for interbody use from the FDA with synthetic bone grafts. OssDsign Catalyst can now be used as a filler in cages cleared for use with synthetic bone grafts. OssDsign Catalyst was the first nanosynthetic bone graft to obtain FDA clearance for use in interbody cages solely based on its intrinsic safety and efficacy data.

"I choose OssDsign Catalyst for my patients because of its superior handling, nanotechnology and the interbody indication. This sets it apart in a very crowded synthetic bone graft market"

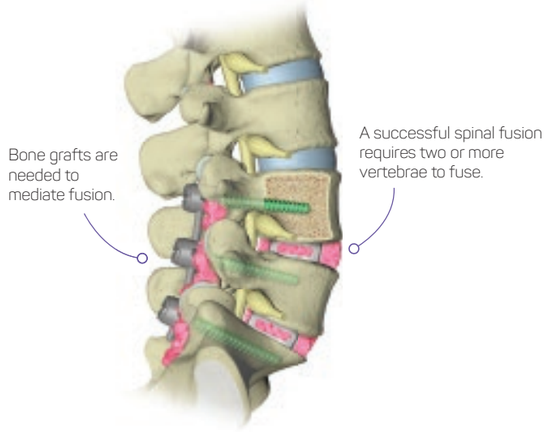
Fred Mo, MD
Georgetown University Hospital, McLean, VA

1. 1. S Sadrameli, R Archer and SM Czop. Evidence of Rapid Fusion in a Two Level ACDF Patient Using OssDsign Catalyst® Bone Graft Substitute. Biomed J Sci & Tech Res 57(2)-2024. BJSTR. MS.ID.008967.
2. KB Strenge, R Archer and SM Czop. OssDsign Catalyst® Bone Graft Performance in a Three-Level Extreme Lateral Interbody Fusion (XLIF®) Biomed J Sci & Tech Res 56(5)-2024. BJSTR. MS.ID.008906.

A spinal fusion stabilizes the spine and relieves pain

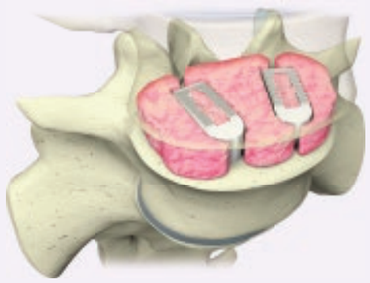


A degenerated disc in the spine creates pressure on the nerves which leads to severe, and often disabling, back and leg pain.



Spinal fusions can be either posterior, interbody, or a combination of both. The procedure stabilizes the spine and creates space for the nerves which decreases nerve pressure and pain.

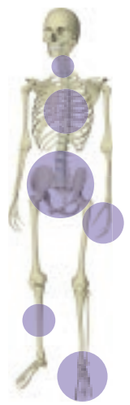
OssDsign Catalyst mediates successful bone formation



Synthetic bone grafts are applied during surgery to help bone formation between the vertebrae to provide long term stabilization of the spine following spinal fusion surgery.

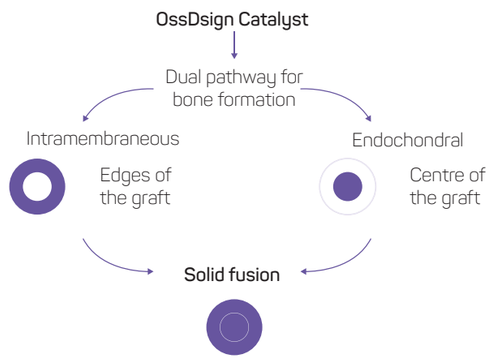
OssDsign Catalyst is a nanosynthetic bone graft that is easy to apply. It has physical and chemical properties bioidentical to human bone, which triggers the natural healing process down dual bone formation pathways.

OssDsign Catalyst is a multipurpose bone graft



OssDsign Catalyst can also be used in fusion surgeries elsewhere in the body e.g. the ankle, foot, and extremities as well as non-load bearing defect filling and trauma in any part of the skeleton.

OssDsign Catalyst activates dual pathways



OssDsign Catalyst activates both the intramembranous and the endochondral pathways, which enables bone growth even in blood-poor (avascular) areas, including the center of a fusion mass. By promoting bone growth in both the center and edges of the graft, it aims to provide a more reliable bone fusion and decrease the risk of non-unions.

Clinical programs

OssDsign Catalyst has shown exceptional clinical outcomes

The outstanding efficacy of OssDsign Catalyst continues to generate strong clinical outcomes shown across numerous pre-clinical and clinical publications.

A growing body of evidence, including recent published cases studies, have shown patients fusing in both 3 months and 6 months in challenging surgical cases [1-2]. These results further reinforce the outcomes observed in the clinical study TOP FUSION, where top-line results show 100% spinal fusion rate [3-4] 24 months after surgery with the novel nanosynthetic bone graft. All scores used to quantify pain, function, and overall health in patients showed improved quality of life over time, and no devicerelated adverse events were observed during the study. The data indicates that using OssDsign Catalyst leads to consistent and rapid bone healing and remodeling, with improved patient outcomes .

PROPEL gathers real-world data

Since 2022, surgeons have continuously recruited patients for the prospective multicenter spinal fusion PROPEL registry to evaluate the use and outcomes of OssDsign Catalyst in clinical practice. So far, OssDsign has enrolled over 300 patients in PROPEL. The registry bridges the gap between implant performance in pre-market clinical trials and its use in clinical practice over time and is an important step in OssDsign's strategy to build clinical evidence for OssDsign

Catalyst. The primary endpoint of the study measures the degree of spinal fusion, using computed tomography (CT) or radiography, at 12 months postoperatively. In addition, patients' quality of life, neurological function, as well as the clinical safety profile of the spinal implant are recorded.

OssDsign Catalyst continues to improve the success rates of spinal surgeries – a highly welcomed development for the millions of patients who require spinal fusion to lead an active and healthy life.

A solid repository of evidence

6
clinical peer-reviewed publications

4
clinical white papers

4
pre-clinical publications and white papers

1. S Sadrameli, R Archer and SM Czop. Evidence of Rapid Fusion in a Two Level ACDF Patient Using OssDsign Catalyst® Bone Graft Substitute. Biomed J Sci & Tech Res 57(2)-2024. BJSTR. MS.ID.008967.
2. KB Strenge, R Archer and SM Czop. OssDsign Catalyst® Bone Graft Performance in a Three-Level Extreme Lateral Interbody Fusion (XLIF®) Biomed J Sci & Tech Res 56(5)-2024. BJSTR. MS.ID.008906.
3. A Lazary et al. Instrumented Transforaminal Lumbar Interbody Fusion Using a Novel Synthetic Bone Graft, Ossdsign Catalyst® With 24-Month Post-Surgical Follow Up. Biomed J Sci & Tech Res 61(2)2025. BJSTR. MS.ID.009574.
4. A Lazary et al. First-In-Human Study with a Novel SyntheticBone Graft, OssDsign Catalyst™, in Transforaminal Lumbar Interbody Fusion with Instrumented Posterolateral Fusion. Biomed J Sci & Tech Res 54(4)-2024.

OssDsign's pre-clinical and clinical programs

Boden (rabbit model)

A preclinical study with 70 subjects. The study is completed and reported.

Study objective
Comparing the use of an autograft (the subject's own bone tissue) to the use of OssDsign Catalyst in combination with an autograft, and to a predicate device in combination with an autograft. To evaluate the success rate, measurements and biochemical tissue analyses were conducted at four timepoints, 6, 9, 12 or 26 weeks, following spinal fusion intervention. In 2020 OssDsign Catalyst received 510(k) clearance from the FDA based on this study.

Results
100% fusion rate at 26 weeks, compared to 60% in the group where a comparable market-cleared device was used.

TOP FUSION

A first in patient randomized controlled trial with 17 (14 evaluable) patients. The study is completed and reported.

Study objective
The clinical study TOP FUSION (NCT05114135) is a first-in-patient open-label, prospective, single-center clinical study led by Dr. Péter Pál Varga and Dr. Àron Lazary at the National Center for Spinal Disorders at the Buda Health Clinic in Budapest, Hungary. The study's primary endpoint is assessed by the rate of bone fusion at 12 months by CT as well as the lack of device-related adverse events within the study period. TOP FUSION is a two-year study; a final follow-up was made at 24 months.

Results
14/14 (100%) fusion at 24 months, 13/14 (93%) at 12 months. All scores used to quantify pain and function, including the Oswestry Disability Index (ODI), visual analog scale (VAS), and overall health in patients (SF-36), showed improvement in quality of life over time at all post-operative follow-up evaluations. No device-related Adverse Events (AEs) were observed during the study.

PROPEL

A multi-center prospective spinal fusion registry collecting realworld data. 300 patients were enrolled as per March 2025. The enrollment is ongoing without an end target.

Study objective
PROPEL is closing the gap between the device's performance in pre-clinical animal models and its application in routine clinical practice over time. The study's primary endpoint is to measure the rate of spinal fusion using computed tomography (CT) or radiography 12 months postoperatively. Additionally, the study will assess patients' quality of life and neurological function, as well as record the clinical safety profile of the spinal implant.

Results
Case reports published, and first 100 patients cohort result expected in H1 2025.

Important references

Preclinical

Early new bone formation in ovine intramuscular defects: comparison between different silicate-containing calcium phosphate synthetic bone grafts. Gibson et al. *Journal of Orthopaedic Surgery and Research* 2025, 20:369.

The efficacy of a nanosynthetic bone graft substitute as a bone graft extender in rabbit posterolateral fusion. Conway, Jordan C. et al. *The Spine Journal*, Volume 21, Issue 11, 1925–1937.

Effects of silicon compounds on biomineralization, osteogenesis, and hard tissue formation. Götz, W. et al. *Pharmaceutics*. 2019 Mar 12;11(3):117.

The effect of silicate ions on proliferation, osteogenic differentiation and cell signaling pathways (WNT and SHH) of bone marrow. Han, P. et al. 2012 Dec 12. *Biomaterials Science*, 1 (4), 379–392.

Clinical

A Lazary et al. Instrumented Transforaminal Lumbar Interbody Fusion Using a Novel Synthetic Bone Graft, Ossdsign Catalyst® With 24-Month Post-Surgical Follow Up. Biomed J Sci & Tech Res 61(2)2025. BJSTR. MS.ID.009574.

First-in-human Study with a novel synthetic bone graft, OssDsign Catalyst, in Transforaminal Lumbar Interbody Fusion with instrumented Posterolateral Fusion (TOP FUSION). A Lazary et al., *Biomedical Journal of Scientific & Technical Research*, January 2024.

Evidence of Rapid Fusion in a Two Level ACDF Patient Using OssDsign Catalyst® Bone Graft Substitute. S Sadrameli. et al. *Biomed J Sci & Tech Res* 57(2)-2024.

First-in-patient case study of a novel nanosynthetic bone graft substitute: OssDsign Catalyst. PP Varga et al., Biomedical Journal of Scientific & Technical Research, December 2022.

One-year launch of OssDsign Catalyst in U.S. – Preliminary Post-market Safety Review of first 511 patients. REF. 2022-2305 Rev01. (White Paper).

"Our quality work ensures that OssDsign continues to thrive"

Maintaining quality throughout is key in a fast-growing MedTech company like OssDsign. Tyhesha Tidwell, the company's quality assurance (QA) director, has much experience and proven success in the field. She defines quality work as an over-reaching task that guarantees smooth operations and establishes a solid foundation of quality across all company areas as they develop and achieve their goals.

Tyhesha Tidwell
Quality assurance (QA) director

"My primary role is to ensure that every area of the company has a strong foundation of quality as they build and accomplish their goals"

What makes having a QA director so important?
Most individuals do not need to stay as informed about evolving regulations as I do. You could say that I am the architect of the road. Our management team has designed the strategic plans, and my job is to lay out the infrastructure that allows us to operate within regulatory boundaries. I determine the pathways, define controls, and establish processes that allow the company to innovate while maintaining compliance.

How does your work affect the conditions for OssDsign to grow?
If I do my job well by ensuring a robust quality management system (QMS) that integrates risk-based decision-making and regulatory alignment, I think I help position the company to scale, grow, and achieve financial success. If my colleagues understand the compliance road we operate within, they can make informed decisions about what works well and what doesn't. And if I can streamline our processes to make them effective, efficient, and manageable, people will be more likely to follow them.

What are the responsibilities of your position?
People may not see QA as a comprehensive quality role, thinking it has a limited, well-defined scope, but the quality is actually embedded throughout the organization. I not only oversee compliance but also ensure that we maintain adherence to the required regulations. It is my responsibility to integrate compliance in all areas of the company alongside my internal regulatory partner. My primary role is to ensure that every area of the company has a strong foundation of quality as they build and accomplish their goals.

I essentially manage all areas aspects of the quality management system, including complaints, non-conformances, change controls, and document management as well as facilitating internal audits and the external audits of our suppliers. Ultimately, my role ensures that our products meet high quality standards, are safe and effective for patients, and comply with the regulatory standards we uphold.

How can you incorporate quality to enhance value for the customer?
Customer complaints are a key component of post-market surveillance. To ensure a thorough investigation, I have a board consisting of highly knowledgeable people to analyze complaints, determine root causes, and implement appropriate corrective actions. An important aspect of this process is ensuring that the sales team understands our findings and can effectively communicate with our customers about the safety and efficacy of our products. By embedding quality into every stage of the product lifecycle, we not only meet regulatory requirements but also enhance customer trust and satisfaction, ensuring that OssDsign continues to thrive in a competitive MedTech landscape.

Market Overview

Excellent conditions for market growth in spine and new adjacent orthopedic segments over time

OssDsign operates in the U.S. orthobiologics market, currently valued at USD 1.8 billion and projected to grow at an annual rate of 8%.[1] Both macrotrends with an ageing population and industry dynamics with a clear shift towards synthetic bone grafts will continue to drive growth.

Large and growing market opportunity

Spinal fusion surgery remains critical in addressing severe spinal degeneration, with approximately 750,000 such procedures performed annually in the U.S. Despite being a well-established treatment, current spinal fusion procedures face significant challenges, with one in five operations failing to achieve the desired outcomes. This substantial gap in treatment success, combined with increasing procedure volumes driven by demographic trends, creates a compelling opportunity for innovative solutions. Surgeons actively seek new approaches and technologies that can improve patient outcomes and address the current limitations of standard procedures.

Shifting preferences in bone graft solutions

The evolution in bone graft technology reflects a clear shift in surgical practice. While autografts harvested from the patient's iliac crest and donor-sourced allografts have traditionally dominated the field, their limitations have become increasingly apparent. Autografts require additional surgery, resulting in extended hospital stays and increased patient discomfort, while concerns about disease transmission have diminished the use of allografts.

This has created a significant market opportunity for synthetic bone grafts, particularly latest-generation solutions like OssDsign Catalyst. These advanced synthetics are now demonstrating efficacy matching or exceeding traditional grafts, while offering a more favorable risk profile. Market data supports this transition, with latest-generation synthetic bone grafts projected to grow four times faster than conventional alternatives . This trend reflects both clinical preference and the increasing sophistication of synthetic bone graft technology.

OssDsign's strategic priorities

- **Build access and coverage in the U.S. market**
- **Expand product portfolio**
- **Build further real-world relevant clinical evidence**
- **Enter new orthopedic segments**

Strong commercial momentum for OssDsign Catalyst

OssDsign Catalyst was launched in the U.S. market in August 2021 and is now established as an elite-category synthetic bone graft, showing best in class data in both preclinical and clinical studies. Sales continued to grow exponentially during 2024 as new hospitals and hospital networks were added to the customer base, and existing customers kept increasing their usage.

Strategy for continued market expansion

To further accelerate its growth in the orthobiologics market, OssDsign is executing a focused strategy. The company continues to expand its market access and coverage across the United States, while simultaneously developing its product range. Parallel to these commercial initiatives, OssDsign is generating additional real-world clinical data to support the clinical evidence repository. Looking ahead, the company has identified opportunities to leverage its technology platform in new adjacent orthopedic segments, broadening the addressable market even further.

