

2024

Interim Report
for the second quarter

January – June 2024



Interim Report for the second quarter of 2024

January 1 – June 30, 2024

The second quarter in figures

- Net sales amounted to TSEK 29,737 (23,997), corresponding to a growth of 143%, or 139% with constant exchange rates, compared to the relevant Q2 numbers 2023.
- The U.S. business continued its very strong growth, quarter on quarter, and has now demonstrated 9 consecutive quarters of triple digit growth.
- Gross margin of 93.2% vs a blended margin of 74.6% in the same quarter in the previous year.
- Operating loss of TSEK 15,295 (21,328). Sales variable costs increased whereas non-sales variable costs decreased compared to the previous year. Total operating expenses increased vs the previous year, driven by higher commissions.
- Loss after taxes amounted to TSEK 15,689 (20,362).
- Earnings per share improved to SEK -0.2 (-0.3).
- Cash flow from operating activities was TSEK -18,449 (-23,072), which was better than the previous year as well as the previous quarter, despite the final cash effect of the non-recurring cost accruals.

- Gross margin of 93.4% vs a blended margin of 72.6% in the same period in the previous year.
- Operating loss of TSEK 27,329 (44,945). Sales variable costs increased whereas non-sales variable costs decreased compared to the previous year. Total operating expenses increased vs the previous year, driven by higher commissions.
- Loss after taxes amounted to TSEK 26,837 (43,527).
- Earnings per share improved to SEK -0.3 (-0.6).
- Cash flow from operating activities was TSEK -46,652 (-49,774), which was better than the previous year.

Important events during the second quarter

- OssDsign awarded long-term agreement with Premier, Inc.
- OssDsign expands military access with new contract covering 100 additional VA orthopedic hospitals.
- 5,000 patients treated with OssDsign Catalyst® in the U.S.

Important events after the end of the second quarter

- There were no important events to report after the end of the second quarter.

The first half year in figures

- Net sales amounted to TSEK 56,766 (45,463), corresponding to a growth of 170% compared to the relevant first half year numbers 2023.

Financial overview

	2024	2023	2024	2023	2023
<i>The group</i>	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Net sales, TSEK	29 737	23 997	56 766	45 463	112 157
Operating result, TSEK	-15 295	-21 328	-27 329	-44 945	-91 956
Result for the period, TSEK	-15 689	-20 362	-26 837	-43 527	-130 493
Equity ratio, %	73%	69%	73%	69%	70%
Earnings per share, SEK	-0.2	-0.3	-0.3	-0.6	-1.6
Average number of employees	264	49.5	26.1	50.6	478



“ We have now completed our first half-year as a pure play orthobiologics company and with that, we have undoubtedly entered a new era with proven higher margins and larger scalability. ”

Reaching milestone in orthobiologics sales

The second quarter of 2024 saw a continuation of the strong underlying momentum and resulted in the company reaching the major milestone of SEK 100 million in orthobiologics sales on a rolling 12-month basis, only approximately two years after recording the first meaningful sales.

The second quarter also marked another quarter with triple-digit growth in the U.S. market, making it nine quarters in a row. During the period, we also announced that more than 5,000 patients in the U.S. had been treated with OssDsign Catalyst. This is a significant leap from the 1,000 patients we reported in May 2023, demonstrating the rapid pace with which we are building our orthobiologics business.

Net sales in the second quarter amounted to SEK 29.7 million, corresponding to a reported growth of 143% compared to the same period last year and 139% growth at constant exchange rates. Gross margin was also a strong result at 93.2%, compared to a 74.6% blended rate during the same period last year.

Continuously expanding access in the U.S market

In recent years, we have consistently expanded our access into the U.S. market, and in the second quarter, we made further progress in that area, winning a new contract with the U.S. Department of Veteran Affairs (VA), which, combined with previous contract wins in 2021 and 2023, means that we now have full access to all active military and veteran hospitals and clinics.

At the beginning of April, we also reached another important milestone winning a GPO contract with Premier, one of the largest healthcare improvement companies in the U.S. The contract, which came into force on July 1, encompasses an extensive network of approximately 4,350 U.S. hospitals, health systems, and more than 300,000 other providers and organizations.

