

Press release

Stockholm, 20 February 2016

SUMMARY FROM EXTRAORDINARY GENERAL MEETING OF EPISURF MEDICAL AB (PUBL)

Episurf Medical AB (publ) held an extraordinary general meeting on 20 February 2017 at which it was resolved, among other things, to approve the Board of Director's resolution from 18 January 2017 on an issue of shares with preferential rights for shareholder, and to amend the Articles of Association of the company.

Issue of shares with preferential rights for shareholders

The board resolution approved by the extraordinary general meeting mainly means an issue of A shares and B shares up to approximately SEK 120 million before transaction related expenses, with preferential rights for the shareholders of the company to subscribe for new shares in proportion to their previous shareholding. Each A share and B share held on the record date entitles the shareholder to receive one subscription right of series A and series B, respectively. Each subscription right of series A entitles its holder to subscribe for one new A share and each subscription right of series B entitles its holder to subscribe for one new B share. The record date to determine the shareholders being entitled to subscribe for new shares with preferential rights (*i.e.* to receive subscription rights) shall be 23 February 2017. The share capital of the company may increase by a maximum of SEK 4,788 991.50 by means of an new issue of up to 3,400,871 A shares and up to 12,548,933 B shares, *i.e.* a total of up to 15,949,804 new shares.

The subscription period is expected to run from and including 27 February 2017 until an including 9 March 2017. The subscription price is SEK 7.50 per share (both A shares and B shares).

If not all shares in the rights issue are subscribed for with support of subscription rights (primary preferential right), the Board of Directors will resolve on the allocation of new A shares and B shares subscribed for without subscription rights in accordance with the allocation principles set forth in the Board of Directors' resolution on the rights issue.

Amendments to the Articles of Association

In order to enable the new issue with preferential rights for shareholders, the extraordinary general meeting resolved, in accordance with the proposal of the Board of Directors, to amend (i) § 4 in the Articles of Association of the company regarding the limits of the share capital so that the share capital shall be no less than SEK 4,500,000 nor exceed SEK 18,000,000, and (ii) § 5 in the Articles of

Association of the company regarding the number of shares so that the number of shares in the company shall be no less than 15,000,000 and no more than 60,000,000.

Indicative time table for the rights issue

21 February	Last day of trading in Episurf shares with right to participate in the rights issue
22 February	First day of trading in Episurf shares without right to participate in the rights issue
23 February	Record date for participation in the rights issue
23 February	Estimated date for publishing the prospectus
27 February–9 March	Trading in subscription rights of series B
27 February–13 March	Subscription period
17 March (on or about)	Announcement of outcome of the rights issue

Episurf Medical AB (publ)

The Board of Directors

For more information, please contact:

Pål Ryfors, acting CEO and CFO

Tel: +46 (0) 70-962 36 69

pal.ryfors@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 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.

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The information, opinions and forward-looking statements concluded in this announcement speak only as of its date and are subject to change without notice.