

# Statement from the CEO



Pål Ryfors, CEO

## Dear Shareholder,

When reviewing 2017 for Episurf Medical, we can conclude that several important milestones were achieved. We also reviewed our strategy and we laid the groundwork for the focus of the coming years. We are continuing to target an unmet need of significant size in the orthopaedic market, and we are continuing to demonstrate strong results and patient improvements. In doing this, we are coming closer to our goal of establishing the Episealer® technology as a standardized component in the treatment algorithm.

We just presented a strategic update to the market. This was done in conjunction to our Q4 report on February 23. I encourage all shareholders to have a look at our newly refined strategy, you can read more about it on page 13 in this annual report. For a small company, in a highly regulated and evidence based industry, strategic focus and discipline will be key success factors going forward. Our strategy is very clear, and we are executing on our strategy at full speed.

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Looking back at 2017, an important event for us was the visit to the AAOS (American Academy of Orthopaedic Surgeons) annual meeting in San Diego in March 2017. This is the largest annual orthopaedic convention in the world, and the medical profession and the industry gather to review and discuss innovations and developments in the global orthopaedic markets. We left AAOS with a strong feeling of having our theories confirmed. The demand for patient-specific solutions, superior pre-surgical capabilities, less invasive and shorter procedures, and a desire and willingness to treat the “gap patients”. All of this was confirmed in our discussions and we felt that we are very well positioned for the future developments in the orthopaedic industry.

A highlight during the year, and probably the single most important one, was that the clinical results from a 24 months’ Episealer® study were published in a peer-reviewed

scientific journal, KSSTA (Knee Surgery, Sports Traumatology, Arthroscopy). In addition to a peer-reviewed case study article published in June 2017, these were the first published results of the Episealer® technology. The results from the study were very good and this is a great outcome for Episurf Medical. When you think about it – achieving everything that the company has achieved without such results available, is quite amazing. A key cornerstone of our strategy is to ensure the continued production of clinical evidence, and with that said, this remains a top priority for us and shareholders should expect development.

I think that 2017 in many ways demonstrated our strengths as a company, and the year gave us a lot of confidence for the years ahead. We recently announced our plans to initiate an important clinical trial in the US and in Europe, we see increased clinical acceptance in our European home

markets, we are about to expand our product portfolio with an ankle implant and we continue to see strong clinical results. 2017 was an important year, and we will become an even stronger company during 2018.

Stockholm, March 2018



Pål Ryfors,  
CEO

Note! Make sure you read the interview we did with Episurf Medical's first patient, you'll find it on page 16 of this report.