

Company Announcement
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Swedish medtech company Episurf Medical establishes UK subsidiary and sales team

Episurf Medical, has established a UK subsidiary, Episurf Ltd., in line with the company's commercial expansion plans for key European markets. The company has also appointed key sales representatives for the UK market.

"We have previously announced that a key strategic goal for 2015 is to build a presence in UK. This market, treatment of knee pain and cartilage damage, represents a significant opportunity for Episurf. Only in 2014, the UK carried out 100 000 knee replacement operations in 400 hospitals and approximately 190 000 arthroscopic procedures", commented Rosemary Cunningham Thomas, CEO of Episurf Medical.

The first surgeries with the Episurf implant in UK were performed in March 2015 at the Rugby Hospital by Professor Tim Spalding. After the second surgery he commented: "The case went exactly to plan, the guide fitted perfectly, allowing minimal necessary exposure. The instrumentation created the ideal socket and the implant fitted with a complete match. Beautifully elegant and well engineered".

Since then Episurf Medical has continued its efforts to initiate collaborations with UK clinics and deploying marketing efforts to accelerate product adoption.

"I believe that Episurf's treatment goes hand in hand with the UK NHS guidelines for improved outcome at reduced costs. Our technology has significant scope to provide patients and clinicians with an advanced technology solution for knee pain within a cost effective framework. By offering an on-demand patient-specific production of an all-inclusive one-time-use surgical kit our treatment doesn't require hospitals to keep our products or instruments in stock", Rosemary Cunningham Thomas continued.

In a recent development program document, the UK NHS has outlined the need to assess how it can improve outcomes at reduced costs through a review of its clinical partnership procurement process. (Link to: [Better_Procurement_Better_Value_Better_Care_:_A_Procurement Development Programme for the NHS:](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/226835/procurement_development_programme_for_nhs.pdf) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/226835/procurement_development_programme_for_nhs.pdf)

Extract: "For example, in the case of orthopaedic hip and knee joints, it is estimated that as much as 40 per cent of the price of joints is associated with 'costs to serve' i.e. consignment stock, instrumentation and sales support staff. These costs are double that are found in other sectors and are further compounded by the variation of choices made by surgeons even in the same hospital. We think the business model by which orthopaedic suppliers sell to the NHS is inefficient, outdated and not in the best interests of either party."

For more information, please contact:
Rosemary Cunningham Thomas, CEO, Episurf Medical
Tel: +46 (0) 70-7655892

Episurf Medical AB (publ)

Tel: +44 (0) 7803-753603
rosemary@episurf.com

About Episurf Medical

Episurf Medical is endeavoring to bring people with painful joint injuries a more active, healthier life through the availability of minimally invasive and personalized treatment alternatives. Episurf Medical's Episealer® personalized implants and Epiguide® surgical drill guides are in development for treating localized cartilage injury in joints. Episurf Medical's μFidelity® system will enable implants to be cost-efficiently tailored to each individual's unique injury for the optimal fit and minimal intervention.

Episurf Medical's head office is in Stockholm, Sweden. Its share (EPIS B) is listed on Nasdaq Stockholm. For more information, go to the company's website: www.episurf.com.