1. Bone Graft Substitutes, Market Insights, Global, 2019, Decision Resource Group.

Factors driving market growth

Underlying volume increase
The population >60 years will double from 2020 to 2050. By 2050, life expectancy will have increased from 73 to 77 years. An ageing population drives the medical need as spinal degeneration increases by age.[1]

Surgeon preference moving towards synthetic
As autografts cause patient pain and extended hospitalization, and the use of allografts is declining due to fear of disease transmission, surgeons increasingly prefer synthetic bone grafts.

Latest generation products accelerate the change
There are many outdated synthetic bone graft products on the market that previously have failed to match autografts and allografts in clinical outcome. As latest generation synthetic bone grafts, like OssDsign Catalyst, start to outperform, these are expected to grow at a 4:1 ratio compared to early generation products.[2]

1. United Nations: 2019 Revision of World Population Prospects
2. Bone Graft Substitutes | Market Insights | Global | 2019, Decision Resource Group

“OssDsign Catalyst naturally positions itself as the latest generation synthetic bone graft”

After successfully helping to build several MedTech companies, Stephen Anderson joined OssDsign as the new Vice President of Marketing in October 2024 to accelerate the company’s U.S. presence. He sees that OssDsign Catalyst represents a unique opportunity in the market and outlines four main marketing priorities to capture this potential.

Stephen Anderson
Vice President of Marketing

“What gets surgeons to start using OssDsign Catalyst is the easy handling in the operation room; what keeps them coming back is how well it works for their patients.”

How do you position OssDsign Catalyst against existing solutions in the market?
OssDsign Catalyst naturally positions itself as the next generation synthetic bone graft. Since our product is the closest match to iliac bone, which has traditionally been the gold standard in spinal fusion surgery, we gain recognition as surgeons increasingly move towards using synthetic bone grafts. For surgeons, the product features are equally important. What gets surgeons to start using OssDsign Catalyst is the easy handling in the operation room; what keeps them coming back is how well it works for their patients.

What made you join OssDsign’s management team in October 2024?
I’ve been in the medical device field since the late 1990s and have built several successful companies at a high level, particularly in spine and orthopedics. What made me decide to join OssDsign was that I saw something really strong here.

After years of growing successful companies, I’ve learned to look for two things. One is a strong product that solves a real need for patients out there in the market – and OssDsign Catalyst does that. Our human bone physiology is inherently challenging when it comes to fusion because we have these avascular areas we’re trying to bridge, and OssDsign Catalyst enables bone growth in those areas, which is unique for a synthetic bone graft. The second thing you need for a successful company – and I could argue this is actually the number one thing – is an experienced and cohesive team. That’s exactly what I saw here. Our management team has experience building successful companies – we’ve all done it before, and we work well together.

What are your top priorities to make sure OssDsign Catalyst reaches its full potential?
In the marketing department we have four main priorities to drive OssDsign Catalyst forward. The first is to continue differentiating OssDsign Catalyst in the market by sharing its unique clinical capabilities. We’re accelerating our work on the clinical story and look forward to sharing the first 100 patient data from our PROPEL registry study when it becomes available. The second is to accelerate our medical education efforts – both by increasing our presence at medical conferences and congresses and by expanding our educational programs for surgeons. Third, we’re focused on ensuring we have the most knowledgeable and strongest sales organization in the field. And fourth, we’re exploring opportunities in adjacent orthopedic segments.

How do you see the market for OssDsign Catalyst evolve in the coming years?
There is a very expansive opportunity for us because we really just started gaining traction in the market. Beyond our current spine applications, we see potential to expand into new areas, such as foot and ankle procedures, which could significantly broaden our market opportunity.

OssDsign as an investment

The remarkable sales increase of the nanosynthetic bone graft, OssDsign Catalyst, combined with high gross margin and operating leverage, confirms that the fundamental economics in the business model are attractive and scalable.

Focus on U.S. – the world's largest and most attractive MedTech market

OssDsign is focusing all its sales and marketing efforts on the U.S. With a orthobiologics value of USD 1.8 billion, this market accounts for approximately 70% of the global spinal orthobiologics market and is expected to grow significantly in the coming years.[1] The market growth is fueled by increasing volume driven by a growing elderly population, a shift towards synthetic solutions as well as a move towards latest generation products.

Significant unmet clinical need

Nearly 80% of the U.S. population will experience low back pain at some point in their lives,[2] and each year, more than 1.5 million instrumented spinal procedures are performed in the country,[3] about 750,000 of which are spinal fusion surgeries. However, approximately 20% of all spinal fusions yield unsuccessful outcomes, making the need for improved treatments enormous.

A highly differentiated next-generation technology platform

OssDsign Catalyst is the only synthetic bone graft with a nanoscale structure similar to native bone, combined with silicate substitute, resulting in high potency by triggering dual bone formation pathways. In other words, OssDsign Catalyst simultaneously grow bone at the edges and at the centre of the fusion mass, leading to demonstrated rapid and reliable bone formation, even in challenging poorly vascularized environments, making it highly applicable for both simple and complex patients.

Exceptional clinical outcomes - with more to come

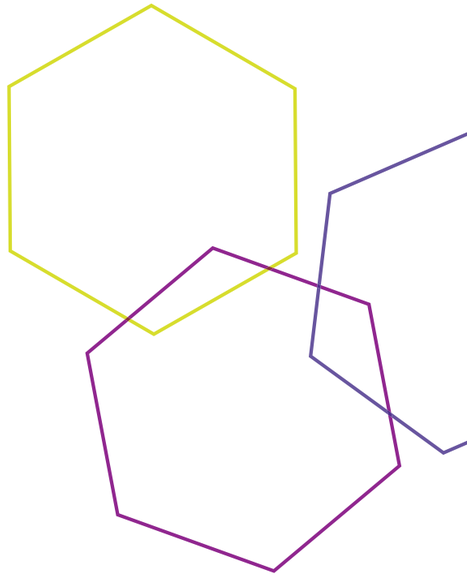
With 14 clinical and pre-clinical white papers and peer-reviewed publications, OssDsign has already established a substantial body of evidence demonstrating the safety and efficacy of OssDsign Catalyst, not only achieving very high fusion rates but also proven rapid fusion[4], including 100% fusion rate after 26 weeks in its pre-clinical study as well as the results from the clinical study TOP FUSION[5–6] showing a 93% fusion rate at 12 months and 100% at 24 months, and improved quality of life and pain following surgery with OssDsign Catalyst. Additionally, the prospective spinal fusion registry PROPEL continues to gather essential data supporting the company's ongoing commercialization.

Still only scraping the surface – significant growth opportunities

OssDsign has commercialized its orthobiologics business fast, yet more than 90% of the spine orthobiologics market is still untapped and therefore represents a significant growth opportunity in the years to come. In addition, there are numerous growth opportunities in adjacent orthopedic segments where OssDsign Catalyst already has FDA clearance for use, and which the company therefore can pursue without any further regulatory requirements.

Demonstrated execution building a fast growing and high-margin business

Despite operating in a highly competitive market, OssDsign has demonstrated strong execution whilst transforming the company in a pure play orthobiologics company including ten consecutive triple-digit growth quarters in the U.S. In addition, gross margin has been lifted from circa 40% in 2020 to more than 95% in 2024.



1. Bone Graft Substitutes | Market Insights | Global | 2019, Decision Resource Group
2. United Nations: 2019 Revision of World Population Prospects
3. Spine Health, 2020
4. Conway JC et al. The effi cacy of a nanosynthetic bone graft substitute as a bone graft extender in rabbit posterolateral fusion. Spine J. 2021 Nov;21(11):1925-19373.
5. A, Lazary et al. First-In-Human Study with a Novel SyntheticBone Graft, OssDsign Catalyst™, in Transforaminal
6. Lumbar Interbody Fusion with Instrumented Posterolateral Fusion. Biomed J Sci & Tech Res 54(4)-2024.

OssDsign's Board of Directors

SIMON CARTMELL

Board member and Chairman of the Board since 2016

Born: 1960
Education and experience: Master of Science in Management and Economics from the University of London, as well as a Fellow from the London Business School Sloan Program, and Bachelor of Science in Medical Microbiology from the University of Manchester. Simon Cartmell has over 40 years of experience in senior executive and board positions in both private and listed companies in the pharmaceutical, biotech, MedTech and diagnostic sectors. He was CEO of ApaTech leading it to its successful development of bone graft products in the U.S. and its sale to Baxter Inc.
Other current roles:
Board positions at Axis Spine Technology Ltd., MatOrtho Ltd., NuvoAir Inc., Route2Advisors Ltd. and Route2Property Ltd.
Holdings in OssDsign:
125,000 shares and 114,149 subscription options.

Simon Cartmell is independent in relation to the company, the company management and the company's major shareholders.

JILL SCHIAPARELLI

Board member since 2022

Born: 1966
Education and experience:
MBA in Finance and Business Management from Stern School of Business at New York University, BS in Business Administration from Questrom School of Business at Boston University, provides the board with more than 20 years of expertise and experience in the healthcare industry with extensive knowledge in spine, orthobiologics and neuromodulation. Jill has a direct experience in global medical device commercialisation, launching innovative technologies, strategic marketing, healthcare consumerism and patient care pathway modeling. During her career, Jill has held leadership roles with major healthcare companies such as Johnson & Johnson and Baxter, as well as serving as an executive at high-growth, innovative companies such as AxoGen (US Nasdaq: AXGN) and ApaTech (UK), a company she helped sell to Baxter, and Avation Medical.
Other current roles:
Board Member at Global Nerve Foundation.
Holdings in OssDsign:
85,611 subscription options.

Jill Schiaparelli is independent in relation to the company and company management and in relation to the company's major shareholders.

NEWTON AGUIAR

Board member since 2019

Born: 1964
Education and experience:
Bachelor of Science in Chemistry from McGill University in 1986 as well as a Master of Business Administration (MBA) from JL Kellogg Graduate School of Management, Northwestern University in 1992. Newton Aguiar has considerable experience of board work and has been a board member of several public and private companies, including healthcare companies based in Sweden. He has also been Senior Healthcare Advisor in Warburg Pincus as well as partner and Head of Europe for Avista Capital.
Other current roles: –
Holdings in OssDsign:
99,840 shares and 28,537 subscription options.

Newton Aguiar is independent in relation to the company and company management and in relation to the company's major shareholders.

VIKTOR DRVOTA

Board member since 2015

Born: 1965
Education and experience:
MD, PhD, Associate Professor in Cardiology at Karolinska Institute. Viktor Drvota has over 20 years of experience from venture capital in life sciences. Drvota was manager for life science investments at SEB Venture Capital 2002–2016 and has numerous years of experience from board duties in biotech and MedTech companies.
Other current roles:
CEO of Karolinska Development AB, chairman of the board at Modus Therapeutics AB, Modus Therapeutics Holding AB, Umecrine Cognition AB and KDev Investments AB. Board member at UC Research AB, Dilafor AB and Dilafor Incentive AB. Deputy board member at Promimic AB and Svenska Vaccinfabriken Produktion AB.
Holdings in OssDsign: –

Viktor Drvota is independent in relation to the company and company management.

CHRISTER FÅHRAEUS

Board member since 2024

Born: 1965
Education and experience:
Medical Candidate and Ph.D. in Neurophysiology from the Faculty of Medicine at Lund University, Master of Science in Medical Engineering from the University of California San Diego (USA), and equivalent to five years of full-time studies in Mathematics and Physics at Lund University and LTH (Engineering Physics). Graduate of the Swedish Armed Forces Interpreter Academy and holds an honorary Doctorate of Technology from Lund University of Technology.

Founder of EQL Pharma AB. Chief Executive Officer 2006 – 2022, thereafter Chairman (2022 –). Board member since 2006. Chairman of the Remuneration Committee.

Other current roles:
Chairman of FSG Fund II AB, Fåhraeus Startup & Growth AB, and ApoEco Sverige AB. Board member of Airsonett AB, CellaVision AB, Checkin.com Group AB, FlatFrog Laboratories AB, Melius Pharma AB, and Bionamic AB.
Holdings in OssDsign: –

Christer Fåhraeus is independent in relation to the Company and company management.

OssDsign Management

MORTEN HENNEVELD

CEO since 2020

Born: 1976
Education and experience: Morten Henneveld holds a Master of Science in international business administration from Copenhagen Business School, Denmark. He has extensive international and medical device experience having worked as Director, Commercial Excellence for Coloplast during 2008-2012, including a period working in the U.S., and then, based in Malmö, working as Managing Director, Sweden and Regional Vice President, Nordics for Biomet and subsequently Vice President, EMEA Spine for Zimmer Biomet from 2012-2016. Previously Morten was Senior Vice President, Business Transformation and Strategy for GN Group.
Other current roles: Board Member at SIME Diagnostics.
Holdings in OssDsign: 200,000 shares and 570,745 subscription options.

ANDERS SVENSSON

CFO since 2020

Born: 1963
Education and experience: Anders Svensson holds an MBA focused on strategy/finance from Australian Graduate School of Management. He has many years of experience in senior positions that span over multiple industries. Anders Svensson is an experienced Chief Financial Officer with a demonstrated track record from a diverse range of industries including pharmaceuticals, digital sustainability, retail, lighting and electronics manufacturing, banking, management consulting, and software development in Sweden and internationally, and has with good merits driven finance departments.
Other current roles: –
Holdings in OssDsign: 82,915 shares and 199,760 subscription options.

ERIC PATERMO

VP, U.S. Sales since 2020

Born: 1969
Education and experience: Bachelor of Arts in Economics from Saint Olaf College, Minnesota, United States. Eric Patermo holds more than 25 years of sales and marketing experience in the neurosurgical and orthopaedic device sector. Most recently, Eric Patermo served as Vice President of sales for Burst Biologics (Smart Surgical), a biopharmaceutical manufacturer focusing on technologies promoting bone healing. He has previously held various sales management and leadership roles in companies focusing on spine and ortho-biologics, including as a primary member of the U.S. commercial team for Apatech Ltd., a British company that successfully sold to Baxter for around USD 330 million in March 2010.
Other current roles: –
Holdings in OssDsign: 57,074 subscription options.

MELANIE MARSHALL

VP, Clinical & Medical Affairs since 2022

Born: 1979
Education and experience: Melanie Marshall has over 15 years of Clinical and Medical affairs experience in Medical Device Companies serving as the VP of Clinical Affairs at ApaTech Ltd, Director of Clinical Affairs at Baxter as well as holding roles within Boston Scientific, Medtronic and Dana Farber Cancer Institute. Melanie holds a Bachelor's Degree in Biology and Psychology from Wheaton College in Norton, MA.
Other current roles: –
Holdings in OssDsign: 30,864 subscription options.

TOM BUCKLAND

CTO since 2024, previously VP, Strategy and Business Development since 2021

Born: 1972
Education and experience: Tom Buckland holds a Master's degree in Mechanical Engineering and a Ph.D. in Biomaterials from the University of London. Tom Buckland has over 20 years of commercial and technical board and senior management experience in medical device companies, including as co-founder of ApaTech Ltd, R&D director at Baxter Inc., Managing Director of NuVasive Ltd., and Chief Executive Officer of SIRAKOSS Ltd.
Other current roles: Entreprenuer-in-Residence, Department of Bioengineering, Imperial College of Science and Technology, London. Head of Commercial Strategy, Orthox Ltd, Oxford UK. Chairman, Additive Instruments Limited, London UK. Founder and Director of Perspective Device Consulting Ltd., amongst other advisory, consulting and executive roles.
Holdings in OssDsign: 37,809 subscription options.

STEPHEN ANDERSON

VP, Marketing since 2024

Born: 1976
Education and experience: Stephen Anderson has over 25 years of experience in marketing, sales, and engineering for medical device companies. His responsibilities have included senior Vice President of Sales and marketing at Sharp Fluidics, vice president of Sales and marketing at NeoSurgical, senior director of Marketing at Invuity, and Global Director of Marketing at Zimmer Spine, as well as other advisory and management roles. Steve holds a Bachelor's degree in Mechanical Engineering from the University of Massachusetts and a Master's Degree in Management Sciences from Northeastern University.
Other current roles: –
Holdings in OssDsign: –

The share

OssDsign's share is listed on Nasdaq First North Growth Market in Stockholm under the OSSD ticker. At the end of 2024, its market capitalization totaled SEK 962 million and the number of registered shareholders was 3,728.

