

Oss-Q completes financing, initiates clinical study and changes name to OssDsign

STOCKHOLM, July 15, 2013. Oss-Q AB, a Swedish medtech company focusing on implants for bone replacement, has received SEK 13.7m through a rights issue and will now initiate a clinical trial with OssDsign Cranio PSI, its implant for skull reconstruction. In connection with these important advances, the company will change its name to OssDsign AB. Karolinska Development invested SEK 6.8m in the rights issue, increasing its ownership in OssDsign AB from 16% to 26%*.

After closing of a SEK 13.7m financing round, OssDsign has taken another important step by initiating a clinical multi-center study with its first product, OssDsign Cranio PSI. In addition to clinical outcome, the study evaluates quality of life and health economics. The first patients in the study have recently been treated at the Karolinska University Hospital in Stockholm.

Bo Qwarnström, CEO, OssDsign:

"The clinical study with OssDsign Cranio PSI is conducted on patients for whom previous treatments with conventional skull implants have failed. The positive results so far with OssDsign Cranio PSI, suggest that this implant could be an important new option for this patient category, especially if the skull injuries are severe. Our goal is to document this in the current study."

The launch of OssDsign Cranio PSI will provide a valuable platform for further development of applications in skull surgery and in other orthopedic areas, such as fracture healing. The market for bone replacement products was worth EUR 1bn in 2012.

Torbjörn Bjerke, CEO, Karolinska Development:

"It was natural for us to increase our ownership in OssDsign, the company has made great progress in a short time. The surgical procedures carried out so far with OssDsign Cranio PSI have been successful in all cases and, for some patients, life changing. If the company can repeat the results in the current study, it will be a great achievement for all patients with skull injuries and also for the owners."

Serious accidents and open brain surgery can result in large and complicated damage to the skull. In many cases, today's implant materials result in poor clinical outcomes, which is why OssDsign developed a new implant where biomaterials, mechanical properties and implant design are optimized precisely for these injuries. OssDsign develops a new bioceramic material with a chemical composition similar to bone. The company's strategy is to transform this technology into distinctively differentiated products for bone replacement and to build a niche company in orthopedics, starting with sales in skull surgery.

* Direct and indirect investment and ownership through KCIF Co-Investment Fund KB

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TO THE EDITORS

About OssDsign AB

OssDsign develops pioneering implants for bone healing with focus on cranial surgery. The company has a registration certificate for production and sales of patient specific implants and has very positive results in patients treated so far. OssDsign was founded by researchers at the Karolinska University Hospital and Uppsala University. For more information, please visit www.ossdsign.com.

About Karolinska Development AB

Karolinska Development aims to create value for patients, researchers, and investors by developing innovations from world class science into products that can be sold or out-licensed with high returns. The business model is to: SELECT the most commercially attractive medical innovations; DEVELOP innovations to the stage where the greatest return on investment can be achieved; and COMMERCIALIZE the innovations through the sale of companies or out-licensing of products. An exclusive deal flow agreement with Karolinska Institutet Innovations AB, along with other cooperation agreements with leading Nordic universities, delivers a continuous flow of innovations. Today, the portfolio consists of 38 projects, of which 16 are in clinical development. For more information, please visit www.karolinskadevelopment.com.

Karolinska Development is listed on NASDAQ OMX. Karolinska Development may be required to disclose the information provided herein pursuant to the Act of Trading in Financial Instruments.

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