Meaningful investments in clinical programs are paying off

In the first quarter of 2024, we reported a solid 1-year outcome of our TOP FUSION study with a high fusion rate of 93% and rapid bone formation across all patients. In 2022, we also started to build our prospective spinal fusion registry, PROPEL, with the objective of gathering clinical evidence from a real-world setting. During the second quarter, we saw the first peer-reviewed publications from the registry with a case report from a very challenging patient showing complete fusion of all three levels already after 6 months. This was followed up by a second publication towards the end of the quarter, where rapid bone formation occurred even earlier than expected, with corresponding clinical improvement in a two-level ACDF case. Going forward, we will continue to generate and publish further clinical evidence to support the ongoing commercialization effort.

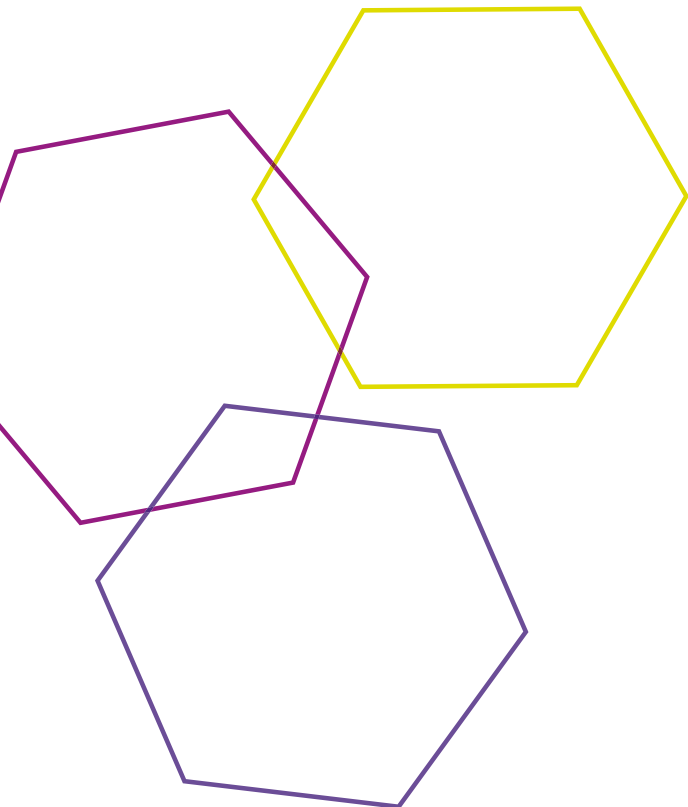
A new era with significant untapped growth potential

We have now completed our first half-year as a pure play, US focused, orthobiologics company and with that, we have undoubtedly entered a new era with high growth, greater scalability and higher margins, not least exemplified by the exceptional increase in gross margin. The strategic pivot means we can now focus on a very large and attractive market with solid underlying growth, driven by an aging population that increases demand for spinal surgeries and surgeons' preferences that keep moving towards the latest generation of synthetic bone grafts.

We have managed to build broad access and a solid customer base in a short period of time. However, it is important to remember that the company is still at an early commercialization stage with significant untapped potential for growth. To fully capitalize on that growth opportunity, we will continue to invest in building a larger and stronger company with a greater U.S. presence, improved market coverage, new products, and further real-world relevant clinical evidence. Given our broader regulatory clearance for use in the U.S., we will also enter new orthopedic segments outside our strategic focus area in Spine, with the initial steps already taken into the Extremities segment.

In sum, I am very proud that we have reached the major milestone of SEK 100 million in orthobiologics sales on a rolling 12-month basis. Yet, we have even bigger opportunities ahead of us, and I look forward to working with my OssDsign colleagues, shareholders, and other stakeholders to continue building a highly successful growth company.

Morten Henneveld, CEO



Statement of Operations

OssDsign is a developer and global provider of next generation orthobiologic 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.

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

Nearly 80% of Americans experience low back pain at some point in their lives and more than 1.5 million undergo spinal surgery each year, of which approximately half will need a so-called fusion surgery. Today approximately 20% of these surgeries are unsuccessful due to the lack of proper fusion (non-union). Bone graft plays a crucial role in the surgery to stimulate bone growth. The major advances provided by orthobiologic products are resulting in a shift in spinal surgery, as the use of synthetic bone graft substitutes has become more common to avoid the need to utilise allograft or iliac crest autograft.

Traditional synthetic materials share similarities with bone tissue at a macro level, rather than on a nano level, leading to a less effective bone formation response. OssDsign Catalyst is a latest-generation nanosynthetic bone graft composed of a proprietary nanocrystalline silicate calcium phosphate. Being similar to the body's own bone mineral architecture, OssDsign Catalyst provides a favorable bone biology environment for rapid and reliable bone formation.