Share capital and ownership
At the end of 2024, OssDsign's share capital amounted to SEK 962 million, spread over 97,658,920 shares. All shares have equal voting rights and rights to dividends. The company's largest institutional shareholders were TAMT AB, Linc AB, FSG Fund II AB and Karolinska Development AB. The ten largest shareholders held 61.2% of the total number of shares.

Dividend policy
OssDsign is a growth-oriented company; to date, no dividend has been distributed to its shareholders. Furthermore, there are no planned dividends for the coming years, as any profits from business operations will be reinvested in the company. In the future, when the company's earnings and financial position so permit, dividend payouts may become relevant. The Board of Directors will then consider factors such as the company's growth and profitability, working capital and investment needs, financial position and other factors when deciding on a potential dividend proposal.

Largest shareholders

Owners	Number of shares	Share Capital, %
TAMT AB	9,831,578	10.1%
Linc AB	9,642,896	9.9%
Försäkringsaktiebolaget Avanza Pension	8,159,711	8.4%
FSG Fund II AB	6,000,000	6.1%
Karolinska Development AB	5,196,662	5.3%
SIX SIS AG, W8IMY	4,103,800	4.2%
Nordea Livförsäkring Sverige AB	3,548,440	3.6%
Amundi Asset Management	2,489,934	2.5%
AGB Kronolund Aktiebolag	2,500,000	2.6%
SEB Life International Assurance	1,920,514	2.0%
Other shareholders	44,265,385	45.3%
Total	**97,658,920**	**100%**

Financial Calendar

Annual Report 2024
May 14, 2025

Interim Report Q1 2025
May 6, 2025

Annual General Meeting 2025
June 11, 2025

Interim Report Q2 2025
August 19, 2025

Interim Report Q3 2025
November 4, 2025

Year-end Report 2025
February 3, 2026

Analyst coverage
ABG Sundal Collier – Sten Gustafsson
Carnegie – Elvin Rolder / Kristoffer Liljeberg
Redeye – Oscar Bergman
SEB – Mattias Vadsten

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Directors' Report

The Board and Chief Executive Officer of OssDsign AB (publ), corp. Reg. no 556841-7546, hereby present the Annual Report and Consolidated Financial Statements for the 2024 financial year.

Operations

OssDsign AB is a developer and global provider of next generation orthobiologics products. Based on cutting edge material science, the company develops and markets products that support the body's own healing capabilities, giving patients back the life they deserve. Its first product, OssDsign Catalyst, initially targets the spinal fusion market – a procedure carried out approximately 750,000 times yearly in the U.S. alone. Addressing a USD 1.8 billion market, OssDsign is growing exponentially with its high-margin product and scalable business model. As of May 2025, more than 10,000 patients have been treated with OssDsign Catalyst in the U.S.

OssDsign Catalyst is an innovative bone graft that stimulates the formation of healthy bone tissue in spinal fusion surgeries. Similar to the body's own bone mineral structure, the patented nanocrystalline structure of OssDsign Catalyst provides a favorable bone biology environment for rapid and reliable bone formation.

One of the key features that makes OssDsign Catalyst differentiated from traditional synthetic bone grafts is its structural similarity to bone on a nano level rather than a macro level. This, together with incorporated silicate ions bioidentical to those in human bone, amplifies the bone formation process providing rapid and reliable bone formation. Unlike traditional synthetics, OssDsign Catalyst engages both of the body's bone formation pathways, the endochondral pathway (skeletal development and fracture repair), and the more typical intramembranous pathway (bone remodeling). This means that OssDsign Catalyst can mediate rapid bone formation even in challenging, poorly vascularized, and hypoxic environments.

Parent company

The company's R&D activities are conducted in the parent company, as well as in the subsidiary Sirakoss Ltd in Scotland. All R&D activities are managed through the central R&D department in the parent company. The parent company also provides administrative services to the subsidiaries.

The parent company is based in Uppsala, Sweden.

Research & Development Operations

OssDsign commenced the clinical first-in-human study TOP FUSION in Hungary, with respect to the synthetic bonegraft OssDsign Catalyst, in the autumn of 2021. Patient enrolment was completed during 2022 and the study then encompassed 17 patients. In 2023 the 12-month follow-up for the remaining 14 patients was concluded and highly positive results were published. Top-line results show a 93% fusion rate at 12 months after surgery with OssDsign Catalyst. All scores used to quantify pain, function and overall health in patients showed improvement in quality of life over time and no device-related adverse events were observed during the study.

The results align well with the first post-market safety report that was published in November 2022, where no device-related complaints or device-related adverse events were recorded. The data indicates that the use of OssDsign Catalyst leads to consistent and rapid bone healing and remodeling, with improved patient outcomes as a result.

In 2021 the company also launched PROPEL, a prospective multi-center spinal fusion registry in the U.S., with first site and patient enrolment in 2022. PROPEL is not a controlled study but rather a vehicle that provides access to Real-World Data from a large number of patients who have been treated with OssDsign Catalyst. OssDsign has so far enrolled over 300 patients in the registry, which enables evaluation of the product in clinical practice over time and is an important complement to clinical trials in OssDsign's strategy to build clinical evidence for OssDsign Catalyst. Since the start of the PROPEL registry in 2022, surgeons have been recruiting patients on an ongoing basis, to evaluate the use and outcomes of OssDsign Catalyst in clinical practice. The primary endpoint of the study measures the degree of spinal fusion, using computed tomography (CT) or radiography, at 12 months postoperatively. In addition, patients' quality of life, neurological function, as well as the clinical safety profile of the spinal implant are recorded.

Significant events during the financial year

Group

OssDsign reports exceptional data from the clinical study TOP FUSION

On January 9, OssDsign announced the submission of positive data from the clinical study TOP FUSION to a peer-reviewed scientific journal. The top-line results indicate a 93% spinal fusion rate at 12 months, as assessed by an independent radiological review from Medical Metrics Inc. using CT imaging.

12-month data from the clinical study of OssDsign Catalyst published in Biomedical Journal of Scientific & Technical Research

On January 24, OssDsign announced that the previously communicated outstanding 12-month results from the clinical study TOP FUSION have been published in the peer-reviewed journal Biomedical Journal of Scientific & Technical Research. The results demonstrate a 93% spinal fusion rate and improved quality of life and pain following surgery with the novel nanosynthetic bone graft OssDsign Catalyst.

OssDsign appoints Tom Buckland as Chief Technical Officer

On February 29, OssDsign announced that Tom Buckland, the company's current VP of Strategy, Business Development, and Regulatory Affairs, has been appointed Chief Technical Officer (CTO). The promotion is a key part of the company's change of direction into a pure-play orthobiologics company focusing exclusively on the U.S. Market. In his new role, Buckland will be responsible for Operations and manufacturing, Research and development, quality Assurance, and Regulatory Affairs.

OssDsign awarded long-term agreement with Premier, Inc.

On April 2, OssDsign announced that the company would receive a new group purchasing (GPO) agreement for Bone and Bone Substitute Implantable Products with Premier, Inc. This leading U.S. healthcare improvement company unites an alliance of approximately 4,350 U.S. hospitals, health systems, and more than 300,000 other providers and organizations. The agreement spans three years. Effective July 1, 2024, it allows Premier members, at their discretion, to benefit from special pricing and terms pre-negotiated by Premier for OssDsign's nanosynthetic bone graft, OssDsign Catalyst.

OssDsign expands military access with new contract covering 100 additional VA orthopedic hospitals

On April 29, OssDsign announced that it had been awarded a new Veteran Affairs (VA) contract covering approximately 100 additional VA orthopedic hospitals nationwide. This contract gives OssDsign increased access to the important U.S. military market and continues its collaboration with Red One Medical.

5,000 patients treated with OssDsign Catalyst in the U.S.

On May 30, OssDsign announced that the company is continuing to successfully penetrate the U.S. orthobiologics market. At the time, 5,000 patients had been treated with the innovative nanosynthetic bone graft OssDsign Catalyst. The continuous and rapid increase in treated patients is a strong testament to how well OssDsign Catalyst has been received in the U.S. market since its launch in August 2021.

OssDsign has appointed Stephen Anderson as Vice President of Marketing

On October 2, OssDsign appointed Stephen Anderson as Vice President of Marketing. He brings over 25 years of global experience in marketing, sales, and engineering within the medical device industry. Stephen Anderson has held various senior positions, including Senior Vice President of Sales and Marketing at Sharp Fluidics, Vice President of Sales and Marketing at NeoSurgical, and Global Director of Marketing at Zimmer Spine. This recruitment represents a strategic move to enhance the company's presence in the U.S. Stephen Anderson will be based in the U.S. and will be a member of the executive management team.

OssDsign has held an extraordinary general meeting

On December 18, OssDsign held an extraordinary general meeting where it was decided to adopt the board's proposed resolution for a long-term incentive program for employees and contractors. This includes a directed issue of warrants and approval of warrant transfers. The resolution proposed by certain shareholders regarding a long-term incentive program for board members, which also includes a directed issue of warrants and approval of transfer of warrants, was also adopted.

Significant events after the financial year

OssDsign reaches its target of 300 patients enrolled in the prospective spinal fusion registry PROPEL

On February 25, OssDsign AB announced that the company has reached its target of 300 enrolled patients in the multi-center, prospective spinal fusion registry PROPEL. This registry, initiated in March 2022, collects real-world data from patients treated with OssDsign Catalyst.

24-month follow up data from the clinical study of OssDsign Catalyst show 100% spinal fusion

On April 9, 2025 OssDsign announced that the 24-month follow up results from the clinical study TOP FUSION will be published in the peer-reviewed journal, Biomedical Journal of Scientific & Technical Research. The results demonstrate a 100% spinal fusion rate and improved quality of life and pain after surgery with the innovative nanosynthetic bone graft OssDsign Catalyst.

Groundbreaking Study Highlights Enhanced Bone Formation with Novel Silicate-Containing Synthetic Bone Grafts

On April 11, 2025 OssDsign announced that a new preclinical study comparing the bone-forming potential of different silicate-containing calcium phosphate synthetic bone grafts has been published in the peer-reviewed scientific journal Journal of Orthopaedic Surgery and Research. The study demonstrates that OssDsign Catalyst is the first clinically available synthetic bone graft to successfully generate robust, functional bone in challenging avascular environments at early time points.

OssDsign announces CEO transition planned for the second half of 2025

On April 30 OssDsign announced that Morten Henneveld will step down as CEO at the end of the year to support the establishment of leadership with an even stronger presence and focus on the US market. The board will begin recruiting a new CEO to lead the company's continued expansion in the United States.

10,000 patients treated with OssDsign Catalyst® in the U.S.

On May 12, 2025, OssDsign announced that it has reached its milestone of 10,000 patients treated with the innovative nanosynthetic bone graft, OssDsign Catalyst, confirming its continued success in the U.S. orthobiologics market.

Significant risks and uncertainties

Technical development and market acceptance

Delays in planned and ongoing development projects can have a negative effect on cash flows, revenues and operating margins.

There is also a risk that developed products will not gain broad market acceptance and that competing solutions that are not known today may be introduced, which could have a negative impact on the company's operations, earnings and financial position.

General market and environmental/ political risk

Aside from commercial market risk there are also risks related to the company's operations, such as obtaining the necessary licenses and clearances from authorities, patents and intellectual property rights, product liability and forward-looking information that may affect the company. In addition, developments in recent years have also introduced war, inflation, energy price increases, interest rate risks, trade barriers and global instability 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.

Dependence on key personnel

OssDsign is largely dependent on the experience and expertise of its employees. The company's future development depends largely on the ability to attract and retain competent personnel. If one or some of the key people choose to leave the company, this could result in higher costs for both product development and recruitment, at least in the short term.

Financing risk

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 products will be on the market. In order to satisfy requirements in the medium term, the company raised MSEK 150.0 in gross proceeds through a directed share issue in 2023. As of December 31, 2024, the group's cash and cash equivalents amounted to SEK 100.9 million, a liquidity that the board deems sufficient for at least the next twelve months. 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.

Sustainability

Every year our products are helping more patients around the world to achieve a better quality of life. As a supplier of medical products that have the possibility to profoundly touch people's lives, we stand with our communities and our external stakeholders to ensure that our business practices and operations are in compliance with all laws, take care of our environment, embrace diversity, value employee contribution, and respect basic human rights and appropriate rules for business ethics and professional conduct.

Governance

The company's Board of Directors oversees the sustainability and compliance policies including anti-corruption and anti-bribery policies and Code of Conduct, and every employee completes annual training to ensure policies are fully understood and adhered to.

OssDsign's code of conduct

To be able to stand by our responsibilities and the communities we serve, our Code of Conduct is our guiding star. Our Code ensures that we hold ourselves and how we do business to a high standard. The Code sets requirements for business and serves as a foundation for our procedures, guidelines and expected behaviors.

Our Code of Conduct provides guidance to help us make the right decisions and sets our standards of ethical business conduct. It outlines expectations for our employees when dealing with strategic partners, healthcare professionals, and the communities we serve. This Code applies to OssDsign and all our business entities worldwide.

The company has established a "whistleblower" procedure by which employees can confidentially raise concerns or complaints anonymously.

Quality

We maintain a demonstrable commitment to the quality, efficacy, and safety of our products in compliance with all applicable global requirements regulating their development, manufacturing, and distribution. We comply with all legal and regulatory requirements and industry standards relating to the development and manufacturing of our products.

Work environment

We are committed to a workplace where employees feel respected and appreciated. Maintaining this commitment allows us to attract and keep talented individuals in a supportive, professional, and respectful work environment where we support fundamental rights, anti-discrimination and diversity. We comply with and uphold laws prohibiting discrimination based on any protected characteristic, including non-discrimination based upon a person's race, color, religion, gender, gender identity or expression, age, sexual orientation, national origin, disability, pregnancy, genetic information, military status and employment or marital status. OssDsign believes that people's differences, experiences and unique conditions create a dynamic and innovative culture where people and our company are able to grow together.

Ownership

At year-end, there were 3,728 registered shareholders in OssDsign AB, of which the five largest owned more than 5% each and the ten largest shareholders together owned more than 54.7% of the capital and votes. The total number of shares amounts to 97,658,920 divided into one class of shares. The largest owners as of December 31, 2024 were TAMT AB, Linc AB and Försäkringsbolaget Avanza Pension. There are currently four active incentive programs in the Group. On December 31, 2024, the programs included a maximum of 9,289,471 warrants. For full information on the programs, please refer to the company's website and Note 7 Share-related remuneration.

Owners	Number of shares	Share Capital, %
TAMT AB	9,831,578	10.1%
Linc AB	9,642,896	9.9%
Försäkringsaktiebolaget Avanza Pension	8,159,711	8.4%
FSG Fund II AB	6,000,000	6.1%
Karolinska Development AB	5,196,662	5.3%
SIX SIS AG, W8IMY	4,103,800	4.2%
Nordea Livförsäkring Sverige AB	3,548,440	3.6%
Amundi Asset Management	2,489,934	2.5%
AGB Kronolund Aktiebolag	2,500,000	2.6%
SEB Life International Assurance	1,920,514	2.0%
Other shareholders	44,265,385	45.3%
Total	**97,658,920**	**100%**

Five-year-trends group

SEK 000'	2024	2023	2022	2021	2020
Net sales	133,940	112,157	56,985	31,726	24,872
Operating result before items affecting comparability	-49,426	-91,956	-96,937	-89,650	-83,934
Result before tax	-49,083	-130,655	-99,629	-94,077	-84,542
Balance sheet total	307,420	356,389	339,502	347,168	246,650
Equity ratio	70%	70%	73%	77%	45%
Numbers of employees	27	48	48	44	44

Five-year-trends parent company

SEK 000'	2024	2023	2022	2021	2020
Net sales	10,180	52,948	41,743	31,135	24,373
Operating result	-51,208	-109,797	-92,375	-85,572	-81,244
Result before tax	-50,883	-112,797	-94,984	-89,597	-81,616
Balance sheet total	256,691	328,261	283,046	307,765	202,297
Equity ratio	72%	72%	74%	79%	43%
Numbers of employees	6	31	35	29	31

For definition of key figures, see Note 37.

