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The board of directors of OssDsign has resolved on a fully guaranteed rights issue of approximately SEK 240 million in combination with an over-allotment option of approximately SEK 30 million

The board of directors of OssDsign AB (publ) ("OssDsign" or the "Company") has resolved on a rights issue of shares with preferential rights for the Company's existing shareholders of approximately SEK 240 million (the "Rights Issue"). The Rights Issue is fully covered by subscription undertakings and guarantee commitments. Certain existing shareholders have entered into subscription commitments, amongst others SEB Venture Capital, Karolinska Development, Fourietransform, Lancelot Asset Management, Nordic Cross, Modelio Equity and members of the Company's board of directors and management team, including amongst others CEO Morten Henneveld, chairman of the board Simon Cartmell and board member Newton Aguiar, as well as undertakings from Linc to receive and utilise subscription rights (and corresponding undertakings from the existing shareholder to transfer such subscription rights). Furthermore, guarantee commitments have been provided by certain existing shareholders, amongst others Lancelot Asset Management, Modelio Equity and external investors including Linc, NYIP (Nyenburgh Holding BV) and Thomas Eklund. In addition, it is proposed that the board of directors is authorized to resolve on an over-allotment option of up to approximately SEK 30 million (the "Over-allotment Option"), conditional upon the Rights Issue being oversubscribed. The Rights Issue and the Over-allotment Option (together the "New Issues") are subject to approval by an extraordinary general meeting to be held on April 9, 2021. A notice to the extraordinary general meeting will be announced today in a separate press release. The purpose of the New Issues is to strengthen the Company's financial position and to enable planned growth initiatives in accordance with the Company's new strategy, ASCENT25.

Summary

- Through the Rights Issue, a maximum of 31,033,044 new shares may be issued.
- For each existing share held on the record date, one (1) subscription right is received. The subscription rights entitle the holder to subscribe for new shares with preferential rights, whereby five (5) subscription rights give the right to subscribe for seven (7) new shares.
- The subscription price has been set at SEK 7.75 per share which, assuming the Rights Issue is fully subscribed, amounts to proceeds of approximately SEK 240 million, before transaction costs.
- The Rights Issue is fully covered by subscription undertakings and guarantee commitments. Certain existing shareholders have entered into subscription commitments, amongst others SEB Venture Capital, Karolinska Development, Fourietransform, Lancelot Asset Management, Nordic Cross, Modelio Equity and members of the Company's board of directors and management team, including amongst others CEO Morten Henneveld, chairman of the board Simon Cartmell and board member Newton Aguiar, as well as undertakings from Linc to receive and utilise subscription rights (and corresponding undertakings from the existing shareholder to transfer such subscription rights). Furthermore, guarantee commitments have been provided by certain existing shareholders, amongst others Lancelot Asset Management, Modelio Equity and external investors including Linc, NYIP (Nyenburgh Holding BV) and Thomas Eklund.
- The subscription period will run from April 21, 2021 to May 7, 2021.
- The record date for participation in the Rights Issue with preferential rights is April 16, 2021. Last day of trading in Company's shares including right to receive subscription rights is April 14, 2021 and the first day of trading in the Company's shares without receiving subscription rights in the Rights Issue is April 15, 2021.
- Trading in subscription rights will take place on the Nasdaq First North Growth Market during the period from April 21, 2021 to May 4, 2021.
- In order not to lose the value of the subscription rights, the holder of subscription rights must either use the rights to subscribe for new shares within the subscription period or sell the subscription rights that are not to be exercised within the period for trading in subscription rights.
- The Over-allotment Option consist of up to 3,875,000 new shares and may provide OssDsign with additional proceeds of up to approximately SEK 30 million, conditional upon the Rights Issue being oversubscribed. The reason for deviating from the shareholders' preferential rights is to accommodate interest from external institutional investors and hence strengthen OssDsign's investor base. The subscription price will correspond to the subscription price in the Rights Issue.
- The intention of the New Issues of a total of approximately SEK 270 million is to strengthen the Company's financial position and to enable planned growth initiatives as a part of the Company's new strategy, ASCENT25.

- The board of directors' resolution and proposals will be stated in the notice to the extraordinary general meeting to be announced today.
- Due to the New Issues, the Company has decided to postpone the publication of the annual report for the financial year 2020, from April 16, 2021 to May 17, 2021, bring forward the interim report for the first quarter 2021, from May 12, 2021 to April 19, 2021, and postpone the annual general meeting, from May 19, 2021 to June 4, 2021.