Clear commercial advantages

OssDsign Catalyst is a high gross margin product with great scalability and large potential in the market for standard procedures, enabling extensive growth. OssDsign Catalyst received FDA clearance in 2020 and has been very well received in the U.S. market since its launch in August 2021. By the end of the second quarter 2024, more than 5,000 patients had been treated with OssDsign Catalyst in the U.S.

Improved patient outcomes

OssDsign Catalyst received FDA clearance in 2020 based on preclinical results from the most established and demanding non-clinical model for spinal fusion – the Boden model. OssDsign Catalyst surpasses results typically seen with other synthetic bone grafts used in this model.

This has also been confirmed in the clinical study TOP FUSION where top-line results show a 93% spinal fusion rate at 12 months after surgery with the novel nanosynthetic bone graft. 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. This is also in line with the first post-market safety report that was published in November 2022, which did not record any device-related complaints or device-related adverse events.

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. Altogether, OssDsign Catalyst has the proven potential to improve the success rates of spinal surgeries – a much-welcomed development for the millions of patients who require a spinal fusion to regain an active and healthy life.

Post-pandemic impacts continue

The COVID-19 pandemic continues to cause staff shortages and delays in hospital approval processes and planned surgeries. This continues to be a challenge for the healthcare system and could, consequently, also negatively impact the company's results. The underlying demand for OssDsign products in the mid to long term, however, remains intact and OssDsign expects to see a continued improvement in the situation during 2024.

USD 1.8 billion

The U.S. market value for orthobiologics in spinal surgeries.

Development of profit and financial position

SECOND QUARTER

Sales and Gross margin

The OssDsign Group net sales for the second quarter of 2024 amounted to TSEK 29,737 (23,997). All sales now derive from orthobiologics sales in the U.S., which in the corresponding quarter 2023 amounted to TSEK 12,256. The relevant comparison corresponds to a sales growth of 143% vs Q2 2023, or 139% with constant exchange rates. This continued strong underlying growth, quarter on quarter, also means the U.S. has now demonstrated nine consecutive quarters of triple digit growth.

In the same period the parent company's Net sales amounted to TSEK 743 (12,345), due to timing differences and inventory held in the U.S. As end customer sales no longer match intra-group sales from a timing perspective, the OssDsign Group's official external sales will always differ from the internal sales recorded in the parent company.

Gross margin continued to develop well in the second quarter to reach 93.2% vs a blended margin of 74.6% in the corresponding quarter 2023. Given the nature of the business and the still early stage of commercialization, the gross margin may be subject to some level of fluctuation as production is ramping up.

Operating result

The operating result for the period April - June 2024 amounted to TSEK -15,295 (-21,328), demonstrating continued improved operating leverage. Sales variable costs, including sales commissions and accruals, were higher than in the previous year, whereas all other non-sales variable costs were lower. Total operating expenses increased compared to the second quarter in the previous year, as well as compared to the previous quarter in 2024. In both comparisons, the increase was primarily driven by higher commissions, with the comparison to Q1 2024 also being significantly affected by exchange rate effects, which generated a negative swing of MSEK -1.8 between quarters. As outlined in the Q1 report, the company is transitioning more functions to the U.S., which will lead to an increased level of non-sales variable costs, both in terms of personnel and even more so in terms of project costs. In the second quarter, the increase in non-sales variable costs compared to the previous quarter was mainly personnel cost driven.

Cash flow, investments and financial position

At the beginning of the period, cash and cash equivalents amounted to TSEK 137,728 and at the end of the period they were TSEK 118,787. Cash flow from operating activities amounted to TSEK -18,449 (-23,072), showing solid underlying improvement, even though the final negative cash effect from the non-recurring cost accruals in 2023 impacted the quarter. Net working capital developed favourably, especially considering the outflow related to the non-recurring cost accruals. The main positive NWC driver was the improvement in accounts receivable, as a result of a conscious effort over the past quarters, with specific targetting of the remaining cranial implant receivables.

Total cash flow for the period was TSEK -18,795 (-22,363). Investments in tangible fixed assets amounted to TSEK 0 (-28) in the period.

FIRST HALF YEAR

Sales and Gross margin

The OssDsign Group net sales for the first half year of 2024 amounted to TSEK 56,766 (45,463). All sales now derive from orthobiologics sales in the U.S., which in the corresponding period in 2023 amounted to TSEK 21,060. The relevant comparison corresponds to a sales growth of 170% vs the first half year in 2023.

In the same period the parent company's Net sales amounted to TSEK 2,754 (26,982), due to timing differences and inventory held in the U.S.