Financial position and development

Net Sales

The OssDsign group net sales for the full year of 2024 amounted to TSEK 133,940 (112,157 in total, whereof 64,610 in orthobiologics), which corresponds to an increase within orthobiologics of 107% compared to the full year of 2023. The sales development for the full year of 2024 demonstrate solid and sustainable growth, whilst concurrently the gross margin increased considerably to 95.4% (74.6%).

Operating result

Operating loss for the period January – December 2024 amounted to TSEK 49,426 (91,956), which demonstrates significantly increased operating leverage. Given our full U.S. focus, as expected, sales variable costs, including sales commissions and bonus accruals, were higher than in the previous year, whereas all other operating costs decreased. Other operating expenses had a negative impact on the result, largely due to negative revaluation effects related to the provision for contingent consideration from the Sirakoss acquisition. This also applies to the comparison period.

No items affecting comparability have been reported in 2024. In the comparison period, all non-recurring costs were directly related to the discontinuation of the Cranial PSI business.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 165,938 and at the end of the period they were TSEK 100,858. Cash flow from operating activities amounted to TSEK –63,379 (–93,958). The total cash flow for the period was TSEK -65,501 (41,362), where the comparison period was positively affected by a new share issue. Investments in tangible fixed assets amounted to TSEK 0 (828), whereas investments in intangible assets amounted to TSEK 657 (0) and comprised capitalized product development costs.

Proposed disposition of the parent company's profit or loss

At the disposal of the Annual General Meeting, amounts in TSEK:

Share premium	886,804,471
Retained earnings from previous years	-658,485,747
Profit for the year	-50,883,231
	177,435,493

The Board proposes that the retained earnings be treated so that it is balanced in a new account

	177,435,493
	177,435,493

Regarding the company's results and position in general, please refer to the following financial reports and the related ones notes.

Condensed consolidated income statement

SEK 000'	Note	2024	2023
Net sales	2	133,940	112,157
Cost of sales		-6,187	-28,512
Gross profit		**127,754**	**83,646**
Sales commissions and fees		-69,439	-46,785
Selling expenses		-38,068	-46,729
Research & Development expenses		-22,821	-28,765
Administrative expenses	3, 4, 5	-44,451	-49,923
Other operating income		24	487
Other operating expense	9	-2,423	-3,887
Operating result before items affecting comparability		**-49,426**	**-91,956**
Items affecting comparability	10	–	-35,673
Operating result		**-49,426**	**-127,629**
Financial income	11	4,813	2,735
Financial expenses	11	-4,471	-5,761
Result before income tax		**-49,083**	**-130,655**
Tax for the year	13	-573	162
RESULT FOR THE PERIOD		**-49,657**	**-130,493**
Earnings per share, SEK		-0.5	-1.6

Consolidated statement of comprehensive income

SEK 000'	2024	2023
Profit/loss for the period	**-49,657**	**-130,493**
Items that will be reclassified subsequently to profit or loss		
Conversion difference	13,670	-5,535
Other comprehensive income for the period	**13,670**	**-5,535**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-35,987**	**-136,028**
Total comprehensive income attributable to:		
Parent company's shareholders	-35,987	-136,028

Consolidated balance sheet

SEK 000'	Note	2024-12-31	2023-12-31
ASSETS			
Intangible fixed assets			
Balanced development work and similar work	15	657	–
Patent	16	16,633	19,405
Goodwill	17	143,621	131,130
Total intangible fixed assets		**160,911**	**150,535**
Tangible fixed assets			
Leasehold improvements	18	–	–
Fixed assets	19	41	50
Access rights Assets	20	1,718	2,404
Total tangible fixed assets		**1,759**	**2,454**
Other fixed assets			
Deferred tax asset	24	–	–
Other long-term receivables	23	157	2,458
Total other fixed assets		**157**	**2,458**
Current assets			
Inventories	25		
Raw materials		7,789	4,270
Goods in production		–	–
Finished goods		5,975	34
Total inventories		**13,764**	**4,304**
Receivables			
Accounts receivable	21, 26, 38	25,678	23,020
Tax receivable		111	314
Other receivables	21, 27	707	2,442
Prepayments	28	3,476	4,923
Total receivables		**29,972**	**30,700**
Cash and cash equivalents	21, 29, 38	100,858	165,938
Total current assets		**144,593**	**200,942**
TOTAL ASSETS		**307,420**	**356,389**

Consolidated balance sheet, cont

SEK 000'	Note	2024-12-31	2023-12-31
SHAREHOLDER EQUITY AND LIABILITIES			
Equity	30		
Share capital		6,104	6,104
Other contributed capital		796,024	796,141
Reserves		30,843	17,173
Retained earnings including profit for the year		-618,909	-568,285
Total Equity		**214,061**	**251,132**
Longterm liabilities			
Liabilities to credit institutions	12, 21, 38	–	214
Lease liabilities	12, 38	1,032	1,602
Deferred tax liabilities	24	2,781	3,409
Other provisions	31	54,701	52,700
Total long term liabilities		**58,513**	**57,924**
Current liabilities			
Liabilities to credit institutions	12, 21, 38	214	513
Accounts payable	21, 38	5,830	9,915
Lease liabilities	12, 38	719	821
Current tax liability		–	–
Other liabilities		4,273	3,190
Accrued expenses and deferred income	32	23,809	32,894
Total current liabilities		**34,846**	**47,334**
Total liabilities		**93,359**	**105,258**
TOTAL EQUITY AND LIABILITIES		**307,420**	**356,389**

Consolidated change in shareholder's equity

SEK 000'	Note	Share Capital	Other Capital Contributions	Reserves	Profit (loss) brought forward	Total Equity
OPENING BALANCE 2023-01-01		4,459	658,931	22,708	-437,986	248,112
Profit/loss for the period		–	–	–	-130,493	-130,493
Prior year adjustment		–	–	–	194	194
Other comprehensive income		–	–	-5,535	–	-5,535
Total comprehensive income		0	0	-5,535	-130,299	-135,834
Transactions with shareholders						
Warrant programmes		–	–	–	-1	-1
New share issue		1,645	148,355	–	–	150 000
Issue expenses		–	-11,145	–	–	-11 145
Total transactions with shareholders		1,645	137,210	0	-1	138 854
CLOSING BALANCE 2023-12-31	30	6,104	796,141	17,173	-568,285	251,132
OPENING BALANCE 2024-01-01		6,104	796,141	17,173	-568,285	251,132
Profit/loss for the period		–	–	–	-49,657	-49,657
Other comprehensive income		–	–	13,670	–	13,670
Total comprehensive income		0	0	13,670	-49,657	-35,987
Transactions with shareholders						
Warrant programmes		–	–	–	-967	-967
New share issue		–	–	–	–	–
Issue expenses		–	-116	–	–	-116
Total transactions with shareholders		0	-116	0	-967	-1,083
CLOSING BALANCE 2024-12-31	30	6,104	796,024	30,843	-618,909	214,061

Consolidated statement of cash flows

SEK 000'	Note	2024	2023
Operating Activities			
Operating result		-49,426	-91,956
Non-cash adjustments	36	7,981	-5,530
Financial items		344	-3,026
Income taxes paid/received		-953	-677
		-42,054	-101,189
Changes in inventories		-9,203	-5
Changes in receivables		2,805	-13,330
Changes in current liabilities		-13,927	20,616
Total change in working capital		-20,325	7,280
Cash flow from operating activities		-62,379	-93,909
Investment activities			
Acquisition of intangible fixed assets	15	-657	–
Acquisition of tangible fixed assets	18, 19	–	-124
Acquisition of group companies	22	–	–
Cash flow from investment activities		-657	-124
Financing activities			
New share issue	30	–	150,000
Share issue costs		-116	-11,145
Warrants		-967	-1
Proceeds/repayments from borrowings, net	12	-513	-513
Repayment of lease liabilities		-868	-2,945
Cash flow from financing activities		-2,465	135,395
Cash flow for the period		-65,501	41,362
Cash and cash equivalents at the beginning of the year		165,938	124,653
Exchange rate adjustments – cash and cash equivalents and overdrafts		420	-76
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		100,858	165,938

Condensed parent income statement

SEK 000'	Note	2024	2023
Net sales		10 ,180	52,948
Cost of sales		-6,925	-31,010
Gross profit		**3,254**	**21,939**
Sales commissions and fees		-1,221	-3,020
Selling expenses		-3,989	-46,036
Research & Development expenses		-16,217	-22,356
Administrative expenses	3, 4, 5	-31,696	-56,123
Other operating income		24	487
Other operating expense	9	-1,364	-4,688
Operating result		**-51,208**	**-109,797**
Financial income	11	4,737	2,721
Financial expenses	11	-4,412	-5,692
Result before income tax		**-50,883**	**-112,767**
Tax for the year	13	–	-74
RESULT FOR THE PERIOD		**-50,883**	**-112,841**

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

Balance sheet, parent company

SEK 000'	Note	2024-12-31	2023-12-31
ASSETS			
Tangible fixed assets			
Leasehold improvements	18	–	–
Fixed assets	19	–	–
Total tangible fixed assets		**–**	**–**
Financial fixed assets			
Shares in group companies	22	137,687	137,687
Other long-term receivables	23	–	2,314
Total financial fixed assets		**137,687**	**140,002**
Current assets			
Inventories	25		
Raw materials		7,789	4,270
Finished goods		5,629	18
Total inventories		**13,418**	**4,288**
Receivables			
Accounts receivable	26	75	1,132
Receivables from group companies		9,191	14,763
Tax receivable		361	115
Other receivables	27	542	2,419
Prepayments	28	3,190	4,606
Total receivables		**13,359**	**23,035**
Cash and cash equivalents	29	**92,588**	160,936
Total current assets		**119,365**	**188,259**
TOTAL ASSETS		**257,052**	**328,261**

Balance sheet, parent company, cont.

SEK 000'	Note	2024-12-31	2023-12-31
SHAREHOLDER EQUITY AND LIABILITIES			
Equity	30		
Restricted equity			
Share capital		6,104	6,104
		6,104	**6,104**
Non restricted equity			
Share premium		886,804	886,920
Reserves		–	–
Retained earnings including profit for the year		-709,369	-657,518
		177,435	**229,402**
Total equity		**183,539**	**235,506**
Provisions			
Other provisions	31	54,701	52,700
Total provisions		**54,701**	**52,700**
Long-term liabilities			
Liabilities to credit institutions	12, 38	–	214
Total long-term liabilities		**0**	**214**
Current liabilities			
Liabilities to credit institutions	12, 38	214	513
Accounts payable	38	3,427	9,383
Liabilities to group companies		1,135	3,389
Other liabilities		4,047	2,976
Accrued expenses and deferred income	32	9,989	23,580
Total current liabilities		**18,812**	**39,841**
Total liabilities		**73,513**	**92,755**
TOTAL EQUITY AND LIABILITIES		**257,052**	**328,261**

Change in shareholder's equity, parent company

SEK 000'	Note	Share capital	Subscribed capital unpaid	Other capital contributions	Reserves	Profit (loss) brought forward	Total equity
OPENING BALANCE 2023-01-01		**4,459**	**–**	**749,711**	**–**	**-544,392**	**209,778**
Profit/loss for the period		–	–	–	–	-112,841	-112,841
Prior year adjustment		–	–	-1	–	-285	-286
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income		**0**	**0**	**-1**	**0**	**-113,126**	**-113,127**
Transactions with shareholders							
Warrant programmes		–	–	-1	–	–	-1
New share issue		1,645	–	148,356	–	–	150,001
Issue expenses			–	-11,145	–	–	-11,145
Total transactions with shareholders		1,645	–	137,210	–	–	138,855
CLOSING BALANCE 2023-12-31	30	**6,104**	**0**	**886,920**	**0**	**-657,518**	**235,506**
OPENING BALANCE 2024-01-01		**6,104**	**–**	**886,920**	**–**	**-657,518**	**235,506**
Profit/loss for the period		–	–	–	–	-50,883	-50,883
Prior year adjustment		–	–	–	–	–	–
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income		**0**	**0**	**0**	**0**	**-50,883**	**-50,883**
Transactions with shareholders							
Warrant programmes		–	–	–	–	-967	-967
New share issue		–	–	–	–	–	–
Issue expenses		–	–	-116	–	–	-116
Total transactions with shareholders		–	–	-116	–	-967	-1,083
CLOSING BALANCE 2024-12-31	30	**6,104**	**0**	**886,804**	**0**	**-709,369**	**183,539**

Statement of cash flows, parent company

SEK 000'	Note	2024	2023
Operating activities			
Operating result		-51,208	-109,797
Non-cash adjustment	36	4,315	9,889
Financial items		325	-2,970
Income taxes paid/received		-247	426
		-46,815	**-102,452**
Changes in inventories		-9,130	179
Changes in receivables		4,350	-262
Changes in current liabilities		-15,157	6,874
Total change in working capital		-19,937	**6,792**
Cash flow from operating activities		**-66,752**	**-95,660**
Investment activities			
Proceeds and purchase of intangible assets, net	15	–	–
Proceeds and purchase of property, plant and equipment, net	18, 19	–	-75
Proceeds and purchase of subsidiaries and activities, net	22	–	–
Cash flow from investment activities		**0**	**-75**
Financing activities			
New share issue	30	–	150,000
Share issue costs		-116	-11,145
Warrants		-967	-1
Proceeds/Repayments from borrowings, net	12	-513	-513
Repayment of lease liabilities		–	-2,303
Cash flow from financing activities		**-1,597**	**136,037**
Cash flow for the period		-68,348	40,303
Cash and cash equivalents at the beginning of the year		160,936	120,633
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**92 588**	**160 936**

Note 1 Accounting and valuation principles

General information

OssDsign AB (the Parent Company) and its subsidiaries' (the Group) main business include conducting development and sales of medical technology products as well as conducting business compatible with it.

OssDsign AB, the Group's parent company, is based in Uppsala, Sweden. The head office and principal place of business is located at Ulls väg 29C, 756 51 Uppsala, Sweden.

The consolidated financial statements for the year ended December 31, 2024 (including comparative figures) were approved for issue by the Board on 28th April, 2025.

The Group's report on earnings, other comprehensive income and report on financial position and the Parent Company's income statement and balance sheet will be subject to adoption at the Annual General Meeting held on 11th June, 2025.

Valuation bases applied when preparing the financial statements

The Group's financial reports have been prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups and International Financial Reporting Standards (IFRS) as adopted by the EU. Assets and liabilities are valued at historical acquisition values, with the exception of conditional consideration, which is valued at fair value.

The financial reports have been prepared under the assumption of going concern.

Preparing reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the Group's accounting principles. The areas that comprise a high degree of assessment, which are complex or such areas where assumptions and estimates are of significant importance to the consolidated financial statements, are stated in a separate section below "Significant assessments and estimates when applying accounting principles".

No new standards, changes or interpretations applicable from the financial year ending 31st December 2024 have had any significant impact on the Group's financial reports.

From 1st Januari 2027 IFRS 18, Presentation and disclosure in financial statements, will come into effect. The new standard will replace IAS 1, Presentation of Financial Statements. The purpose of IFRS 18 is to improve presentation of financial reports, with particular focus on the income and cash flow statements. The standard will also include information requirements on selected key figures. IFRS 18 has not yet been adopted by the EU. The potential impact of the new standard on the Group's financials is currently subject to review.

Overview of accounting principles

Basis for consolidation

The consolidated financial statements include subsidiaries where the Group has direct or indirect control. The Group controls a company when it is exposed to or is entitled to a variable return from its holding in the company and could influence the return through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date the controlling influence is transferred to the group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

All intra-group transactions and balance sheet items are eliminated on consolidation, including unrealized gains and losses on transactions between group companies. In cases where unrealized losses on intra-group sales of assets are reversed upon consolidation, the impairment needs of the underlying asset are also assessed from a group perspective. Amounts recognized in the financial statements of subsidiaries have been adjusted where necessary to ensure compliance with the Group's accounting principles. The Group attributes the total profit for the subsidiaries to the Parent Company's owners and holdings without controlling influence based on their respective ownership interests.

