

Company Announcement

March 4, 2016

Scientific peer reviewed article regarding Episurf Medical's implant technology has been published

The scientific article "Treatment of full thickness focal cartilage lesions with a metallic resurfacing implant in a sheep animal model, 1 year evaluation" has been published in *Osteoarthritis and Cartilage* (N. Martinez-Carranza, L. Ryd, K. Hultenby, H. Hedlund, H. Nurmi-Sandh, A. S. Lagerstedt, P. Schupbach, H. E. Berg, *Osteoarthritis and Cartilage* 24 (2016) 484-493), confirms Episurf Medical.

The results in the published sheep study show that consistent and accurate placement of the implant results in none or limited wear of the opposing and surrounding joint cartilage, thus underlining the importance of reliable instrumentation for accurate positioning. These findings in conjunction with previous results, which have shown excellent osseochondrointegration between the implant and the bone, further establish the scientific validation of Episurf Medical's high precision implant technology.

"This sheep study shows that a metal implant in the joint over a year's time is well tolerated and joint homeostasis is maintained. The opposing cartilage tolerates the implant to a surprising degree. Further, and most importantly, the improved guide instruments provided much improved implantation precision compared to instrumentation used in previous sheep studies. This concept forms the basis of the instruments developed by Episurf Medical for clinical use. All in all, this study lends solid support for the Episealer® in clinical use," comments Dr Leif Ryd, Senior Medical Advisor to Episurf Medical.

"This compelling pre-clinical evidence demonstrates the performance of the implant and the importance of our patient specific approach. Episurf's intelligent implant design and bespoke guide instrumentation assist the surgeon with accurate placement and are key, proprietary technology features driving the growing surgical adoption of Episealer in clinical practice."

"I am confident that the growing scientific evidence base, combined with the follow up data from an ever increasing number of Episealer patients, is building a solid case for the use of Episealer implants to treat underserved patients suffering with cartilage lesions, thus addressing the current gap that exists between biologic interventions and knee prosthesis procedures. We are happy that the study has been published in *Osteoarthritis and Cartilage*," says Rosemary Cunningham Thomas, CEO of Episurf Medical.

Episurf Medical AB (publ)

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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 developed for treating localized cartilage injury in joints. Episurf Medical's µiFidelity® system enables 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. The information in this press release is such that Episurf Medical AB is required to disclose in accordance with the Securities Markets Act and/or the Financial Instruments Trading Act.