

Notice of Extraordinary General Meeting of Episurf Medical AB (publ)

This English translation of the notice is an unofficial translation of the Swedish original. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

The shareholders in Episurf Medical AB (publ), 556767-0541 (“**Episurf**” or the “**Company**”), are hereby summoned to the Extraordinary General Meeting on Friday, 7 December 2018 at 14.00 (CET) (the “**Meeting**”) at the Company’s offices at Karlavägen 60, 114 49 Stockholm. The doors open at 13.30 (CET).

Notice of attendance, etc.

Shareholders who wish to attend and vote at the Meeting must be registered in the share register maintained by Euroclear Sweden AB on Friday, 30 November 2018, and no later than on Monday, 3 December 2018 give notice of attendance via the Company’s website, episurf.com, or by post to Episurf Medical AB (publ), Karlavägen 60, 114 49 Stockholm, Sweden.

Notice of attendance must be received by the Company no later than on Monday, 3 December 2018. Notification shall include the shareholder’s name, personal identification number/corporate registration number and daytime telephone number. The notice of attendance shall also include the number of accompanying advisors (not more than two) who are attending the Meeting. Shareholders who are represented by a proxy must submit a dated and signed power of attorney. The original of the power of attorney and, for legal entities, a certified copy of a certificate of registration, should be sent to the Company at the postal address above in ample time prior to the Meeting. The power of attorney may not be valid for a longer period than one year from its issuance. However, the power of attorney may be valid for up to five years from its issuance if so explicitly stated. A form of power of attorney is available on the Company’s website, www.episurf.com.

Shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own name to be entitled to participate at the Meeting. Such registration must be completed at Euroclear Sweden AB no later than on Friday, 30 November 2018. The nominee should therefore be instructed well in advance of this date.

Personal data regarding shareholders acquired from the share register, the notification of attendance at the Meeting and data regarding deputies, proxies and advisors, will be used for registration, preparation of the voting list for the Meeting and, when applicable, the minutes from the Meeting. The personal data is handled in accordance with the General Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council) that entered into force on 25 May 2018.

Proposed agenda

- 1) Opening of the Meeting
- 2) Appointment of chairman of the Meeting
- 3) Preparation and approval of the voting list
- 4) Election of one or two persons to approve the minutes of the Meeting
- 5) Approval of the agenda
- 6) Determination of whether the Meeting has been duly convened
- 7) Resolutions on:
 - a) approval of a directed new issue of shares
 - b) approval of a directed new issue of warrants of series 2018/2020
- 8) Closing of the Meeting

Proposals for resolutions

Proposal under item 7; Resolution on (a) approval of a directed new issue of shares of series B, and (b) approval of a directed new issue of warrants of series 2018/2020

Proposal under item 7(a): approval of a directed new issue of shares

The board has resolved, subject to the subsequent approval of the general meeting, on a new issue of shares of series B with deviation from the shareholders’ preferential rights, on the following main terms and conditions.

- The Company’s share capital is to be increased by not more than SEK 1,115,087.26 by a new issue of not more than 3,713,814 shares of series B.
- The new shares of series B are to be subscribed for on a separate subscription list at the latest on 14 December 2018. The shares are to be paid for at the latest on 14 December 2018. The board shall be entitled to prolong the subscription and payment period.
- The new shares of series B shall be issued at a price of SEK 4.00 per share. The subscription price has been determined through a bidding procedure and negotiations with investors and is assessed by the board to correspond to the market value of the shares.
- The right to subscribe for new shares of series B shall, with deviation from the preferential rights of the shareholders, be granted to Niles Noblitt (or an entity controlled by Niles Noblitt), and certain other in advance selected investors. The reason for deviating from the shareholders’ preferential rights by conducting a directed new share issue is to secure new capital in a quick and resource-efficient way, and to board a new principal owner who contributes with both capital and valuable industry knowledge.

Proposal under item 7(b): approval of a directed new issue of warrants of series 2018/2020

The board has further resolved, subject to the subsequent approval of the general meeting, on an issue of warrants of series 2018/2020 with deviation from the shareholders' preferential rights, on the following main terms and conditions.

- Not more than 2,252,210 warrants shall be issued. The warrants shall be issued free of charge.
- The right to subscribe for the warrants shall, with deviation from the preferential rights of the shareholders, be granted to Niles Noblitt (or an entity controlled by Niles Noblitt).
- Each warrant entitles its holder to subscribe for one share of series B for a subscription price of SEK 4.00 during the period from and including 14 December 2018 until and including 14 December 2020. The subscription price for the new shares corresponds to the subscription price for new shares of series B pursuant to item 7(a) above.
- The warrants are to be subscribed for on a separate subscription list at the latest on 14 December 2018.
- The increase of the Company's share capital will, upon exercise of the warrants, amount to not more than approximately SEK 676,234.91 calculated as per the date of this notice.

Majority requirements and conditions, etc.

The board's proposals for resolution pursuant to item 7(a)–(b) above constitute a "package", since the various proposals are dependent on and strongly tied to each other. On account of this, it is proposed that the Meeting only pass one resolution in relation to the above-mentioned proposals. For a valid resolution pursuant to this item 7, a shareholder majority of two thirds of the votes cast and two thirds of the shares represented at the meeting is required.

Miscellaneous

On the date of this notice, the total number of shares in Episurf is 31,244,556, of which 5,221,662 are shares of series A with three votes each, and 26,022,894 are shares of series B with one vote each. Accordingly, the total number of votes amounts to 41,687,880. The Company does not hold any shares in treasury.

Proxy forms, documents pursuant to Chapter 13-14 of the Swedish Companies Act and complete proposal in respect of the issues will be available no later than on 16 November 2018 at the Company's offices and on the Company's website, episurf.com. These documents will be sent free of charge to shareholders who request them and state their address. The documents will also be available at the extraordinary general meeting.

The shareholders are entitled to ask the board and the CEO questions regarding the proposals to be decided at the general meeting.

Welcome!

Stockholm in November 2018

The Board of Directors

www.episurf.com

For more information, please contact:

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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 personalised treatment alternatives. Episurf Medical's Episealer® personalised 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.