Business acquisitions

The Group applies the acquisition method when accounting for business combinations. The remuneration transferred by the Group to gain controlling influence over a subsidiary is calculated as the sum of the fair values on the acquisition date of the transferred assets, the liabilities assumed and the equity shares issued by the Group, which includes the fair value of an asset or liability that has arisen from an agreement on conditional purchase price.

Foreign currency translation

Functional currency and presentation currency

The Group accounts are presented in SEK, which is also the parent company's functional currency.

Transactions and balance sheet items in foreign currency

Foreign currency transactions are translated into the functional currency of the respective Group companies, based on the prevailing exchange rates on the transaction date (spot rate). Gains and losses in foreign currency as a result of the settlement of such transactions and as a result of the revaluation of monetary items at the balance sheet date are reported in the income statement.

Non-monetary items are not translated on the balance sheet date but are valued at historical acquisition value (translated at the exchange rate on the transaction date), except for non-monetary items measured at fair value, which are translated at the exchange rate on the date the fair value was determined.

Operating Segments

An operating segment is part of the Group that conducts operations from which it can generate revenue and incur costs and for which independent financial information is available. Furthermore, the performance of an operating segment is followed up by the company's highest executive decision maker to evaluate the result and to be able to allocate resources to the operating segment. The Group has identified the parent company CEO as their highest executive decision maker and that the Group has just one operating segment. See Note 2 for further description of the classification and presentation of operating segments.

Revenue from agreements with customers

The Group's revenues in 2024 derive from sales of synthetic bonegrafts, which is a standard product for spinal fusion. In the comparison period, revenues also derived from sales of patient specific bioceramic cranial implants. The description below will focus solely on sales of synthetic bonegrafts.

Customer contracts or offer letters (valid as contracts) are always in writing and contain pricing agreements with respect to the respective article size of the company's bonegraft OssDsign Catalyst. The customer agreements will not contain any volume commitments from the customer.

The company's performance obligation is to provide the agreed products to the customer/hospital, either directly or through a distributor (sales agent), for use in surgical procedures. This can happen in two different ways: 1) The customer places an Purchase Order (PO) for the required articles and quantities, the company ships those articles to the customer and concurrently issues an invoice to the customer, as the performance obligation in this case is satisfied, or 2) the customer (or their distributor) signs a consignment agreement, whereafter the company ships the required articles and quantities to the customer/hospital or distributor and creates a new inventory bin in the company's ERP system, as the company, per the consignment agreement, is still the owner of the shipped products. The customer then proceeds to use the products as and when required in surgical procedures, whereafter the customer/distributor provides the company with a case sheet to confirm that the product has been used and in what quantities, as well as sends a formal Purchase Order as the required documentation for invoicing. The company then invoices the customer for the confirmed and ordered products, according to the pricing agreement. The company also replenishes the consignment stock at the customer/distributor site, in correspondence to the usage, and updates the relevant inventory bin in the ERP system.

Revenue is recognised in the group when the performance obligation is satisfied, which can happen at different points in time. In the first example above, the performance obligation is satisfied when the company has shipped against the customer's PO, irrespective of when, subsequently, the customer uses the product. Revenue recognition and invoicing are then simultaneous. In the second example, where the customer "buys" from consignment stock, there is frequently a delay between usage and invoicing, which complicates revenue recognition. Not the least as the product usage and the raising of the PO occur in different departments.

The main principle is that revenue should be recognised when control of the sold item has passed from seller to buyer. Revenue is thereby recognised in the Group when the goods or service creates an asset that the customer controls, ie when the company's performance obligation can be said to be satisfied, which is deemed to be when the customer has assumed control over the sold asset and approved of the same.

Operating expenses

The income statement is presented in a function-based format.

Those functions are as follows:

- **Direct production costs** comprise production and goods handling costs, including material costs, external services, facilities, as well as depreciation and write-downs of tangible fixed assets used in the procurement and production processes.
- **Sales commissions and fees** contain the company's costs for sales of the company's products by external parties and freight & customs charges, as well as variable remuneration to the company's internal sales organization.
- **Selling expenses** contain all other costs for the company's internal sales organisation, as well as depreciation and write-downs of tangible fixed assets used by the group's sales organisation.
- **Research & Development expenses** refer to costs for development of the company's products, clinical, medical and regulatory affairs, as well as depreciation and write-downs of tangible fixed assets used by the group's research and development organisation.
- **Administrative expenses** refer to costs for the board of directors, group management & back-office functions and external administrative expenses, as well as depreciation and write-downs of tangible fixed assets used by the group's administrative organisation.
- **Items affecting comparability** include all costs related to the restructuring of the company through the discontinua¬tion of the Cranial PSI business line.

Interest and dividends

Interest income and interest expenses are reported according to the effective interest method in the income statement at the time when the right to receive payment is established.

Other Intangible assets

Research and Development

Expenses for the research phase with a view to obtaining new scientific or technical knowledge are expensed as incurred. Directly attributable expenditure on development, where research results or other knowledge is applied to achieve new or improved products or processes, is reported as an asset if or when below is met:

- that development expenditure can be measured reliably
- that the project is technically and commercially viable
- that the Group has the intention and sufficient resources to complete the project
- that the Group has the prerequisites to use or sell the product
- that the product will generate probable future economic benefits

Development expenses that do not meet these criteria for activation are expensed as incurred. Development expenses are valued at purchase value minus accumulated depreciation and any impairment losses.

Directly related expenses include personnel costs that arise in the work on software development along with relevant costs and borrowing costs.

Patents

Patents that meet the criteria of being reported separately in a business acquisition are accounted for as intangible assets, initially at fair value.

Accounting in subsequent periods

All intangible assets with a limited useful life, including capitalized internally developed products, are recognized in accordance with the acquisition value model, whereby capitalized expenses are amortized on a straight-line basis over the estimated useful life. The residual value and the useful life are reviewed at each balance sheet date.

Internally developed products that have not yet been completed, and which have been activated, are not amortized but are subject to impairment testing annually.

Subsequent expenses for maintenance of developed products are expensed as incurred.

Depreciation and amortization is included under the respective functional heading in the Income Statement, ie Selling expenses, R&D expenses and Administrative expenses.

Leased assets

Leasing

The leasing agreements include primarily premises. The standard means that identified leasing contracts are recognized in the balance sheet classified such as utility assets and leasing liabilities. Leases of lesser value are expensed as incurred. Less value involves assets of a value in new condition below about SEK 50,000. When the Group enters into an agreement, the agreement is assessed if it grants the right to control the use of identified assets for a period against remuneration. The right of use initially amounts to the same amount as the lease liability, adjusted for any leasing fees paid before start date plus any initial direct costs and an estimate of recovery costs underlying asset, minus any discounts received.

Impairment testing of goodwill, other intangible assets and tangible assets

When performing impairment testing, assets are grouped to the lowest level where it is possible to identify independent cash flows, a so-called cash-generating unit (CGU). Consequently, some assets are impairment tested individually, whereas other assets are impairment tested at the level of CGU. Goodwill is allocated to those CGU:s which are expected to gain synergy effects from the relevant acquisitions and which represent the lowest level in the Group, at which goodwill is monitored.

Potential impairment on the CGU:s to which goodwill has been allocated is tested at least once per year. All other individual assets' or CGU:s potential impairment are tested when circumstances indicate a risk that the carrying amount of such assets exceeds its recoverable amount.

An impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of the fair value minus costs to sell and value in use. To determine the value in use, Group management estimates expected future cash flows from each cash-generating unit and determines an appropriate discount rate to be able to calculate the present value of these cash flows.

Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the money's time value and asset-specific risk factors. Write-downs relating to cash-generating units first reduce the carrying amount of any goodwill distributed among the cash-generating unit. Any remaining impairment will proportionally decrease the other assets in the cash-generating units. With the exception of goodwill, a new assessment is made of all assets for signs that an earlier write-down is no longer justified. An impairment loss is reversed if the asset or cash-generating unit's recoverable value exceeds the carrying amount.

Financial instruments

Accounting and valuation at the first recognition

Financial instruments that are reported in the balance sheet mainly comprise accounts receivable, cash and cash equivalents, accounts payable and loan liabilities.

Financial assets and financial liabilities are reported when the Group becomes a contracting party in respect of the terms of the financial instrument. At initial recognition, these are measured at fair value adjusted for transaction costs, except for financial instruments that belong to the category of financial assets or financial liabilities measured at fair value through profit or loss. These are valued at fair value at the first accounting date. Subsequent valuation of financial assets and liabilities is described below.

Financial assets are removed from the statement of financial position when the contractual rights regarding the financial asset expire, or when the financial asset and all significant risks and benefits are transferred. A financial liability is removed from the statement of financial position when it is extinguished, fulfilled, cancelled or terminated.

Classification and subsequent measurement of financial assets

In the case of subsequent valuations, financial assets are valued based on which category they were initially classified. The Group has the following categories of financial assets:

– receivables valued at amortized cost

The classification is determined by both:

– the company's business model for managing financial assets and
– the characteristics of the contractual cash flows from the financial asset.

Financial assets are valued at amortized cost if they are held in a business model whose aim is to hold financial assets and collect contractual cash flows that are only payments of capital amounts and interest.

The Group's cash and cash equivalents, accounts receivable, long-term receivables and other receivables belong to this category of financial instruments.

Impairment of financial assets

IFRS 9's write-down rules use forward-looking information to report expected credit losses - the 'expected credit loss model'. The financial assets covered by the model for expected credit losses are bonds and debt securities valued at amortized cost or fair value through other comprehensive income, accounts receivable, contract assets recognized and valued in accordance with IFRS 15, loan commitments and certain financial guarantee agreements (for the issuer) that are not valued at fair value through profit or loss.

Currently the Group's financial assets are accounts receivable, the treatment of which is outlined in the following section, and rent deposit. The latter consists only of rent deposit for the Group's new Head Office in Uppsala and is not considered to constitute any credit loss risk.

Accounts receivable and other receivables

The Group uses a simplified method of accounting for accounts receivable and other receivables, as well as contract assets and reports expected loan losses for the remaining maturity. This is where the expected deficiencies in contractual cash flows are, given the risk of non-payment at some point in the life of the financial instrument. In the calculation, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a reservation matrix.

The Group applies the simplified method in IFRS 9 for accounting for the expected loan losses over the remaining maturity of all accounts receivable, as these items have no significant financing component. In assessing the expected credit losses, accounts receivable has been assessed collectively because they have common credit risk characteristics.

Classification and valuation of financial liabilities

The Groups financial liabilities include loans, accounts payable and other liabilities, the latter including conditional consideration. Financial liabilities, excluding conditional consideration, are valued at the accrued acquisition value at the initial recognition date.

Subsequent to the initial recognition date, financial liabilities, excluding conditional consideration, are valued at the accrued acquisition value using the effective interest method.

Conditional consideration is classified as a Level 3 liability, as per the IFRS valuation hierarchy, in the group and is valued at fair value through the income statement, either as an other operating expenses item, in the case of operations related deviations, or as a net financial item, in the case of discounting or currency exchange rate related deviations.

All interest-related fees are recognized in the income statement as items "Financial expenses" or "Financial income".

Inventory

Inventories are valued at the lower of cost and net realizable value. Cost includes all costs that are directly attributable to the manufacturing process and an appropriate proportion of associated manufacturing costs, based on normal capacity. Costs for commonly replaceable items are allocated according to the first in, first out principle. The net realizable value is the estimated sales price in the ongoing operations less any applicable selling costs.

Equity and reserves

Share capital represents the quota value for issued shares. The premium price includes any premium received on the issue of new share capital. Any transaction costs associated with the new share issue are deducted from the share price, considering any income tax effects.

Other equity items include the following:

– Translation reserve; contains translation differences from translation of financial reports for the Group's foreign operations to SEK

Balanced profits include all balanced profits.

All transactions with the Parent Company's owners are reported separately in equity.

Remuneration after termination of employment and short-term employee benefits

Remuneration after termination of employment

The Group provides post-employment benefits through various defined contribution pension plans. Fees for defined contribution pension plans are expensed as incurred. In defined contribution plans, the company pays fixed fees to another company and has no legal or informal obligation to pay anything further, even if the other company cannot fulfil its commitment.

Short-term employee benefits

Short-term employee benefits, including holiday pay, are current liabilities, valued at the undiscounted amount that the Group is expected to pay as a result of the unused entitlement.

Share-related remuneration to employees

A warrant program enables employees to acquire shares in the company. The purpose of the incentive programs is, among other things, to award long-term commitment to the company's employees and to ensure that the company's long-term value growth is reflected in the program participants' remuneration. The Group has several warrant programs that run in parallel. Those who participate in warrant programs have paid a premium, commensurate with fair market value, which is recognized directly in equity.

Significant assessments and estimates when applying accounting principles

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.

Uncertainty in estimates

Below follows information about estimates and assumptions that have the most significant impact on the accounting and valuation of assets, liabilities, revenues and expenses. The outcome from these can differ significantly.

Impairment of intangible fixed assets
In order to assess the need for impairment, the Group management calculates the recoverable amount of the intangible fixed assets based on expected future cash flows and using an appropriate interest rate to discount the cash flow. Uncertainties lie primarily in assumptions about future operating income and the determination of an appropriate discount rate.

The Group has to date determined that the recoverable amount of goodwill exceeds its book value.

Changes in the assumptions made by the company management during the impairment test could have a material impact on the company's results and financial position.

Business acquisitions
In determining fair value, Group management uses valuation techniques applied to the assets and liabilities included in an acquisition. Fair value of conditional consideration is dependent on the future outcome of several variables, with the primary one being the acquired company's future revenue. Changes in revenue assumptions can apply to both the revenue level, driven by the growth rate, and the revenue curve, ie the future timing of revenue growth. In addition, discount rate and currency exchange rate assumptions can also affect fair value.

For more detailed information on these assumptions, as well as a sensitivity analysis on assumption deviations, refer to Note 31 Conditional consideration.

It should also be noted that as conditional consideration is discounted continuously, this in itself will give rise to income statement fluctuations, even though the underlying assumptions remain unchanged.

The Parent Company's accounting and valuation principles
The Parent Company's annual report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 means that in the annual report for the legal entity, the parent company must apply all EU approved IFRS statements as far as possible within the framework of the Annual Accounts Act and considering the relationship between accounting and taxation.

The recommendation specifies the exceptions and supplements to be made from IFRS.

The parent company's annual report is presented in the company's accounting currency, which is SEK.

The Parent Company's accounting and valuation principles are in accordance with the Group except as set out below.

Formats
The income statement and balance sheet follow the format of the Annual Accounts Act. The report on income and other comprehensive income, the report on changes in equity and the cash flow analysis are based on IAS 1 Presentation of financial reports and IAS 7 Report on cash flows. The differences against the Group's reports that are reflected in the Parent Company's income statements and balance sheets are mainly accounted for by financial income and expenses and equity.

Shares in subsidiaries
Shares in subsidiaries are recognized at cost less any write-downs. The acquisition value includes acquisition-related costs and any additional purchase price.

When there is an indication that participations in subsidiaries have decreased in value, the recoverable amount is calculated. If this is lower than the carrying amount, a write-down is made. Write-downs are reported in the item "Profit from participations in group companies".

Leasing
The Parent Company reports all leasing agreements as operational. Operational leases are recognized as an expense on a straight-line basis over the lease term.

Intangible assets
Internally generated development costs are reported as expenses in the income statement. This means that all expenses related to the preparation of internally prepared intangible fixed assets are expensed as incurred.

Financial instruments
IFRS 9 is not applied in the Parent Company and financial instruments are measured at cost. In subsequent periods, financial assets that are acquired with the intention of being held in the short term will be reported in accordance with the lower value principle at the lower of cost and market value.

Note 2 Operating segments

The group's operations are divided into operating segments based on the parts of the operation the company's highest executive decision-makers follow up on, so-called "management approach" or business management perspective. The company's top executive decision maker is the CEO. The group's internal reporting is structured on the basis that the group management monitors the business in its entirety. Based on this internal reporting, the Group has identified that the Group has only one segment.

