OssDsign has carried out a directed share issue of approximately SEK 150 million

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, HONG KONG, JAPAN, SINGAPORE, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES. PLEASE REFER TO “IMPORTANT INFORMATION” AT THE END OF THE PRESS RELEASE.

26 SEPTEMBER 2023, 22:30 CEST

OssDsign AB (publ) (”OssDsign” or the ”Company”) has completed a directed share issue of 26,315,790 shares at a subscription price of SEK 5.7 per share (the “Directed Issue”), through which the Company receives approximately SEK 150 million before deduction of transaction costs. The subscription price was determined based on an accelerated book-building procedure lead by Carnegie Investment Bank AB (publ) (“Carnegie”).

The Directed Issue

The board of directors of OssDsign has, as indicated by the press release the Company published earlier today, resolved on a directed issue of in total 26,315,790 shares at a subscription price of SEK 5.7 per share, consequently raising gross proceeds of approximately SEK 150 million. 17,835,782 shares will be issued based on the issue authorization granted by the annual general meeting on 31 May 2023 (“Tranche 1”), and the remaining 8,480,008 shares are issued subject to the subsequent approval of an extraordinary general meeting, which is expected to be held on or around 16 October 2023 (“Tranche 2”). Principal shareholders, who together hold approximately 46 percent of the shares and votes in OssDsign, have undertaken, or expressed their intention to vote in favour of Tranche 2. Notice to the extraordinary general meeting will be published through a separate press release. The subscription price in the Directed Issue is based on an accelerated book-building procedure led by Carnegie and the subscription price reflects, as per the board of directors’ assessment, the market conditions and the demand for the Company's shares.

Investors in the Directed Issue include both existing shareholders and new Swedish and international institutional investors such as TAMT AB, Karolinska Development AB, Adrigo Asset Management, Lancelot Asset Management AB, Linc AB, and FSG Fund II AB.

The net proceeds from the Directed Issue are intended to be used for:

- Continued commercialization and expanding U.S. presence to drive OssDsign Catalyst sales;
- Continued investments in clinical programs to gather further clinical evidence;
- Acceleration of R&D portfolio based on the orthobiologics platform; and
- Investments in scaling, automating and potentially transfer of production to U.S.

Prior to the Directed Issue, the Company's board of directors has made an overall assessment and carefully considered the possibility to raise capital through a rights issue with preferential right for the Company's existing shareholders. The board of directors considers that the reasons for deviating from the shareholders’ preferential right are (i) that a rights issue would take a significantly longer time to complete and entail a higher risk for an adverse effect on the share price, particularly in light of the current market volatility and the challenging market conditions, (ii) to diversify and strengthen the Company's shareholder base with institutional investors, (iii) to carry out a directed share issue can be made at lower costs and with less complexity than a rights issue and in light of the current market conditions, the board of directors has assessed that a rights issue would also require external underwriting from a guarantor syndicate that would entail additional significant costs. Considering the above, the board of directors has made the assessment that a directed share issue with deviation from the shareholders’ preferential right is the most favourable alternative for OssDsign to finance the announced new strategy, creates value for the Company and is in the best interest of the Company’s shareholders. The board of directors thus considers that the reasons outweigh the main rule that new share issues are to be carried out with preferential rights for the shareholders.

The Directed Issue entails a dilution of approximately 26.9 percent of the number of shares and votes in the Company (calculated as the number of newly issued shares divided by the total number of shares in the Company after the Directed Issue). Through the Directed Issue, the number of shares and votes in the Company will increase by 26,315,790 from 71,343,130 to 97,658,920. The share capital will increase by SEK 1,644,736.875 from SEK 4,458,945.625 to SEK 6,103,682.500.

Settlement of Tranche 1 is expected to take place on or about 29 September 2023. Settlement of Tranche 2 is expected to take place on or about 18 October 2023.

In connection with the Directed Issue, the Company has agreed to a lock-up undertaking, with customary exceptions, on future share issuances for a period of 90 calendar days after the settlement date of the Directed Issue. In addition, OssDsign's board members and members of the senior management have undertaken not to, subject to customary exceptions, divest any shares in OssDsign for a period of 180 days from the settlement date of the Directed Issue.

Advisors
Carnegie acted as Sole Bookrunner and Setterwalls Advokatbyrå AB acted as legal counsel to the Company in connection with the Directed Issue.

For more information, please contact:

Morten Henneveld, VD
Phone: + 46(0)73 382 43 90
E-mail: morten.henneveld@ossdsign.com

Anders Svensson, CFO
Phone: + 46(0)70 272 96 40
E-mail: anders.svensson@ossdsign.com

This information is such 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 persons set out above, on 26 September 2023, at 22:30 CEST.

About OssDsign

OssDsign is a developer and global provider of next generation bone replacement products. Based on cutting edge material science, the company develops and markets products that support the body's own healing capabilities and thereby improve the clinical outcome in a wide range of orthopedic areas with high medical needs. With a product portfolio consisting of patient-specific implants for cranial surgeries and an off-the-shelf synthetic bone graft for spine surgeries, OssDsign give back patients the life they deserve. The company has a strong commercial presence in the U.S., Europe and selected Asian countries. OssDsign's share is traded on Nasdaq First North Growth Market in Stockholm, Sweden. Erik Penser Bank AB is the Company's Certified Adviser.

IMPORTANT INFORMATION

Publication, 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. 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.

This press release is not a prospectus for the purposes of Regulation (EG) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issue. In any EEA member state, this communication is only addressed to and is only directed at "qualified investors" in that member state within the meaning of the Prospectus Regulation.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, Hong Kong, Japan, Singapore, South Africa or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Carnegie is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This press release does not constitute a recommendation concerning any investor's decision regarding the Directed Issue. Each investor or potential investor should conduct his, her or its own investigation, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release. Readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertakes to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the current shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.

This is a translation of the Swedish version of the press release. In case of discrepancies, the Swedish wording shall prevail.