Gross margin continued to develop well in the second quarter to reach 93.4% for the first half year vs a blended margin of 72.6% in the corresponding period 2023. Given the nature of the business and the still early stage of commercialization, the gross margin may be subject to some level of fluctuation as production is ramping up, however the first half of 2024 has shown only minor differences between quarters.

Operating result

The operating result for the period January - June 2024 amounted to TSEK -27,329 (-44,945), demonstrating continued improved operating leverage. Sales variable costs, including sales

commissions and accruals, were higher than in the previous year, whereas all other non-sales variable costs were lower. Total operating expenses increased, albeit not significantly, compared to the first half year in 2023, driven by higher commissions. As outlined in the Q1 report, the company is transitioning more functions to the U.S., which will lead to an increased level of non-sales variable costs, both in terms of personnel and even more so in terms of project costs.

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 118,787. Cash flow from operating activities amounted to TSEK -46,652 (-49,774), showing solid underlying improvement despite the combined negative cash effects over the first two quarters from 2023 year-end bonus accruals as well as from the non-recurring cost accruals related to the discontinuation of the cranial business line. Net working capital developed favourably in the first half year, adjusted for the mentioned 2023 accruals, with a particular positive effect deriving from the improvement in accounts receivable.

Total cash flow for the period was TSEK -47,336 (-51,401). Investments in tangible fixed assets amounted to TSEK 0 (-75) in the period.

IMPORTANT EVENTS DURING THE SECOND QUARTER

OssDsign awarded long-term agreement with Premier, Inc.

On April 2, OssDsign announced that the company would be awarded a new group purchasing (GPO) agreement for Bone and Bone Substitute Implantable Products with Premier, Inc., a leading U.S. healthcare improvement company uniting an alliance of approximately 4,350 U.S. hospitals and health systems and more than 300,000 other providers and organizations. The agreement is for a period of three years. Effective July 1, 2024, the agreement allows Premier members, at their discretion, to take advantage of 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

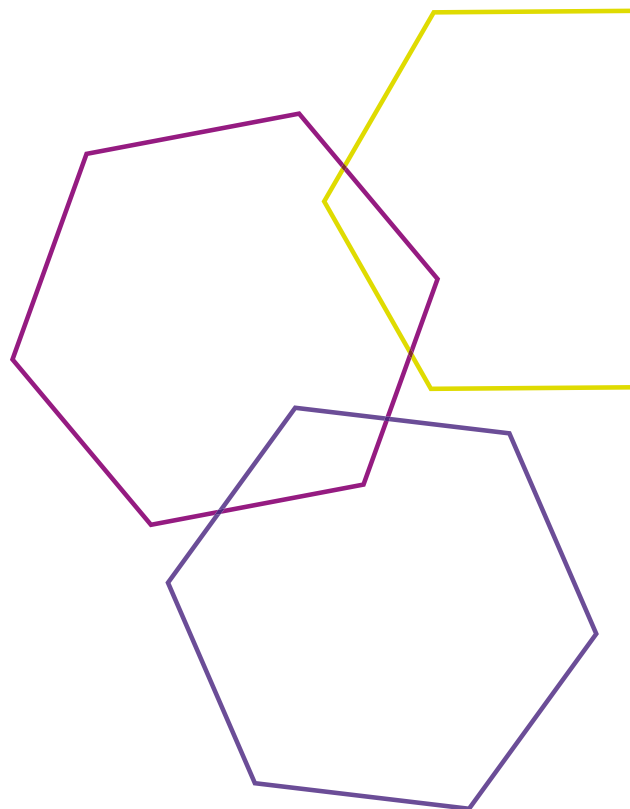
On April 29, OssDsign announced that the company has been awarded a new Veteran Affairs (VA) contract which covers approximately 100 additional VA orthopedic hospitals nationwide, giving OssDsign increased access to the important U.S. military market. The new contract is a continuation of OssDsign's collaboration with Red One Medical.

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

On May 30, OssDsign announced that the company continues its successful penetration of the U.S. orthobiologics market. To date, 5,000 patients have been treated with the innovative nanosynthetic bone graft OssDsign Catalyst.

IMPORTANT EVENTS AFTER THE END OF THE SECOND QUARTER

There were no important events to report after the end of the second quarter.



OTHER DISCLOSURES

Ownership structure

At the end of the second quarter, there were 3,500 registered shareholders in OssDsign AB, of which the five largest shareholders owned more than or close to 5.0% each and the ten largest shareholders together owned more than 56.3% of the capital and voting rights. The total number of shares was 97,658,920. The largest shareholders on June 30, 2024, were Försäkringsaktiebolaget Avanza Pension, TAMT AB and Karolinska Development AB.