	Group		Parent company	
Net sales per geographical market, (SEK 000')	2024	2023	2024	2023
US	133,940	87,311	10,180	28,102
Germany	–	11,099	–	11,099
Sweden	–	1,351	–	1,351
UK	–	2,590	–	2,590
Rest of Europe	–	9,354	–	9,354
Rest of world	–	452	–	452
Total	**133,940**	**112,157**	**10,180**	**52,948**

Revenue from external customers was attributed to individual countries after the country from which the sale was made. The Group's fixed assets are located in Sweden, US and UK. During 2023 OssDsign did not have revenue from an individual customer amounting to >10%.

Note 3 Remuneration to the auditor

Audit assignment means review of the annual report and accounts and the administration of the Board and the Managing Director, other duties that it is incumbent upon the company's auditor to perform, and advice or other assistance caused by observations in such an audit or the performance of such duties.

	Group		Parent company	
Expensed and other compensation amounts to	2024	2023	2024	2023
EY				
Audit assignment	1,117	471	1,117	471
Auditing activities in addition to audit assignments	47	–	47	–
Other services	30	–	20	–
KatzAbosch				
Audit assignment	164	496	–	–
Harmer Slater Ltd				
Audit assignment	–	85	–	–
Auditing activities in addition to audit assignments	–	–	–	–
Tax advice	–	–	–	–
Other services	–	–	–	–
Sum	**1,348**	**1,052**	**1,184**	**471**

Note 4 Operating lease and lease agreements

	Group		Parent company	
	2024	2023	2024	2023
Expected leasing fees for the year:	**1,458**	**3,390**	**389**	**2,721**
Non-cancellable leasing fees:				
Within a year	693	915	–	–
Later than one year, within five years	1,101	1,823	–	–
Later than five years	–	–	–	–
Due date year 4	–	–	–	–
Due date year 5	–	–	–	–
Due date year 6 –	–	–	–	–
Total future agreed lease fees	**1,794**	**2,738**	**0**	**0**

The operating leases mainly concern premises. *The group reports leasing agreements in accordance with IFRS 16, see Note 20.*
The table contains undiscounted values.

Note 5 Salaries and remuneration to employees

Costs recognised for employee benefits are broken down as follows:

	Group		Parent company	
	2024	2023	2024	2023
Salaries – Board of Directors and CEO	9,292	9,189	9,292	9,189
Salaries – other employees	46,883	57,982	4,426	23,789
Pensions, defined contribution board and CEO	–	–	–	–
Pensions, defined contribution – other employees	2,394	3,735	749	2,570
Other social security contributions	7,166	12,028	4,129	9,817
Sum	**65,735**	**82,934**	**18,597**	**45,365**

Salaries and other remuneration 2024	Basic salary / Board fees	Bonus	Pension	Other benefits*	Total
Simon Cartmell	376			–	376
Morten Henneveld, CEO	4,582	3,315		194	8,091
Anders Qvarnström	122			–	122
Newton Aguiar	276			–	276
Håkan Engqvist	73			–	73
Jill Schiaparelli	276			–	276
Christer Fåhraeus	79			–	79
Other senior executives, 5 people	9,573	3,042	935	30	12,645
Sum	**15,357**	**6,357**	**935**	**224**	**21,938**

Salaries and other remuneration 2023	Basic salary / Board fees	Bonus	Pension	Other benefits*	Total
Simon Cartmell	350			–	350
Morten Henneveld, CEO	4,290	3,521		127	7,938
Anders Qvarnström	250			–	250
Newton Aguiar	250			–	250
Håkan Engqvist	150			–	150
Jill Schiaparelli	250			–	250
Other senior executives, 5 people	10,949	2,923	1,247	7	13,879
Sum	**16,489**	**6,444**	**1,247**	**134**	**23,067**

* Other benefits are car benefits health insurance benefits.
In the event of termination, a mutual notice period of six months applies for the CEO and CFO. For other employed senior executives, a mutual notice period of three months applies. The CEO is also entitled to severance pay corresponding to six months' salary. *Share-related remuneration is stated in Note 7.*

Salaries – Board of Directors and CEO of 9,292 (9,189) above includes compensation of 1,076 (1,010) for the CEO's own pension provisions.

Note 6 Employees

	Group			
	2024 Average number of employees	of which women, %	2023 Average number of employees	of which women, %
Average number of employees	27	38	48	44
Average number of employees by country is as follows:				
Sweden	6		26	
UK	4		3	
US	17		14	
France	–		3	
Germany	–		2	
Sum	**27**		**48**	

The average number of employees in the parent company corresponds to the figure for Sweden.
The board consists of 80 % men and 20 % women.

Note 7 Share-related remuneration

As of December 31, 2024, the company has issued a total of 9,346,545 warrants, whereof 9,289,471 were still outstanding, within the framework of four different incentive programs for employees, consultants and board members. During the year, 57,074 warrants were cancelled. The incentive programs are described in more detail below.

- **Incentive program 2022/2025:1** was approved by the Annual General Meeting on 1st June, 2022, comprising a total of 1,238,696 subscription warrants issued to the CEO and selected employees and consultants. Each subscription warrants entitles the holder to acquire a new share in the company at a strike price of SEK 6.79 per share during the period from 1st July 2025 up to and including 31st December 2025.

- **Incentive program 2022/2025:2** was approved by the Annual General Meeting on 1st June, 2022, comprising a total of 285,371 subscription warrants issued to Board members. Each subscription warrant entitles the holder to acquire a new share in the company at a strike price of SEK 6.79 per share during the period from 1st July 2025 up to and including 31st December 2025.

- **Incentive program 2024/2028:1** was approved by an Extraordinary General Meeting on 18th December, 2024, comprising a total of 6,748,230 subscription warrants issued to the CEO and selected employees and consultants after the balance date. Each subscription warrants entitles the holder to acquire a new share in the company at a strike price of SEK 12.82 per share during the period from 1st January 2028 up to and including 30th June 2028.

- **Incentive program 2024/2028:2** was approved by an Extraordinary General Meeting on 18th December, 2024, comprising a total of 1,074,248 subscription warrants issued to Board members after the balance date. Each subscription warrant entitles the holder to acquire a new share in the company at a strike price of SEK 12.82 per share during the period from 1st January 2028 up to and including 30th June 2028.

Warrant Agreements
Holders of subscription warrants have paid a market-based cash premium for the their warrants, a premium that has been valued using the Black-Scholes model. Warrants 2022/2025:1 and 2022/2025:2, as well as 2024/2028:1 and 2024/2028:2 are covered by warrant agreements with customary terms. The warrant agreements also contain customary "good leaver" and "bad leaver" provisions. No cost has been accounted for the warrants.

As per the Black-Scholes valuation model to establish fair market value for the warrants, this valuation has been based on observed market price on the underlying share, exercise price, time to maturity, risk-free interest rate and estimated volatility (Aderio AB, May 2022 and December 2024. The volatility has been determined based on historical volatility of the company's share, as well as peer group and market index volatility.

If all subscription warrants are exercised to subscribe for shares in the company, the company's share capital will increase by SEK 580,592 through issue of 9,289,471 new shares in the company, each with a quotient value of SEK 0.0625. That would mean a dilution equivalent to 8.7 percent of the share capital and the number of shares and votes in the company. See table below for details on warrant/option price and exercise price per program.

Incentive program	Issued number of options	Option price	Redemption price
Staff Option Program 2022/2025:1 Maturity 30th June, 2022 – 31st December, 2025	1,238,696	0.40	6.79
Staff Option Program 2022/2025:2 Maturity 30th June, 2022 – 31st December, 2025	285,371	0.40	6.79
Staff Option Program 2024/2028:1 Maturity 3rd January, 2025 – 30th June, 2028	6,748,230	0.85	12.82
Staff Option Program 2024/2028:2 Maturity 3rd January, 2025 – 30th June, 2028	1,074,248	0.85	12.82

Program	2021/2024:1	2021/2024:2	2022/2025:1	2022/2025:2	2024/2028:1	2024/2028:2
Outstanding 31 December 2022	2,882,259	799,041	1,238,696	285,371	–	–
Cancelled during 2023	-57,074	–	-57,074	–	–	–
Outstanding 31 December 2023	2,825,185	799,041	1,181,622	285,371	–	–
Repurchased during 2024	-2,368,590	-456,595	–	–	–	–
Expired during 2024	-456,595	-342,446	–	–	–	–
Issued, not transferred, during 2024	–	–	–	–	6,748,230	1,074,248
Outstanding 31 December 2024	**0**	**0**	**1,181,622**	**285,371**	**6,748,230**	**1,074,248**

Board of directors and other senior executives 2024-12-31	Holding of warrants
Simon Cartmell	114,149
Newton Aguiar	28,537
Jill Schiaperelli	85,611
Morten Henneveld	570,745
Anders Svensson	199,760
Eric Patermo	57,074
Tom Buckland	37,809
Melanie Marshall	30,864
Summa	**1,124,549**

Note 8 Operating expenses

The group presents the income statement in a function-based format. The main cost types are as follows:

	2024	2023
Direct production costs	-6,179	-17,739
Personnel costs	-70,228	-84,586
Consultants and other external costs	-100,894	-90,186
Depreciation	-3,666	-8,202
Other operating expenses	-2,423	-3,887
Total	**-183,390**	**-204,600**

The distribution of depreciation	**2024**	**2023**
Cost of goods sold	–	-362
Selling expenses	-4	-12
Research and development costs	-2,782	-4,349
Administration costs	-880	-3,479
Total	**-3,666**	**-8,202**

Note 9 Other operating expenses

Other operating expenses comprise mainly operational revaluation effects related to the liability for conditional consideration from the Sirakoss acquisition. Those effects primarily derive from changes in future revenue projections and can, as such, be either positive, at lower revenue projections, or negative, at higher revenue projections (see Note 31 below).

	Group		Parent company	
	2024	2023	2024	2023
Operational revaluation effect from acquisitions	-1,364	-3,736	-1,364	-3,736
Operational exchange rate effect	-13	232	–	–
Bad debt provision	-636	-383	–	–
Disposal of fixed assets		–	–	-952
Other	-410	–	–	–
Total	**-2,423**	**-3,887**	**-1,364**	**-4,688**

Note 10 Items affecting comparability

Items affecting comparability comprise exclusively costs directly related to the discontinuation of the company's Cranial PSI business line.

	Group	
	2024	2023
Impairment of intangible fixed assets	–	-15,198
Restructuring costs personnel	–	-7,330
Restructuring costs premises	–	-7,000
Restructuring costs other	–	-6,145
Total	**0**	**-35,673**

Note 11 Financial items

	Group		Parent company	
Financial income:	2024	2023	2024	2023
Bank	1,992	1,466	1,916	1,459
Other	–	-3	–	-3
Exchange rate gains	2,821	1,272	2,821	1,265
	4,813	**2,735**	**4,737**	**2,721**
Financial expenses, borrowing at amortised cost				
Bank loan	-42	-78	-42	-76
Leasing interest	-47	-354	–	-298
Exchange rate losses	-1,051	-2,023	-1,048	-2,010
Other	-14	–	-5	-2
Change in fair value regarding debt for conditional purchase price:				
Present value effect	-3,317	-3,306	-3,317	-3,306
	-4,471	**-5,761**	**-4,412**	**-5,692**
Net financial items	**342**	**-3,026**	**325**	**-2,971**

Note 12 Liabilities attributable to financing operations

The change in liabilities attributable to financing operations can be classified as below.

	Long-term liabilities	Short-term liabilities	Lease liabilities	Total
2024-01-01	52,914	513	2,423	55,850
Cash flow effect:				
Repayment	-214	-299	-672	-1,185
Borrowings				
Not affecting cash flow:				
Repayment	–	–	–	–
Conditional consideration	2,001	–	–	2,001
Total	**54,701**	**214**	**1,751**	**56,666**
2023-01-01	47,677	513	12,359	60,549
Cash flow effect:				
Repayment	-513	–	-10,264	-10,777
Borrowings	–	–	328	328
Not affecting cash flow:				
Repayment	–	–	–	–
Conditional consideration	5,750	–	–	5,750
Total	**52,914**	**513**	**2,423**	**55,850**

Note 13 Taxes

The most important components of the tax expense for the financial year and the ratio of expected tax expense based on the Swedish effective tax rate of 20.6 % (2023: 20.6 %) to the reported tax expense in the result are as follows:

	Group		Parent company	
	2024	**2023**	**2024**	**2023**
Result after financial items	-49,083	-130,655	-50,883	-112,767
Tax according to current tax rate in Sweden, 20.6 (20.6%)	10,111	26,915	10,482	23,230
Effect of changed tax rate	-51	-72	–	–
Adjustment of previous years' tax	-134	487	–	–
Non-taxable income	4	–	4	–
Non-deductible costs	-69	-42	-69	-42
Activation of tax on loss carryforwards	-544	-3,451	–	–
Change of temporary differences	526	3,952	–	-74
Deferred tax assets during the year that are not recognised as assets	-10,417	-27,628	-10,417	-23,188
Reported tax in the income statement	**-573**	**162**	**0**	**-74**
The tax cost consists of the following components:				
Current tax	–	–	–	–
Tax expense	-965	-827	–	–
Adjustment of previous years' tax	-134	487	–	–
Deferred tax expense/income	–	–	–	–
Change of temporary differences	526	502	–	-74
Reported tax in the income statement	**-573**	**162**	**0**	**-74**

Note 14 Earnings per share

Earnings per share

Both earnings per share before and after dilution have been calculated by using the result attributable to the shareholders in the parent company as a numerator.

Results attributable to ordinary shareholders	2024	2023
Profit for the year attributable to the parent company's owners according to the income statement	-49,657	-130,493

No dilution effect in 2023 and 2024, as the Group reports a negative result.
During the fourth quarter, the company carried out a directed new share issue, resulting in a total of 26,315,790 shares.
The total number of shares thereafter amounted to 97,658,920.

Number of shares	2024	2023
Weighted average number of shares used in the calculation of earnings per share before dilution	97,659	82,201
Weighted average number of shares used in the calculation of earnings per share after dilution	**97,659**	**82,201**

Dividends

In 2024 Ossdsign AB paid TSEK 0 (2023: TSEK 0) in dividends to shareholders.
This corresponds to SEK 0 per share (2023: SEK 0 per share).

Earnings per share, before and after dilution	2024	2023
	-0.51	-1.59

Dilution of earnings per share can take place if warrants are exercised for subscription of shares in the company, see also Note 7.

Note 15 Balanced development work and similar work

Changes in reported values for development work and similar work are:

	Group	
	2024-12-31	2023-12-31
Opening balance accumulated acquisition values	–	31,974
Internally developed	657	–
Investment of the year	–	–
Sales/disposals	–	-31,974
Closing balance accumulated acquisition values	657	–
Opening balance accumulated depreciation	–	-15 201
Sales/disposals	–	16 776
This year's depreciations	–	-1 575
Closing balance accumulated depreciation	–	–
Reported value	657	–

The parent company has expensed the development costs for the production of Cranial PSI, which have been written off in full by winding down operations.

Note 16 Patents

Changes in reported values for patents

	Group	
	2024-12-31	2023-12-31
Opening balance accumulated acquisition values	27,722	27,722
Closing balance accumulated acquisition values	27,722	27,722
Opening balance accumulated depreciation	-8,316	-5,544
This year's depreciation	-2,772	-2,772
Closing balance accumulated depreciation	-11,088	-8,317
Reported values	**16,634**	**19,405**

The period of use applicable to patents is 10 years, which coincides with the patent protection period.
For more information regarding impairment test, please see Note 17 Goodwill.

Note 17 Goodwill

Changes in reported values for goodwill

	Group	
	2024	2023
Opening balance accumulated acquisition values	131,130	136,294
Conversion difference	12,491	-5,164
Closing balance accumulated acquisition values	143,621	131,130
Reported value	**143,621**	**131,130**

Impairment test

The Group's goodwill of TSEK 131 130 arose through the acquisition of a subsidiary in November 2020. Goodwill is tested for impairment at the lowest levels where there are separately identifiable cash flows (cash-generating units). Only one such cash-generating unit has been identified in the Group.