Background and reasons in summary

OssDsign has developed a calcium phosphate material which, when implanted in a patient's body, gradually transforms into bone during the healing process. Based on this bio-ceramic material the Company has developed patient-specific cranial and facial implants and an off-the-shelf product for burr hole closure and bone flap fixation. Peer-reviewed clinical data as well as extensive post-market follow-up clinical data have shown low rates of complications when the Company's products are used for cranial reconstructions of varying complexity. OssDsign has since its inception in 2011 granted regulatory approvals in the EU, US and Japan and is successfully established in Europe and the US.

OssDsign continues to see significant potential for establishing the Company's patient-specific implant and off-the-shelf products as standard treatments for skull defects, at the same time as new applications of the existing technology platform is under development. In November 2020, OssDsign expanded into the orthobiologics market through the acquisition of Sirakoss Ltd ("**Sirakoss**"), a company that has developed a nano-synthetic bone graft substitute designed to provide surgeons an easy-to-use and effective solution for treating skeletal defects and spinal surgery. The acquisition of Sirakoss is an important step towards becoming a broader orthopaedic player and world leader within regenerative bone repair.

OssDsign has successfully completed market establishments and noticed a considerable interest in the Company's implants, resulting in a high sales growth during the past years. The Company is now ready to enter into a more expansive phase and intends to carry out a number of planned investments and initiatives to reach a positive cash flow and net sales growth. The new strategy, ASCENT25, is intended to accelerate growth, value creation and innovation of the company until 2025. The investments and initiatives are mainly within five strategic priorities: Win in the US by, amongst others, increased surgeon engagement as well as additional KOL activities and expanding sales coverage; Build Orthobiologics business by successfully commercializing the synthetic bone graft substitute added to the portfolio through the acquisition of Sirakoss; Innovate portfolio by leveraging the existing technology platforms to accelerate new product development; Show clinical superiority by investing in preclinical- and clinical studies as well as clinical registries; Drive operational efficiency by implementing initiatives to deliver scale benefits and cost reductions.

The Rights Issue is expected to provide a substantial improvement of the Company's financial position and to enable the planned growth initiatives by rendering proceeds of approximately SEK 240 million before transaction costs. The proceeds are intended to be used as follows, in order of priority:

- approximately 20 percent of the net proceeds are intended to be used for the two last cash instalments for the Sirakoss acquisition¹;
- approximately 35 percent of the net proceeds are intended to be used for the commercialisation of bone graft business developed by Sirakoss as well as expansion of the Company's marketing and sales activities by increased surgeon commitment and additional KOL activities and expansion of the sales function;
- approximately 25 percent of the net proceeds are intended to be used for pre-clinical and clinical trials, clinical registries for CMF and bone graft in the US as well as regulatory approvals;
- approximately 15 percent of the net proceeds are intended to be used for optimizing the production process, reducing COGS and delivery time as well as expansion of the portfolio to new indications and products; and
- approximately 5 percent of the net proceeds are intended to be used for general corporate purposes.

If the Over-allotment Option is utilised in its entirety, the Company receives additional proceeds of approximately SEK 30 million, before transaction costs. The potential proceeds from the Over-allotment Option are intended to be used to further strengthen the items in ii-v above.

The New Issues may provide the Company with proceeds of up to approximately SEK 270 million, before transaction costs. Given the Company's planned growth initiatives relating to the business and R&D, the Company assesses the net proceeds from the New Issues, together with existing liquidity and estimated future cash flows to be sufficient up until the Company becomes cash flow positive, which is estimated to take place in 2024. The estimation is based on assumptions about future commercial orders and prices and successful launch of the bone graft substitute including a ramp-up in sales in accordance with the Company's expectations. Deviations from said assumptions with regards to volume, price, and timing could have

¹ USD 3 million to be paid on June 30, 2021 and USD 3 million to be paid on December 31, 2021.

an effect on the Company's business, financial position and results from the ongoing operations, i.e. if and when the Company becomes cash flow positive.

Terms and additional information about the Rights Issue and the Over-allotment Option

According to the proposed terms, registered shareholders of OssDesign receive one (1) subscription right per each share held on the record date April 16, 2021. Five (5) subscription rights entitle shareholders to subscribe for seven (7) new shares. The new shares are issued at a subscription price of SEK 7.75 per share. In total, a maximum of 31,033,044 shares will be issued through the Rights Issue, corresponding to an amount of approximately SEK 240 million before transaction costs related to the Rights Issue.

The record date for determination of which shareholders are entitled to participation in the Rights Issue is April 16, 2021. The subscription period is expected to commence on April 21, 2021 and end on May 7, 2021, with a right for the Company's board of directors to prolong the subscription period. Subscription for new shares without subscription rights will take place during the same time period.