Group structure

OssDsign AB is the parent company of the Group which, in addition to OssDsign AB, consists of the wholly owned subsidiaries OssDsign Ltd with its registered office in England, OssDsign USA Inc with its registered office in Maryland, USA, and Sirakoss Ltd with its registered office in Scotland. OssDsign's operations are mainly conducted through the parent company OssDsign AB, based in Uppsala, with the sales activities being conducted solely through OssDsign USA Inc from January 1, 2024.

Employees

At the end of the period, there were a total of 27 (50) employees, of whom 37% were women. This includes employees in Sweden, the U.K. and the U.S.

Financing

The Board regularly reviews the company's existing and forecasted cash flows to ensure that the company has the funds and resources required to conduct the business and the strategic direction decided by the Board. The company's long-term cash requirements are largely determined by how successful current and future products will be on the market. In order to satisfy requirements in the medium to long term, the company raised SEK 150 million in gross proceeds through a directed share issue in 2023. As of June 30, 2024, the group's cash and cash equivalents amounted to SEK 118.8 million. The board deems the current liquidity to be 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.

Transactions with related parties

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

As of the closing date, the Parent Company has a claim on OssDsign USA Inc of TSEK 10,804 and a liability to Sirakoss Ltd of TSEK 998.

Risks and uncertainties

OssDsign risks and uncertainties include, but are not limited to, financial risks such as future financing, foreign exchange and credit risks. In addition to market risks, there are risks related to OssDsign operations, such as obtaining the necessary government licenses, product development, patents and intellectual property rights, product liability and forward-looking information that may affect the Company.

In addition, developments in recent years have also introduced war, inflation, energy cost increases and interest rate risks to the agenda, all of which may come to affect access to raw materials, distribution, cost of goods and services, as well as customer demand and access to capital. Further information regarding the Company's risk exposure can be found on pages 31 and 72-75 of the OssDsign Annual Report 2023.

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

Condensed consolidated income statement

SEK 000'	2024	2023	2024	2023	2023
	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Net sales	29 737	23 997	56 766	45 463	112 157
Cost of sales	-2 036	-6 083	-3 750	-12 435	-28 512
Gross profit	27 701	17 913	53 016	33 028	83 646
Sales commissions and fees	-15 091	-7 138	-28 319	-12 898	-46 785
Selling expenses	-9 579	-13 336	-18 312	-26 119	-46 729
R&D expenses	-5 709	-6 514	-11 232	-14 156	-28 765
Administrative expenses	-11 777	-11 562	-22 539	-24 502	-49 923
Other operating income	24	-	24	18	487
Other operating expense	-864	-690	33	-316	-3 887
Operating result	-15 295	-21 328	-27 329	-44 945	-91 956
Non-recurring costs	-	-	-	-	-35 673
Net financial items	-81	1 169	671	1 079	-3 026
Result before income tax	-15 377	-20 159	-26 658	-43 866	-130 655
Income tax	-313	-203	-179	339	162
RESULT FOR THE PERIOD	-15 689	-20 362	-26 837	-43 527	-130 493
Earnings per share					
Earnings per share, SEK	-0.2	-0.3	-0.3	-0.6	-1.6

Consolidated summary statement of comprehensive income

SEK 000'	2024	2023	2024	2023	2023
	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Profit/loss for the period	-15 689	-20 276	-26 837	-43 527	-130 493
Conversion difference	-47	408	553	371	-5 535
Other comprehensive income for the period	-47	408	553	371	-5 535
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-15 736	-19 867	-26 284	-43 156	-136 028

Consolidated summary balance sheet

	2024	2023	2023
SEK 000'	June 30	June 30	Dec 31
ASSETS			
<i>Fixed assets</i>			
Intangible assets	149 149	150 905	150 535
Tangible fixed assets	2 144	11 987	2 454
Financial assets	152	2 470	2 458
Total fixed assets	151 445	165 362	155 448
<i>Current assets</i>			
Inventories	10 174	5 674	4 304
Accounts receivable	20 407	15 928	23 020
Tax receivable	530	–	314
Other receivables	977	2 532	2 442
Prepayments	4 136	3 224	4 923
Cash and cash equivalents	118 787	73 562	165 938
Total current assets	155 010	100 921	200 942
TOTAL ASSETS	306 455	266 283	356 389