	2024	2023
Group	143,621	131,130
	143,621	**131,130**

The recoverable amounts for each segment were determined based on value in use calculations, which included a detailed nine-year forecast, followed by an extrapolation of expected cash flows for the units' remaining periods of use, using a declining growth rate determined by Group management.

The present value of expected cash flows for each segment is determined using the appropriate discount factor that reflects the time value of money and the risks that are specific to the segment.

The impairment test consists of assessing whether the unit's recoverable amount is higher than the carrying amount. The recoverable amount has been calculated on the basis of the unit's value in use, which is the present value of the unit's expected future cash flows. The DCF model used in this valuation is based on the company's business plan for the period 2023-2030 with assumptions as per below. The fact that the valuation model is covering 7 years, rather than the customary 5 years, is due to the time to expiration of the patents and conditional consideration, as well as the commercial model which results from the acquisition having been an R&D company without a commercialised product.

Significant assumptions used for calculations of value in use are shown below:

- Annual growth volume in the periods 2023-2026 are assuming rapid increase but at a declining rate, as per the Group's business plan. These calculations are based on estimated future cash flows before tax based on the financial business plan approved by management and the board. The acquisition that generated the goodwill value was an R&D company without a commercialised product. In August 2021 the Group launched the first commercial product, OssDsign Catalyst, which means that the period 2024-2027 in the business plan will show a sharp increase and high growth figures from a low starting point. It is only in 2027 that operations are stabilised, which is also the reason why a longer period is used in the test. The patents that have been acquired and which will form the basis for business development are in force up to 2030, which is also true for the contractual revenue based variable consideration.
- The weighted average growth rate used to extrapolate cash flows beyond 2027 has been estimated at 12% until 2030. After 2030 the growth rate has been estimated at 2%. This long-term growth rate is well within the framework of the forecasts contained in industry reports.
- Gross margin development in the test period is in line with internal observed data as well as external market data.
- Operating expenses are estimated to develop in line with sales revenue, which also applies to capital expenditure needs.
- Working capital requirements are estimated conservatively in the test period, higher than the Group's current NWC level.
- The discount rate before tax used in the present value calculation of estimated future cash flows is 14.5%, which corresponds to the Group's average cost of capital (WACC). As the Group has no foreign capital, this also corresponds to the WACC after tax.

Cash flow assumptions

Group

The Group Management's important assumptions about the Group unit include stable profit margins, based on previous experience of this mature market. Group management believes that this is the best available input data for forecasts of this mature market. The cash flow calculations reflect the stable profit level achieved in the market just before the business plan period, as well as the company's own observed data from the initial sales. No expected efficiency measures have been included in the calculations and prices and wages reflect general inflation expectations in this sector.

Impairment testing as described above, taking into account the latest developments, has not identified any impairment requirements. A sensitivity analysis, similar to the one described with respect to conditional consideration (see Note 31 below), was also performed without identifying any impairment requirements. The sensitivity analysis took into account valuation differences related to potential variations in forecasted income and expenses, as well as working capital requirements and the cost of capital (WACC).

Note 18 Expenses incurred on someone else's property

Changes in carrying amounts regarding expenses incurred on leased property:

	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Opening balance accumulated acquisition values	–	211	–	211
Acquisitions	–	28	–	28
Sales/disposals	–	-239	–	-239
Closing balance accumulated acquisition values	**0**	**0**	**0**	**0**
Opening balance accumulated depreciation	–	-97	–	-97
Sales/disposals	–	139	–	139
Depriciations	–	-42	–	-42
Closing balance accumulated depreciation	**0**	**0**	**0**	**0**
Reported value	–	–	–	–

Note 19 Equipment and tools

Changes in reported values regarding equipment and tools:

	Group		Parent company	
	2024	2023	2024	2023
Opening balance accumulated acquisition values	958	6,719	–	5,867
Investment of the year	–	93	–	47
Acquisition of subsidiaries	–	–	–	–
Sales/disposals	-37	-5,914	–	-5,914
Exchange rate differences	83	60	–	–
Closing balance accumulated acquisition value	**1,004**	**958**	**0**	**0**
Opening balance accumulated depreciation	-908	-5,294	–	-4,451
This year's depreciations	-14	-614	–	-608
Acquisition of subsidiaries	–	–	–	–
Sales/disposals	37	5,059	–	5,059
Exchange rate differences	-78	-59	–	–
Closing balance accumulated depreciation	**-963**	**-908**	**0**	**0**
Reported value	41	50	–	–

Note 20 Leasing agreement

The Group mainly has rights of use regarding premises in US and Scotland.

	Group	
	2024	2023
Opening balance accumulated acquisition values	3,499	18,604
Investment of the year	–	391
Disposals	–	-15,496
Exchange rate differences	330	–
Closing balance accumulated depreciation	3,829	3,499
Opening balance accumulated depreciation	-1,095	-6,605
Disposals	–	8,705
This year's depreciations	-880	-3,195
Exchange rate differences	-136	–
Closing balance accumulated depreciation	-2,111	-1,095
Closing balance accumulated depreciation	**1,718**	**2,404**

The subsidiaries in Scotland and the US have agreements regarding premises.

The group also leases IT equipment. These leases are low value leases. The group has chosen not to report right-of-use assets and lease liabilities for these leases.

Amounts recognised in profit or loss	2024	2023
Cost of contracts of lesser value	880	3,195
Interest, see also Note 11	47	354
Maturity analysis regarding lease debt	62	472
Maturity analysis regarding lease debt:		
Later than one year but within five years	1,032	2,423
Later than five years	–	–

Total cash flow regarding leasing for the financial year ended 31 December 2024 amounted to 868 TSEK (2,945 TSEK).
For further information regarding maturity analysis, see Note 36.

Note 21 Financial assets and liabilities

Categories of financial assets and liabilities

Accounting principles include a description of each category of financial assets and liabilities and the associated accounting principles. The reported values for financial assets and liabilities in the Group are as follows:

Group 2024-12-31	Financial assets valued at amortised cost	Financial assets at fair value through profit or loss	Total
Other long-term receivables	157	–	157
Accounts receivable	25,678	–	25,678
Other receivables	707	–	707
Cash and cash equivalents	100,858	–	100,858
	127,400	**0**	**127,400**

Group 2024-12-31	Liabilities valued at amortised cost	Liabilities at fair value through profit or loss*	Total
Financial liabilities			
Long-term borrowing	–	–	–
Short-term borrowing	214	–	214
Conditional consideration	–	54,701	54,701
Accounts payable and other liabilities	5,830	–	5,830
	6,044	**0**	**60,745**

Group 2023-12-31	Financial assets valued at amortised cost	Financial assets at fair value through profit or loss	Total
Other long-term receivables	2,458	–	2,458
Accounts receivable	23,020	–	23,020
Other receivables	2,442	–	2,442
Cash and cash equivalents	165,938	–	165,938
	193,858	**0**	**193,858**

Group 2023-12-31	Liabilities valued at amortised cost	Liabilities at fair value through profit or loss*	Total
Financial liabilities			
Long-term borrowing	214	–	214
Short-term borrowing	513	–	513
Conditional consideration	–	52,700	52,700
Accounts payable and other liabilities	15,528	–	15,528
	16,255	**0**	**68,955**

* As of the balance sheet date, 2024-12-31, the Group has a bank loan from ALMI totalling TSEK 214 at a variable interest rate of 7.90 % and a maturity from 2015-03-05 – 2025-05-31. Carrying amount of accounts receivable, other receivables, cash and cash equivalents, borrowings, accounts payable and other liabilities represents a reasonable approximation of fair value. All borrowings are in SEK.

Note 22 Shares in Group companies

The Group's composition

The Group includes direct holdings of subsidiaries as follows:

Name/Residence	Corporate ID	Number of shares	Shares % 2024	Shares % 2023
OssDsign Ltd	10690872	1	100%	100%
OssDsign USA Inc	6558835	1,000	100%	100%
Sirakoss Ltd	SC386423	1	100%	100%

	Parent company	
Change during the year:	**2024-12-31**	**2023-12-31**
Opening balance accumulated acquisition values	137,687	137,687
Closing balance accumulated acquisition values	**137,687**	**137,687**
Reported value TSEK	**137,687**	**137,687**
whereof (SEK):		
OssDsign Ltd	11	11
OssDsign USA Inc	8	8
Sirakoss Ltd	137,687,347	137,687,347
Closing balance accumulated acquisition values	**137,687,366**	**137,687,366**

Note 23 Other long-term receivables

The Group's long-term receivables primarily relate to rental deposits in favor of the landlord regarding premises in Columbia, Maryland, where the American subsidiary has its headquarters.

	Group		Parent company	
	2024	**2023**	**2024**	**2023**
Opening balance accumulated acquisition values	2,458	2,504	2,314	2,314
Repayment of rental deposits	-2,314	-39	-2,314	–
Currency exchange rate differences	13	-7	–	–
Closing balance accumulated acquisition values	**157**	**2 458**	**0**	**2,314**
Reported value	157	2 458	–	2,314

Note 24 Deferred tax assets and tax liabilities

Deferred taxes arising from temporary differences are summarised as follows:

	2024		
Change during the year of deferred taxes for the Group:	Deferred tax liability	Deferred tax assets	Net
Intangible assets	3,160		-3,160
Right-of-use assets	376	353	-23
Receivables	216		-216
Temporary differences on tax-deductible costs	–	380	380
Activated loss carryforwards	–	239	239
	3,752	**972**	**-2,781**

	2023		
Change during the year of deferred taxes for the Group:	Deferred tax liability	Deferred tax assets	Net
Intangible assets	3,687	–	-3,687
Right-of-use assets	424	442	19
Receivables	–	84	84
Temporary differences on tax-deductible costs	–	278	278
Activated loss carryforwards	103	–	-103
	4,214	**804**	**-3,409**

Deferred tax assets are recognised for tax loss carry forwards to the extent that they are likely to be credited through future taxable profits. If the Group had reported deferred tax assets on loss carry forwards, these would amount to TSEK 149,516 (TSEK 139,024). Deficit deductions have no limitation in time.

Note 25 Inventory

Inventory consists of the following:	Group		Parent company	
	2024-12-31	**2023-12-31**	**2024-12-31**	**2023-12-31**
Raw materials and consumables	7,789	4,270	7,789	4,270
Finished goods	5,975	34	5,629	18
	13,764	**4,304**	**13,418**	**4,288**

Note 26 Accounts receivable

Age distribution of accounts receivable and reserve for doubtful accounts receivable.

	Group	
	2024-12-31	2023-12-31
Accounts receivable gross	26,724	23,430
Reservation for customer losses	-1,046	-410
Accounts receivable	25,678	23,020
Total	**25,678**	**23,020**

For more information on Accounts receivable, see Note 38.

	Parent company	
Accounts receivable	2024-12-31	2023-12-31
Accounts receivable not due	–	116
Accounts receivable overdue, 0-3 months	–	1 016
Accounts receivable overdue, 4-6 months	–	–
Accounts receivable overdue, more than 6 months	75	–
Reserve for doubtful accounts receivable	–	–
Total	**75**	**1,132**

Note 27 Other receivables

	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
VAT	542	1,377	542	1,377
Other items	165	1,065	–	1,041
	707	**2,442**	**542**	**2,418**

Note 28 Prepaid Expenses and accrued income

	Group		Parent company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Prepaid insurance	1,794	1,602	1,545	1,444
Other items	1,682	3,321	1,645	3,162
Reported value	**3,476**	**4,923**	**3,190**	**4,606**

Note 29 Cash and cash equivalents

	2024-12-31	2023-12-31
Cash and cash equivalents include the following:		
SEK	83,738	151,829
EUR	1,395	6,131
GBP	2,778	2,201
USD	12,947	5,777
	100,858	**165,938**

Note 30 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 97,658,920 class A shares.

	2024	2023
Subscribed and paid shares		
At the beginning of the year	6,104	4,459
New share issue	–	1,115
Subscribed and paid shares	6,104	5,574
Shares for share-based payments	–	–
Sum at the end of the year	**6,104**	**5,574**

During the fourth quarter, the company concluded a new share issue which increased the number of shares by 26,315,790. The total number of shares thereafter amounted to 97,658,920 and with a quota value of SEK 0.0625. Shares issued by the Group have the same right to dividends and repayments of invested capital and represent unanimously at OssDsign's Annual General Meeting.

Amounts received for issued shares in excess of nominal value during the year (premium) are included in the item "other contributed capital", after deductions for registration and other similar fees and after deductions for attributable tax benefits. Resolved shares that have not yet been issued have been approved only for use in the Group's option program *(for more information, see Note 7)*.

Note 31 Conditional consideration

Conditional consideration comprises the following amounts:

	Group		Parent company	
	2024	2023	2024	2023
Conditional consideration from acquisition of subsidiaries:				
Milestone payments	30,179	27,436	30,179	27,436
Revenue based variable consideration	24,522	25,264	24,522	25,264
	54,701	**52,700**	**54,701**	**52,700**

Specification of conditional consideration

In the Group, all liabilities are valued at acquisition value, except for conditional consideration related to the acquisition of Sirakoss Ltd. This is valued at fair value over the P&L, as per IFRS 9. Conditional consideration has been classified as a Level 3 liability in the IFRS valuation hierarchy.

The valuation technique used in the valuation of conditional consideration is a Discounted Cash Flow model. The valuation model discounts expected future cash flows using a risk adjusted discount rate to determine present value of such cash flows. Expected cash flows are calculated using probable scenarios for future sales revenue until 2030, as well as contractual parameters with respect to revenue based consideration.

Milestone payments are based on cumulative revenue and triggered when such revenue reaches certain pre-determined thresholds, with cash flow impact in the following year.

Variable consideration is an annual royalty amount, based on the revenue in that particular year, and calculated according to a tiered single digit royalty percentage schedule, also with cash flow impact in the following year.

Significant non-observable data are identified as:
- Projected compound annual growth rate (CAGR)
- Risk adjusted discount rate
- Projected revenue curve

Relation between significant non-observable data and fair value calculation:
The assessed fair value would increase (decrease) if:
- The compound annual growth rate (CAGR) were higher (lower)
- The discount rate were lower (higher)
- The revenue curve generated higher (lower) growth early in the period

	Milestone payments	Revenue based variable consideration	Total
Fair value 2024-01-01	**27,436**	**25,264**	**52,700**
Total reported profits and losses in this year's result:			**–**
Present value / discount effect – reported in net financial items	2,744	573	**3,317**
Revenue change – reported in Other operating expenses	–	1,364	**1,364**
Reclassification within the balance sheet	–	-2,680	**-2,680**
Fair value 2024-12-31	**30,179**	**24,522**	**54,701**
Fair value 2023-01-01	**23,961**	**22,989**	**46,950**
Total reported profits and losses in this year's result:			
Present value / discount effect – reported in net financial items	3,474	-168	**3,306**
Revenue change – reported in Other operating expenses	–	3,736	**3,736**
Reclassification within the balance sheet	–	-1,292	**-1,292**
Fair value 2023-12-31	**27,436**	**25,264**	**52,700**

Sensitivity analysis:
The effects on the fair value of conditional consideration caused by potential changes in any of the significant non-observable data, all else being equal, would be as follows:

2024	Increase	Decrease
Conditional consideration		
Compound Annual Growth Rate (10% deviation)	3,241	-3,241
Discount rate (1% deviation)	-921	971
Revenue curve with higher/lower growth early in the period (20%)	3,255	-5,385

Note 32 Accrued expenses and prepaid income

	Group		Parent company	
Accrued expenses	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Personnel-related costs	13,070	15,454	7,501	11,942
Consultants	1,399	855	784	3,030
Other items	9,340	16,585	1,704	8,608
Reported Value	**23,809**	**32,894**	**9,989**	**23,580**

Note 33 Pledged assets and contingent liabilities

	Group		Parent company	
Pledged assets	2024-12-31	2023-12-31	2024-12-31	2023-12-31
For own provisions and liabilities				
Liabilities to credit institutions				
Company mortgage	3,850	3,850	3,850	3,850
Other pledged assets	–	50	–	50
	3,850	**3,900**	**3,850**	**3,900**

Note 34 Transactions with related parties

Key people in a leading position
There are no receivables or liabilities to related parties on the balance sheet date. No transactions that have materially affected the company's position and earnings have taken place between the company and related parties.

