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

The shareholders of Episurf Medical AB (publ) ("Episurf" or the "Company") gathered in Stockholm, Sweden, on Thursday 2 April 2020 for the Annual General Meeting.

The income statements and the balance sheets for the Company and the group were approved and the Board of Directors and the CEO were discharged from liability for the financial year 2019.

The Meeting resolved to allocate the result in accordance with the proposal of the Board of Directors in the Annual Report.

In accordance with the proposal by the Nomination Committee, Dennis Stripe, Wilder Fulford, Christian Krüeger, Leif Ryd and Laura Shunk were re-elected as members of the Board of Directors, and Dennis Stripe was re-elected as Chairman of the Board of Directors.

In accordance with the proposal by the Nomination Committee, the Meeting resolved that total fees of SEK 1,100,000 are to be paid to the Board of Directors also going forward, of which SEK 400,000 to the Chairman of the Board of Directors, SEK 200,000 to each of Wilder Fulford, Christian Krüeger and Laura Shunk and SEK 100,000 to Leif Ryd. No fees are to be paid for committee work.

In accordance with the proposal by the Nomination Committee, the registered accounting firm KPMG AB was re-elected as the auditor of the Company, with the authorised public accountant Duane Swanson as the auditor in charge. The auditors' fee shall be paid upon approval of their invoice.

The Meeting approved the Nomination Committee's proposal on the nomination procedure and instruction for the Nomination Committee for the Annual General Meeting 2021.

The Meeting approved the Board of Directors' proposal regarding guidelines for remuneration to senior executives.

In accordance with the proposal by the Board of Directors, the Meeting resolved on (i) adoption of an incentive programme, (ii) an issue of warrants of series 2020/2023(A), and (iii) an issue of warrants of series 2020/2023(B) and approval of transfers of warrants of series 2020/2023(B).

The incentive programme includes all employees in the Episurf group (22 persons).

No more than 220,000 warrants of series 2020/2023(A), no more than 3,080,000 employee stock options and no more than 2,619,939 performance options will be issued. The employee stock options and performance options are hedged by an issue of no more than 5,699,939 warrants of series 2020/2023(B) to the subsidiary Episurf Operations AB.

Each employee of the Episurf group (22 persons) shall be entitled to subscribe for up to 10,000 warrants of series 2020/2023(A).

The employee stock options shall be allocated in accordance with the following. Each employee of the Episurf group is proposed to be allotted, free of charge (i) 100,000 employee stock options (i.e. a total of 2,200,000 employee stock options) and (ii) four employee stock options for each warrant of series 2020/2023(A) subscribed for (i.e. a maximum of up to 880,000 employee stock options).

The performance options will be allotted to the participants free of charge in accordance with the following: (i) the CEO is allotted 756,942 performance options, (ii) the other members of the senior management (four persons) are allotted 1,416,647 performance options in total, of which no participant within this category may be allotted more than 385,989 performance options; and (iii) the other participants (nine persons) are allotted 446,350 performance options in total, of which no participant within this category may be allotted more than 66,814 performance options.

Each warrant of series 2020/2023(A) entitles its holder to subscribe for one share of series B in the Company during the period from and including 1 June 2023 until and including 31 May 2024 for a subscription price of SEK 1.73.

Provided that the participant is still employed by the Episurf group at the exercise of the employee stock options, each employee stock option entitles the employee to purchase one share of series B in the Company during the period from and including 1 June 2023 until and including 31 May 2024 for a price of SEK 1.73.

Provided that the participant is still employed by the Episurf group at the exercise of the performance options, each performance option entitles the employee to purchase one share of series B in the Company during the period from and including 1 June 2023 until and including 31 May 2024 for a price of SEK 1.73. Furthermore, the performance options are subject to certain performance targets for the financial year 2020, which determine to what extent the employees are entitled to keep and exercise the performance options.

The programme means that a maximum of 5,919,939 shares of series B may be issued, corresponding to a maximum dilution of approximately 3.1 per cent of the share capital and 3.0 per cent of the votes in the Company (provided full subscription in the ongoing fully guaranteed rights issue).

Finally, the Meeting resolved to authorise the Board of Directors to, during the period until the next Annual General Meeting, on one or more occasions, with or without deviation from the shareholders' preferential rights, resolve on new issues of shares, convertibles and/or warrants in the Company. The number of shares issued by virtue of authorisation of the Meeting shall amount to not more than that is allowed within the, from time to time applicable, limits set forth in the Articles of Association of the Company when resolving on deviation from the shareholders' preferential rights.

Episurf Medical AB (publ)

The Board of Directors

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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 individualised treatment alternatives. Episurf Medical's Episealer® individualised implants and Epiguide® surgical drill guides are developed for treating localised 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 information that Episurf Medical AB (publ) is obliged to make public pursuant to Nasdaq Stockholm's Rule Book for Issuers. The information was submitted for publication, through the agency of the contact persons set out above, at 18:30 CEST on 2 April 2020.