	2024	2023	2023
SEK 000'	June 30	June 30	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES			
Equity	224 848	183 577	251 132
Total equity	224 848	183 577	251 132
<i>Long-term liabilities</i>			
Mortgage debts	–	471	214
Finance lease liabilities	1 310	8 471	1 602
Other liabilities	55 829	50 504	56 109
Total long-term liabilities	57 139	59 445	57 924
<i>Current liabilities</i>			
Mortgage debts	471	513	513
Accounts payable	6 484	4 781	9 915
Finance lease liabilities	818	2 637	821
Tax liability	–	455	–
Other current liabilities	894	1 748	3 190
Accrued expenses and deferred income	15 803	13 640	32 894
Total current liabilities	24 469	23 775	47 334
Total liabilities	81 608	83 221	105 258
TOTAL EQUITY AND LIABILITIES	306 455	266 797	356 389

Consolidated change in shareholder's equity in summary

<i>SEK 000'</i>	Share Capital	Subscribed Capital Unpaid	Other Capital Contributions	Reserves	Profit (loss) brought forward	Total Equity
Opening balance 2023-01-01	4 459	-	658 492	1 330	-437 547	226 734
Profit/loss for the period	-	-	-	-	-43 527	-43 527
Other comprehensive income	-	-	-	370	-	370
Total comprehensive income	-	-	-	370	-43 527	-43 157
<i>Transactions with shareholders</i>						
Warrant program	-	-	-	-	-	-
New share issue	-	-	-	-	-	-
Issue expenses	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-
CLOSING BALANCE 2023-06-30	4 459	-	658 492	1 700	-481 073	183 578
Opening balance 2024-01-01	5 574	-	796 670	17 173	-568 285	251 132
Profit/loss for the period	-	-	-	-	-26 837	-26 837
Prior year adjustment	-	-	-	-	-	-
Other comprehensive income	-	-	-	553	-	553
Total comprehensive income	-	-	-	553	-26 837	-26 284
<i>Transactions with shareholders</i>						
Warrant programmes	-	-	-	-	-	-
New share issue	-	-	-	-	-	-
Issue expenses	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-
CLOSING BALANCE 2024-06-30	5 574	-	796 670	17 726	-595 122	224 848

Consolidated summary statement of cash flow

	2024	2023	2024	2023	2023
SEK 000'	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Operating activities					
Operating result	-15 295	-21 328	-27 329	-44 945	-91 956
Non cash adjustment	3 232	2 144	4 144	6 006	-12 232
Financial items	-81	1 423	671	1 247	-3 026
Income taxes paid/received	-540	-860	-646	-87	-677
	-12 684	-18 621	-23 160	-37 780	-107 891
Changes in inventories	-1 220	-431	-5 752	-1 176	-5
Changes in receivables	1 961	-849	6 228	-2 480	-7 580
Changes in current liabilities	-6 505	-3 171	-23 968	-8 337	20 616
Total change in working capital	-5 764	-4 451	-23 492	-11 993	13 030
Cash flow from operating activities	-18 449	-23 072	-46 652	-49 774	-94 861
Investment activities					
Proceeds and purchase of intangible assets, net	-	-	-	-	-
Proceeds and purchase of property, plant and equipment, net	-	-28	-	-75	828
Proceeds and purchase of subsidiaries and activities, net	-	-	-	-	-
Cash flow from investment activities	-	-28	-	-75	828
Financing activities					
New share issue	-	-	-	-	150 000
Share issue costs	-	-	-	-	-11 145
Warrants	-	-	-	-	-1
Proceeds/repayments from borrowings, net	-128	-129	-257	-257	-513
Repayment of lease liabilities	-218	868	-428	-1 294	-2 945
Cash flow from financing activities	-346	739	-684	-1 551	135 395
Cash flow for the period	-18 795	-22 363	-47 336	-51 401	41 362
Cash and cash equivalents at the beginning of the period	137 728	95 611	165 938	124 653	124 653
Exchange rate adjustments – cash, cash equivalents and overdrafts	-146	314	185	310	-76
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	118 787	73 562	118 787	73 562	165 938