Subscription may also take place without subscription rights. In the event not all shares are subscribed for by use of subscription rights in accordance with the above, the board of directors shall, within the limit of the maximum amount of the Rights Issue, decide on allotment of shares subscribed for without subscription rights. Firstly, such allotment shall be made to those who have subscribed for shares with subscription rights, regardless if they were shareholders on the record date or not, pro rata in relation to the number of shares subscribed for through exercise of subscription rights and, insofar this cannot be done, by drawing lots. Secondly, allotment shall be made to those who have subscribed for shares without subscription rights, pro rata in relation to the number of shares subscribed for and, insofar this cannot be done, by drawing lots. Thirdly, allotment shall be made to those who have entered into so-called top guarantee undertakings, in relation to such guarantee undertakings. Fourthly, allotment shall be made to those who have entered into so-called bottom guarantee undertakings, in relation to such guarantee undertakings.

Trading in paid subscribed shares ("BTAs") on Nasdaq First North Growth Market is expected to take place during the period from and including April 21, 2021, up to and including the day the Swedish Companies Registration Office has registered the Rights Issue and the BTAs are converted into shares, which is expected to take place during week 21, 2021.

In order to be able to meet a potential oversubscription of the Rights Issue, meet a higher demand than initially estimated and to broaden the ownership base with strategic investors, it is proposed that the board of directors will be authorized to resolve on the Over-allotment Option of up to approximately SEK 30 million, conditional upon the Rights Issue being oversubscribed. The Over-allotment Option may encompass up to 3,875,000 new shares and the subscription price is set to SEK 7.75 per share.

Complete terms and conditions for the Rights Issue and the Over-allotment Option, information about the subscription undertakings and guarantee commitments and other information about the Company will be provided in the EU growth prospectus to be released before the commencement of the subscription period.

Preliminary timetable for the Rights Issue

- April 9, 2021: Extraordinary general meeting.
- April 14, 2021: Last day of trading in the share, including the right to receive subscription rights.
- April 15, 2021: First day of trading in the share, excluding the right to receive subscription rights.
- April 16, 2021: Record date for participation in the Rights Issue, i.e. holders of shares who are registered in the share register maintained by Euroclear Sweden AB on this date will receive subscription rights for participation in the Rights Issue with preferential right.
- April 20, 2021: Publication of the EU growth prospectus.
- April 21 – May 4, 2021: Trading in subscription rights.
- April 21 – May 7, 2021: Subscription period.
- May 11, 2021: Expected day for publication of the outcome of the Rights Issue and the possible exercise of the Over-allotment Option.

Subscription undertakings and guarantee commitments

The Rights Issue is fully covered by subscription undertakings and guarantee commitments. Subscription undertakings have been undertaken by certain existing shareholders, including SEB Venture Capital, Karolinska Development, Fouriertransform, Lancelot Asset Management, Nordic Cross, Modelio Equity and members of the Company's board of directors and management team, including, amongst others, CEO Morten Henneveld, chairman of the board Simon Cartmell and board member Newton Aguiar, as well as undertakings from Linc to receive and utilise subscription rights (and corresponding undertakings from the existing shareholder to transfer such subscription rights). These undertakings amount to approximately SEK 119.3 million, representing approximately 49.6 percent of the Rights Issue. Shareholders representing

approximately 43.6 percent of the shares in the Company have also committed to vote in favor of the New Issues at the extraordinary general meeting.

In addition, the Rights Issue is covered by guarantee commitments of approximately SEK 121.2 million, representing approximately 50.4 percent of the Rights Issue. The guarantee commitments have been undertaken by existing shareholders and external investors including, amongst others Lancelot Asset Management, Modelio Equity, Linc, NYIP (Nyenburgh Holding BV) and Thomas Eklund. Of these guarantee commitments, Linc's guarantee commitment is a so called top guarantee covering the area of the Rights Issue between 89.9 percent up to 100 percent of the Rights Issue, corresponding to approximately SEK 24.2 million. The other parties having undertaken guarantee commitments are included in a so called bottom guarantee covering the area of the Rights Issue between 49.6 percent and 89.9 percent of the Rights Issue, corresponding to approximately SEK 97.0 million.

The subscription and guarantee commitments are not secured through bank guarantees, restricted funds, pledged assets or similar arrangements. Consequently, there is a risk that one or more parties will not fulfil their respective commitments. No consideration will be paid for the subscription commitments that have been entered into. The rights issue is thus in its whole covered by subscription undertakings and guarantee commitments.

Shares and dilution

Through the Rights Issue, the Company's share capital will increase with up to approximately SEK 1,939,565 and amount to a maximum of approximately SEK 3,324,969. The number of shares in OssDsign will increase with up to a maximum of 31,033,044 shares and subsequently amount to a maximum of 53,199,504 shares in total. Existing shareholders that do not participate in the Rights Issue will be diluted by a maximum of 58.3 percent, but will have the possibility to gain economic compensation for the dilution effect by selling their subscription rights.

