

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.

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

The shareholders in Episurf Medical AB (publ), 556767-0541 (“**Episurf**” or the “**Company**”), are hereby summoned to the Annual General Meeting on Monday, 8 April 2019 at 10:00 (CEST) (the “**Meeting**”) at the Company’s offices at Karlavägen 60, 114 49 Stockholm. The doors open at 09:30 (CEST).

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 Tuesday, 2 April 2019, and no later than on Tuesday, 2 April 2019 give notice of attendance via the Company’s website, www.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 Tuesday, 2 April 2019. The 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 Tuesday, 2 April 2019. 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) Presentation of the annual accounts and the auditors' report and the consolidated accounts and the auditors' report on the consolidated accounts
- 8) Presentation by the CEO, and shareholders' questions to the Board of Directors and management of the Company
- 9) Resolution on:
 - a) adoption of the income statement and the balance sheet and the consolidated income statement and balance sheet
 - b) allocation of the result of the Company in accordance with the adopted balance sheet
 - c) discharge of liability for the members of the Board of Directors and the CEO
- 10) Resolution on the number of members of the Board of Directors
- 11) Determination of fees for the members of the Board of Directors and the auditor
- 12) Election of members of the Board of Directors, chairman of the Board of Directors and auditor
- 13) Resolution on the Nomination Committee for the annual general meeting of 2020
- 14) Resolution regarding guidelines for remuneration to the senior management
- 15) Resolutions on:
 - a) adoption of an employee stock option and warrant programme
 - b) an issue of warrants of series 2019/2022(A)
 - c) an issue of warrants of series 2019/2022(B) and approval of transfers of warrants of series 2019/2022(B)
- 16) Resolution on an issue of warrants of series 2019/2022(C) as part of an incentive programme for the Board of Directors
- 17) Resolution on authorisation for the Board of Directors to resolve on new issues
- 18) Closing of the Meeting

PROPOSALS FOR RESOLUTIONS

Proposals from the Nomination Committee under item 2 and 10-13

The Nomination Committee, established in accordance with the principles adopted at the annual general meeting of 2018, appointed by the three, in terms of votes, largest shareholders makes the following proposals under items 2, 10, 11, 12, and 13.

- Gustav Skogö Nyvang, attorney-at-law, is proposed to be appointed as chairman of the Meeting.
- The Board of Directors is proposed to consist of five members with no deputy members.
- Proposed re-election of Dennis Stripe, Wilder Fulford, Christian Krüeger, Leif Ryd and Laura Shunk as members of the Board of Directors until the end of the next annual general meeting.
- Proposed re-election of Dennis Stripe as Chairman of the Board of Directors until the end of the next annual general meeting.
- Total fees of SEK 1,100,000 (1,000,000) are proposed to be paid to the Board of Directors, of which SEK 400,000 are proposed to be paid to the Chairman of the Board of Directors, SEK

200,000 are proposed to be paid to each of Christian Krüeger (100,000), Wilder Fulford and Laura Shunk and SEK 100,000 are proposed to be paid to Leif Ryd. No fees are proposed to be paid for committee work.

- Proposed re-election of KPMG AB as auditor of the Company until the end of the next annual general meeting. Should the proposal be adopted, KPMG intends to appoint Duane Swanson as auditor in charge.
- Auditors' fees are proposed to be payable in accordance with approved invoice.

The Nomination Committee proposes that the Meeting resolves on the following principles for appointing the Nomination Committee for the next annual general meeting.

The Nomination Committee shall consist of four members. The three, in terms of votes, largest shareholders/owner groups (the "**Largest Shareholders**") as per 31 August the year prior to the next annual general meeting, according to the list of shareholders in the share register maintained by Euroclear Sweden AB or that in another way are proved to be one of the Largest Shareholders, are entitled to appoint one member of the Nomination Committee each. In addition, the chairman of the Board of Directors shall be appointed as member of the Nomination Committee. The chairman of the Board of Directors shall summon the Largest Shareholders by 15 October the year preceding the annual general meeting, at the latest. If any of these shareholders waive their right to appoint a member of the Nomination Committee, the next shareholder/owner groups in order of size shall be given the opportunity to appoint a member of the Nomination Committee.

The CEO or any other person from the senior management shall not be a member of the Nomination Committee. The chairman of the Board of Directors shall summon the Nomination Committee's first meeting.