Condensed summary income statement, parent company

SEK 000'	2024	2023	2024	2023	2023
	Apr 1 – Jun 30	Apr 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Jun 30	Jan 1 – Dec 31
Net sales	743	12 345	2 754	26 982	52 948
Cost of goods sold	-1 982	-6 010	-3 669	-12 100	-31 010
Gross profit	-1 239	6 335	-915	14 882	21 939
Sales commissions and fees	-35	-459	-358	-1 203	-3 020
Selling expenses	-2 585	-9 941	-3 597	-23 116	-46 036
R&D expenses	-4 862	-4 687	-8 001	-10 068	-22 356
Administrative expenses	-7 948	-11 557	-16 067	-23 106	-56 123
Other operating income	24	-	24	18	487
Other operating expense	-	-	-	-	-4 688
Operating result	-16 645	-20 308	-28 913	-42 592	-109 797
Costs not included in operating profit/loss	-	-	-	-	-
Net financial items	-98	1 337	658	1 249	-2 970
Result before income tax	-16 743	-18 971	-28 256	-41 344	-112 767
Income tax	-	-	-	-	-74
RESULT FOR THE PERIOD	-16 743	-18 971	-28 256	-41 344	-112 841

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

Summary balance sheet, parent company

	2024	2023	2023
SEK 000'	Jun 30	Jun 30	Dec 31
ASSETS			
<i>Fixed assets</i>			
Intangible assets	–	–	–
Tangible fixed assets	–	1 268	–
Financial assets	137 687	140 002	140 002
Total fixed assets	137 687	141 270	140 002
<i>Current assets</i>			
Inventories	10 113	5 547	4 288
Accounts receivable	140	4 792	1 132
Intercompany receivables	10 804	8 749	14 763
Tax receivable	–	84	–
Other receivables	952	2 465	2 419
Prepayments	3 435	3 252	4 606
Cash and cash equivalents	110 771	67 515	160 936
Total current assets	136 215	92 406	188 144
TOTAL ASSETS	273 902	233 675	328 146

	2024	2023	2023
SEK 000'	Jun 30	Jun 30	Dec 31
SHAREHOLDER EQUITY AND LIABILITIES			
<i>Equity</i>			
Equity	207 250	168 432	235 506
Total equity	207 250	168 432	235 506
<i>Long-term liabilities</i>			
Mortgage debts	–	471	214
Finance lease liabilities	–	–	–
Other liabilities	52 700	46 950	52 700
Total long-term liabilities	52 700	47 421	52 914
<i>Current liabilities</i>			
Mortgage debts	471	513	513
Accounts payable	5 116	3 834	9 383
Intercompany liabilities	998	2 601	3 389
Current tax liabilities	318	–	115
Other current liabilities	427	1 563	2 976
Accrued expenses and deferred income	7 260	9 311	23 580
Total current liabilities	13 952	17 822	39 726
Total liabilities	66 652	65 243	92 640
TOTAL EQUITY AND LIABILITIES	273 902	233 675	328 146

Notes

Note 1 | Accounting Principles

This summary interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations in the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act chapter 9, Interim Financial Reporting. The same accounting and valuation policies have been applied for the Group and the Parent Company as in the latest Annual Report. As of Q3 2023, the income statement table has been presented as a function-based table instead of the previous cost type-based table. This voluntary change of accounting principle provides the reader with a truer picture, more in line with practice. The effects on the comparison periods are presented in the comments and tables below. As of Q3 2023, the cash flow statement also had some minor adjustments with respect to starting point (EBIT instead of previously EBT) and IFRS 16 adjustment, also described below, but in all material aspects it remained virtually the same. Disclosures in accordance with IAS 34.16A occur in the financial reports and the accompanying notes, and also in other parts of the interim report.

INCOME STATEMENT EFFECTS

The effects of changing from a cost type-based to a function-based income statement table in Q3 2023 are displayed below and described as follows.

The cost of sales line is an amalgamation of the previous cost of material and the relevant share of personnel costs as pertains to production personnel.

The gross profit line is the sum of net sales and cost of sales. Gross margin is defined as gross profit divided by net sales.

The remainder of the old personnel costs (not production related), as well as other external expenses and depreciation, amortization & impairment losses, have been redistributed into their relevant new function lines as sales commissions and fees (sales variable costs), selling expenses (non-sales variable items), R&D expenses and administrative expenses.

Other income and expenses have been grouped together immediately above operating result. They have also been redefined so that revaluation effects on foreign currency positions, previously presented under those headings, have now been reclassified as net financial items and are presented under that heading accordingly.

Non-recurring costs was introduced as a new heading immediately below Operating result and defined to include all costs related to the restructuring of the company, brought about by the planned and communicated discontinuation of our Cranial PSI business line in 2023.