If the Over-allotment Option is exercised, there will be an additional increase in the share capital of up to approximately SEK 242,188 and an increase in number of shares of up to 3,875,000 new shares. In the Over-allotment Option, there will be no possibility to gain economic compensation for the dilution effect by selling subscription rights.

In the event that the Rights Issue and the Over-allotment Option are both exercised in full, the share capital of the Company will increase by SEK 2,181,753 to SEK 3,567,157 and the total number of shares will increase by 34,908,044 shares to 57,074,504 shares. The dilution effect will amount to a maximum of 61.2 percent.

Extraordinary general meeting

The extraordinary general meeting to approve the board of directors' resolution on the Rights Issue and the proposal to authorize the board of directors to decide on the Over-allotment Option stated above will be held on April 9, 2021, by postal ballot. The board of directors has also resolved to propose amendments to the articles of association regarding changing the limits on the number of shares and share capital in order to enable the New Issues. Notice to the extraordinary general meeting will be announced in a separate press release later today.

Change in dates in the financial calendar

Due to the proposed New Issues, the Company has decided to move the publication of its annual report for 2020, from April 16, 2021 to May 17, 2021, the interim report for the first quarter 2021 from May 12, 2021 to April 19, 2021 and the annual general meeting from May 19, 2021 to June 4, 2021.

Advisors

ABG Sundal Collier is the sole global coordinator and bookrunner in connection with the New Issues. Setterwalls is legal advisor to the Company.

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About OssDsign

OssDsign's vision is to provide regenerative solutions to all patients with cranial or spinal bone defects, so they can be restored and healed as naturally as possible. Driven by a commitment to give patients back the lives they deserve, OssDsign collaborate with surgeons to engineer better healing by integrating biomaterials with clinical design. OssDsign is headquartered in Sweden but supplies hospitals globally with implants for use in cranial reconstructions and other orthopaedic surgery applications.

This information is information that OssDsign AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out above, at 08.00 CET on March 2, 2021.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction where such offer would be considered illegal. This press release does not constitute an offer to sell or an offer to buy or subscribe for shares issued by the Company in any jurisdiction where such offer or invitation would be illegal. In a member state within the European Economic Area ("EEA"), securities referred to in the press release may only be offered in accordance with applicable exemptions under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**").

This press release is not an offer or invitation to acquire or subscribe for shares or other securities in the United States. The securities that have been mentioned in this release are not allowed to be sold in the United States without registration, or without application of an exception from registration, according to the applicable U.S. Securities Act from 1933 ("**Securities Act**"), or as a part of a transaction that is not covered by the registration requirements according to the Securities Act. There is no intention to register any shares or securities mentioned herein in the United States or to announce a public offering of such securities in the United States. The information in this press release shall not be published, copied, reproduced or distributed, directly or indirectly, in whole or in part, in or into the United States of America, Australia, Japan, Canada, Hong Kong, New Zealand, Switzerland, Singapore, South Africa or any other jurisdiction in which the release, publication or distribution of this information would be unlawful or where such action is subject to legal restrictions or would demand additional registration or other actions according to Swedish law. Acts in contrary to this instruction can constitute a crime according to applicable securities laws.

A prospectus regarding the Rights Issue described in this press release will be published by the Company on or about April 20, 2021. The prospectus will be approved and registered by the Swedish Financial Supervisory Authority (Sw: Finansinspektionen) and be published on <https://www.ossdsign.com/>. The upcoming approval of the prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the shares. This release is however not a prospectus in accordance to the definition in the Prospectus Regulation. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the prospectus. Thus, investors are encouraged to review the prospectus in its entirety. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an advertisement. OssDsign has not authorized any offer to the public of shares or rights in any other member state of the EEA than Sweden. This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in shares. An investment decision to acquire or subscribe for shares in the Rights Issue shall only be made based on publicly available information.

To the extent this press release contains forward-looking statements, such statements does not constitute facts and are characterized by words such as "shall", "expect", "believe", "assess", "intend", "estimate" and similar expressions. Such statements reflects OssDsign's intentions, views or present expectations or assumptions. Such forward-looking statements are based on OssDsign's current plans, estimates and projections, which have been made to the best of OssDsign's ability. However, OssDsign does not assert that these statements will be correct in the future. Forward-looking statements are associated with risks and uncertainties which are difficult to predict and which generally cannot be affected by OssDsign. It should be contemplated that actual events or outcomes may differ materially from what is included or expressed in such forward-looking statements.