Unless otherwise stated, there are no transactions with special conditions and no guarantees have been pledged or received. Outstanding balances are usually settled by cash.

For information on remuneration to senior executives, see Note 5.

Transactions with subsidiaries
The subsidiaries OssDsign USA Inc, OssDsign Ltd and Sirakoss Ltd invoice their costs to the parent company in accordance with the transfer price agreement. As of the balance sheet date, the parent company has a receivable on OssDsign USA Inc of TSEK 11,904 (TSEK 3,193), a liability to OssDsign Ltd of TSEK 10 (TSEK 191) and a receivable on Sirakoss Ltd of TSEK 520 (TSEK -391).

Note 35 Events after the balance sheet date

The direction towards protectionism recently expressed by the U.S. administration can conceivably affect OssDsign's operations going forward. The U.S. import tariffs, as communicated to date, however, are not deemed to have any material impact on the Group's future earnings or financial position. No other events that lead to adjustments or significant events that do not lead to adjustments have occurred between the balance sheet date and the date of issue.

Note 36 Non-cash-flow adjustments and changes in working capital

The following non-cash adjustments and adjustments for changes in working capital have been made in profit before tax in order to reach the cash flow from operating activities:

	Group		Parent company	
	2024	2023	2024	2023
Depreciation and disposals	3,666	24,352	–	4,139
Impairment of accounts receivable	–	–	–	–
Options	–	–	–	–
Leasing	–	–	–	–
Fair value effects on conditional consideration	2,001	5,750	2,001	5,750
Adjustment for items affecting comparability		-35,673		
Other non-cash items	2,314	41	2,314	
Sum adjustments	**7,981**	**-5,530**	**4,315**	**9,889**

Note 37 Definition of key figures

Key figures	Definition / calculation
Net sales	Operating main income, invoiced costs, side income and income corrections.
Operating result before items affecting comparability	The difference between operating income and operating expenses, with the exception of items affecting comparability.
Items affecting comparability	All costs related to the restructuring of the company through the discontinuation of the Cranial PSI business line.
Operating result	Difference between reported operating income and reported operating expenses.
Result before income tax	Profit after financial income and expenses but before appropriations and taxes.
Balance sheet total	The company's total assets.
Equity ratio	Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.
Number of employees	The average number of employees based on annual working hours.

Note 38 Risk related to financial instruments

Risk management goals and principles
Through its operations, the Group is exposed to various risks related to financial instruments. Summary information on the Group's financial assets and financial liabilities divided into categories can be found in separate note, see above. The main types of risk are market risk (interest rate risk, commodity risk and currency risk), credit risk and liquidity risk.

The Group's risk management is determined by the Board and aims to minimise adverse effects on the Group's financial position and earnings.

The most significant financial risks to which the Group is exposed are described below.

Market risk
The Group is exposed to market risk through currency risk and interest rate risk as a result of both current operations and investment operations.

Currency risk
Transaction risk arises when future business transactions are expressed in a currency that is not the unit's functional currency. The Group's units do not have significant transactions in other than the unit's functional currency, which is why the Group's transaction risk is not material.

The Group has a number of holdings in foreign operations whose net assets are exposed to currency risks. The Group has elected not to hedge currency exposure arising from the net assets of the Group's foreign operations, as those are not considered material. The following table illustrates the translation risk by showing how a reasonably possible change in the currency for each foreign operation, all else equal, would affect the translation difference in other comprehensive income, which goes into the item "Reserves" in equity.

	2024	2023
USD/SEK: +/- 10%	436	105
GBP/SEK: +/- 10%	64	49

Interest rate risk
The Group's interest rate risk is currently considered small. The company has relatively low long-term borrowing. Borrowing at fixed interest rates in Swedish kronor. *For more information on the Group's borrowing, see Notes 10 and 19.*

Credit risk analysis

Credit risk is the risk that a counterparty will not fulfil an obligation to the Group. The assessment for the group also includes the parent company. The Group is exposed to this risk for various financial instruments, e.g. through claims on customers. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets on December 31, as summarised below:

	2024	2023
Types of financial assets – reported values:		
Cash and cash equivalents	100,858	165,938
Accounts receivable and other receivables	26,385	25,462
Other long-term receivables	–	–
Total	**127,243**	**191,400**

The Group continuously monitors cancelled payments from customers and other counterparties, identified individually or in groups by the Group, and incorporates this information into its credit risk checks. If external credit ratings and / or reports concerning customers and other counterparties are available at a reasonable cost, these are collected and used. The Group's policy is to only do business with creditworthy counterparties.

Other long-term receivables consist almost exclusively of rental deposits regarding the Parent company's premises in Fyrislund, Uppsala. The credit risk regarding this rental deposit is considered immaterial.

The Group's management believes that all of the above financial assets that have not been written down or due for payment on December 31 2023 have a high credit quality.

Accounts receivable

On December 31, the Group has certain accounts receivable that are not settled at the agreed due date, but which are not considered uncertain. The amounts as of December 31 specified by time after due date are:

	2024	2023
Overdue:		
No more than three months	7,717	9,583
More than three months but not more than six months	64	312
More than six months or more	1,046	563
Total	**8,827**	**10,458**

The Group applies the simplified method in IFRS 9 of accounting for the expected credit losses over the remaining maturity of all accounts receivable as those items do not contain a significant financing component.

In assessing the expected credit losses, accounts receivable have been assessed collectively because they have common credit risk characteristics.

Group

2024-12-31	Not due	0-6 months	More than 6 months	More than 12 months	Total
Expected credit loss	0%	0%	25%	100%	
Reported value, gross	17,897	7,781	–	1,046	**26,724**
Expected credit losses for the remaining term	–	–	–	-1,046	**-1,046**

2023-12-31	Not due	0-6 months	More than 6 months	More than 12 months	Total
Expected credit loss	0%	0%	25%	100%	
Reported value, gross	13,020	9,846	205	359	**23,430**
Expected credit losses for the remaining term	–	–	-51	-359	**-410**

The parent company has not made any provision for expected credit losses.
Reconciliation between the accounts receivables' loss provision as of December 31, 2020 and the opening loss provision is shown below:

Opening loss reserve 1 January 2023	-27
Unutilised loss reserve that is returned during the year	-383
Loss reserve as of December 31, 2023	-410
Loss provisions reported during the year	-636
Loss reserve as of 31 December 2024	-1,046

The credit risk attributable to liquid funds is considered negligible as the counterparts are renowned banks with high external credit ratings.

Liquidity risk analysis

Liquidity risk is the risk that the Group will not be able to meet its obligations. The Group manages liquidity needs by monitoring planned loan payments for long-term financial liabilities as well as forecast payments and disbursements in day-to-day operations. The data used to analyse these cash flows are consistent with those used in the analysis of agreed maturities below. Liquidity needs are monitored on an ongoing basis. Long-term liquidity needs for a period of approximately 180 days and 360 days are identified periodically to ensure the liquidity need over a 12-month period. As of the balance sheet date, the company's liquidity reserve amounts to approximately TSEK 124,653 (151,366). The analysis shows that the available reserve is expected to be sufficient during this period. The Board has considered different scenarios regarding the impact on the company's cash flow linked to COVID-19.

As of 31 December 2023, the group has financial liabilities and provisions that can be summarised as follows:

Group	Short term		Long term	
2024-12-31	Within 6 months	6-12 months	1–5 years	Later than 5 years
Liabilities to credit institutions	214	–	–	–
Interest on liabilities to credit institutions	4	–	–	–
Accounts payable	5,830	–	–	–
Leasing debt	360	360	1,032	–
Additional purchase price	2,680	–	49,245	5,456
Total	**9,088**	**360**	**50,277**	**5,456**

This can be compared with the maturities in previous reporting periods for the group financial liabilities and provisions that are not derivatives as follows:

	Short term		Long term	
2023-12-31	Within 6 months	6-12 months	1–5 years	Later than 5 years
Liabilities to credit institutions	257	257	214	–
Interest on liabilities to credit institutions	25	15	4	–
Accounts payable	9,915	–	–	–
Leasing debt	411	411	1,602	–
Additional purchase price	1,292	–	30,923	21,777
Total	**11,900**	**683**	**32,743**	**21,777**

Parent company	Short term		Long term	
2024-12-31	Within 6 months	6-12 months	1–5 years	Later than 5 years
Liabilities to credit institutions	214	–	–	–
Interest on liabilities to credit institutions	4	–	–	–
Accounts payable and other liabilities	3,427	–	–	–
Leasing debt	–	–	–	–
Total	**3,645**	**0**	**0**	**0**

This can be compared with the maturities in previous reporting periods for the group financial liabilities and provisions that are not derivatives as follows:

	Short term		Long term	
2023-12-31	Within 6 months	6-12 months	1–5 years	Later than 5 years
Liabilities to credit institutions	257	257	214	–
Interest on liabilities to credit institutions	25	15	4	–
Accounts payable and other liabilities	9,383	–	–	–
Leasing debt	–	–	–	–
Total	**9,665**	**272**	**218**	**0**

Note 39 Proposal for disposal of the parent company profit or loss

At the disposal of the Annual General Meeting, amounts in SEK:

Share premium	886,804,471
Retained earnings from previous years	-658,485,747
Profit for the year	-50,883,231
	177,435,493
The Board proposes that the retained earnings be treated so that it	
Is balanced in a new account	177,435,493
	177,435,493

Note 40 Certification

The Board's declaration
The Board of Directors and the CEO ensure that the consolidated accounts and the annual accounts have been prepared in accordance with IFRS and generally accepted accounting principles, respectively, and provide a true and fair view of the position and earnings of the Group and the parent company. The Board of Directors' Report for the Group and the Parent Company provides a true and fair view of the Group's and the Parent Company's operations, status and results, and describes the significant risks and uncertainties that the Parent Company and the companies that are part of the Group face.

The Group and the Parent Company earnings and position in general are shown in the previous income statements and balance sheets, cash flow analyses and notes.

The Group's and parent company's report on earnings and financial position will be subject to confirmation at the Annual General Meeting on June 11, 2025.

This report has been prepared in both Swedish and English. In the event of discrepancies between the versions, the Swedish version applies.

Uppsala, May 13, 2025.

Morten Henneveld
CEO

Simon Cartmell
Chairman of the Board

Viktor Drvota
Board member

Håkan Engqvist
Board member

Newton Xavier Aguiar
Board member

Anders Qvarnström
Board member

Jill Schiaparelli
Board member

Our audit report was submitted on May 13, 2025
Ernst & Young AB

Oskar Wall
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of OssDsign AB (publ), corporate identity number 556841-7546

REPORT ON THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Statement
We have performed an audit of the annual report and consolidated financial statements for OssDsign AB (publ) for the year 2024. The company's annual report and consolidated financial statements are included on pages 28–76 of this document.

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and present fairly, in all material aspects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounting Act and present fairly, in all material respects, the Group's financial position as of 31 December 2024 and financial performance and cash flow for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the Annual General Meeting adopt the income statement and balance sheet for the parent company and the group.

Basis for statements
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and consistent as a basis for our opinions.

Other information than the annual report and consolidated financial statements
This document also contains information other than the annual report and consolidated financial statements and is found on pages 1–27. The Board of Directors and the CEO are responsible for this other information.

Our statements regarding the annual report and consolidated financial statements do not include this information and we do not express any form of assurance conclusion regarding this information.

In connection with our audit of the annual report and consolidated financial statements, it is our responsibility to read the information identified above and to consider whether the information is materially inconsistent with the annual report and consolidated financial statements. In this procedure, we also consider the knowledge we have otherwise acquired during the audit and assess whether the information otherwise appears to contain material misstatements.

If, based on the work carried out on this information, we conclude that the other information contains a material misstatement, we are obliged to report this. We have nothing to report in that regard.

Responsibilities of the Board of Directors and the CEO
The Board of Directors and the CEO are responsible for ensuring that the annual report and consolidated financial statements are prepared and that they give a true and fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for the internal control which they deem necessary to prepare the annual report and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual report and consolidated financial statements, the Board of Directors and the CEO are responsible for assessing the Company's ability to continue operations. They shall disclose, where applicable, circumstances that may affect the ability to continue operations and to use the going concern assumption. However, the going concern assumption does not apply if the Board of Directors and the CEO intend to liquidate the company, to cease operations or have no realistic alternative to doing either.

Auditor's responsibility
Our objectives are to obtain a reasonable degree of assurance that the annual report and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to provide an auditor's report containing

our opinions. Reasonable assurance is a high degree of assurance, but is no guarantee that an audit carried out in accordance with ISA and generally accepted auditing practice in Sweden will always detect a material misstatement, if any. Errors may arise from irregularities or mistakes and are considered material if they can reasonably be expected, individually or together, to influence the financial decisions taken by users on the basis of the annual report and consolidated financial statements.

As part of an ISA audit, we use professional judgment and maintain a professional skeptical attitude throughout the audit. Besides:

- Identify and assess the risks of material misstatement in the annual report and consolidated financial statements, whether due to fraud or error, design and perform audit procedures based on those risks, among other things, and obtain audit evidence that is sufficient and appropriate to form the basis of our opinions. The risk of failing to detect material error resulting from irregularities is higher than that of material error resulting from mistakes, since irregularities may involve collusion, falsification, deliberate omissions, incorrect information or failure to comply with internal control.
- Obtain an understanding of the part of the company's internal control that is relevant to our audit in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of the accounting principles used and the reasonableness of the Board of Directors and the CEO's estimates in the financial statements and related disclosures.
- Conclude on the appropriateness of the Board of Directors and the CEO using the going concern assumption in the preparation of the annual accounts and consolidated financial statements. We also draw a conclusion, based on the audit evidence obtained, whether there is any material uncertainty relating to events or circumstances that could give rise to significant doubts as to the company's ability to continue operations. If we conclude that there is a material element of uncertainty, we must draw attention in the auditor's report to the information in the annual accounts concerning the material uncertainty or, if such information is insufficient, modify the opinion on the annual accounts and the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause a company to no longer be able to continue operations.
- Evaluate the overall presentation, structure and content of the annual and consolidated financial statements, including the disclosures, and whether the annual accounts and consolidated financial statements present the underlying transactions and events in a fair manner.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other things, the planned scope and focus of the audit and the timing of it. We also need to inform more about significant findings during the audit, including any significant deficiencies in internal control that we identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Statements

In addition to our audit of the annual report and the consolidated Financial Statements, we have also performed an audit of the Board of Directors' and the CEO's management of OssDsign AB (publ) for the year 2024 and of the proposed appropriation of the company's profit or loss.

We recommend that the Annual General Meeting dispose of the profit in accordance with the proposal in the Board of Directors' report and discharge the members of the Board of Directors and the Managing Director from liability for the financial year.

Basis for statements

We have carried out the audit in accordance with generally accepted auditing practice in Sweden. Our responsibilities under this section are described in more detail in the section Auditor's Responsibilities. We are independent in relation to the parent company and the Group in accordance with generally accepted auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and consistent as a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed appropriation of the company's profit or loss. In the case of a dividend proposal, this includes, among other things, an assessment of whether the dividend is justifiable with regard to the requirements that the company's and the group's business nature, scope and risks place on the size of the parent company's and the group's equity, consolidation needs, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

Our objective with regard to the audit of the management, and thus our discharge opinion, is to obtain audit evidence in order to be able to assess with a reasonable degree of certainty whether the Board of Directors or the Chief Executive Officer in any material respect:

- has taken any action or been guilty of any negligence that may give rise to liability for damages against the company, or
- acted in any other way in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but no guarantee that an audit carried out in accordance with generally accepted auditing practice in Sweden will always detect actions or omissions that may give rise to liability for compensation to the company, or that a proposal for the allocation of the company's profit or loss is not in accordance with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Uppsala May 13, 2025

Ernst & Young AB

Oskar Wall
Authorized Public Accountant

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