INCOME STATEMENT EFFECTS (OLD TABLE)

<i>SEK 000'</i>	2023	
	Apr 1 – Jun 30	Jan 1 – Jun 30
Net sales	12 345	45 463
Other income	1 481	1 520
Cost of material	-17 619	-6 353
Other external expenses	-11 683	-39 369
Personnel costs	-165	-39 717
Depreciation, amortisation and impairment losses	-165	-4 671
Impairment losses on financial assets	-	-65
Other expenses	-122	-466
Operating profit	-18 949	-43 658
<i>Profit from financial items</i>		
Net interest	-22	-208
Profit after financial items	-18 971	-43 866
Corporation tax for the year	-	339
Profit for the period	-18 971	-43 527

INCOME STATEMENT EFFECTS (NEW TABLE)

<i>SEK 000'</i>	2023	
	Apr 1 – Jun 30	Jan 1 – Jun 30
Net sales	23 997	45 463
Cost of sales	-6 083	-12 435
Gross profit	17 913	33 028
Sales commissions and fees	-7 138	-12 898
Selling expenses	-13 336	-26 119
R&D expenses	-6 514	-14 156
Administrative expenses	-11 562	-24 502
Other operating income	-	18
Other operating expense	-690	-316
Operating result	-21 328	-44 945
Non-recurring costs	-	-
Net financial items	1 169	1 079
Result before income tax	-20 159	-43 866
Income tax	-203	339
RESULT FOR THE PERIOD	-20 362	-43 527

CASH FLOW STATEMENT EFFECTS

In Q3 2023 the starting point for the cash flow statement was changed to Operating result rather than the previous Profit after financial items. Accordingly, financial items that impact cash flow are explicitly posted in the cash flow statement.

In alignment with IFRS 16, Repayment of lease liabilities has been broken out on a separate line under Financing activities. This was previously presented net, as a non-cash adjustment.

<i>SEK 000'</i>	Apr - Jun		Jan - Jun	
	2023 current	2023 previous	2023 current	2023 previous
Non-cash adjustments	2 144	1 741	6 006	3 441
Repayment of lease liabilities	868	-	-1 294	-

Note 2 | Estimates and assessments

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions. There has been no change in the estimates and judgments made in the Annual Report for 2023.

Note 3 | Information regarding operating segments

The Group's operations are divided into operating segments based on the parts of the business the Company's highest executive decision-maker follows up, so called "management approach". The Group's internal reporting is based on the Group management following up the operation as a whole. Based on its internal reporting, the Group has identified that the Group has only one segment.

NET SALES BY GEOGRAPHIC MARKET

SEK 000'	Apr – Jun		Jan – Jun		Jan – Dec
	2024	2023	2024	2023	2023
USA	29 737	17 237	56 766	31 292	87 311
Europe	–	6 580	–	13 886	24 394
Rest of World	–	180	–	285	453
TOTAL	29 737	23 997	56 766	45 463	112 157

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

NET SALES BY PRODUCT CATEGORY

SEK 000'	Apr – Jun		Jan – Jun		Jan – Dec
	2024	2023	2024	2023	2023
CMF	–	11 741	–	24 403	47 547
Orthobiologics	29 737	12 256	56 766	21 060	64 610
TOTAL	29 737	23 997	56 766	45 463	112 157

Note 4 | Equity

The share capital of the Parent Company consists only of fully paid ordinary shares with a nominal (quota value) value of SEK 0.0625 / share. The company has 97,658,920 class A shares.

	2024	2023
	Jan 1 – Jun 30	Jan 1 – Jun 30
Subscribed and paid shares		
At the beginning of the period	97 658 920	57 074 504
Rights issue	–	–
Directed share issue	–	–
Subscribed and paid shares	97 658 920	57 074 504
Shares for share-based payments	–	–
SUM AT THE END OF THE PERIOD	97 658 920	57 074 504

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

Signatures

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

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

Financial calendar 2024

Interim Report Q3
Year-end Report

November 5, 2024
February 4, 2025

OSSDSIGN AB – UPPSALA, AUGUST 20, 2024

Simon Cartmell
Chairman of the Board

Viktor Drvota
Board member

Newton Aguiar
Board member

Christer Fåhraeus
Board member

Jill Schiaparelli
Board member

Morten Henneveld
CEO



OSSDSIGN®

OssDsign AB, Rapsgatan 23 A, SE 754 50 Uppsala, Sweden

info@ossdsign.com

ossdsign.com



CONTACT

Morten Henneveld, CEO

+46(0)73-382 43 90

morten.henneveld@ossdsign.com

Anders Svensson, CFO

+46(0)70-272 96 40

anders.svensson@ossdsign.com