The chairman of the Board of Directors shall not be appointed chairman of the Nomination Committee. The Nomination Committee's term of office extends until a new Nomination Committee is appointed. The composition of the Nomination Committee shall be made public no later than six months before the annual general meeting.

If it becomes known that a shareholder that has appointed a member of the Nomination Committee, as a result of changes in the said owner's shareholdings or due to changes in other owners' shareholdings, is no longer one of the Largest Shareholders, the committee member who was appointed by said shareholder shall, if the Nomination Committee so decides, resign and be replaced by a new member appointed by the shareholder who at the time is the largest registered shareholder that has not already appointed a member of the Nomination Committee.

If the registered ownership structure is otherwise significantly changed prior to the completion of the Nomination Committee's work, the composition of the Nomination Committee shall, if the Nomination Committee so decides, be changed in accordance with the above stated principles.

The tasks of the Nomination Committee shall be to prepare, for the next annual general meeting, proposals in respect of number of directors of the Board of Directors, remuneration to the Chairman of the Board of Directors, the other directors of the Board of Directors and the auditors, respectively, remuneration, if any, for committee work, the composition of the Board of Directors, the Chairman of the Board of Directors, resolution regarding the Nomination Committee, chairman at the annual general meeting and election of auditors. The Company shall pay for reasonable costs that the Nomination Committee has considered to be necessary in order for the Nomination Committee to be able to complete its assignment.

Proposal under item 14; Resolution regarding guidelines for remuneration to the senior management

The Board of Directors of the Company proposes that the meeting resolves on the following guidelines for remuneration to the senior management for the period until the annual general meeting of 2020.

Compensation and conditions of employment for the senior management, by which is meant the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Regulatory Officer – Regulatory Affairs, Quality Affairs and Intellectual Property, the Sales Director and the Marketing Director shall be designed to ensure the Company's access to executives with the right set of skills. The remuneration shall consist of a fixed salary, a possible variable compensation, an incentive program and other possible benefits including a company car and pension. The remuneration shall be on market terms and competitive, and be related to the executive's responsibilities and authorities. Any variable remuneration shall be related to established, well-defined objectives and to the fixed salary and shall be limited to a maximum amount equivalent to six months' salary (gross).

Besides from the CEO, no other senior executive or other employee is entitled to severance pay.

The Board of Directors is given the possibility to deviate from the above guidelines in individual cases should special reasons justify this. If this is the case, the information and the reasons for the deviation shall be reported at the next annual general meeting.

Proposal under item 15; Resolution on (a) adoption of an employee stock option and warrant programme, (b) an issue of warrants of series 2019/2022(A), and (c) an issue of warrants of series 2019/2022(B) and approval of transfers of warrants of series 2019/2022(B)

Proposal under item 15(a); Resolution on adoption of an employee stock option and warrant programme

General

The Board of Directors proposes that the Meeting resolves to adopt an employee stock option and warrant programme for the CEO and the other senior executives of the Company (the "**Programme**").

The rationale for the proposal is to achieve optimum alignment of interests between the senior executives and the shareholders in Company, to create conditions for retaining competent personnel to the Episurf

group and to drive performance among the senior executives. The Board of Directors is of the opinion that the Programme is in favour of Episurf and its shareholders.

The Programme means that the participants will, in accordance with below (i) be entitled to subscribe for a certain number of warrants of series 2019/2022 (A) (the “**Incentive Warrants**”) for a price calculated in accordance with below, and (ii) subject to subscribing for all Incentive Warrants, be allotted a certain number of employee stock options (the “**Stock Options**”) free of charge.

The Programme is proposed to comprise the CEO and the other members of the management team (five members). No more than 140,000 Incentive Warrants and no more than 560,000 Stock Options will be issued. This implies a maximum dilution of approximately 2.0 per cent of the share capital and 1.9 per cent of the votes in the Company.

Allocation, etc.

The Incentive Warrants shall be allocated in accordance with the following.

- a) the CEO is entitled to subscribe for up to 70,000 Incentive Warrants; and
- b) each other member of the senior management (five persons) is entitled to subscribe for up to 14,000 Incentive Warrants.

The Stock Options shall be allocated in accordance with the following.

- a) subject to having subscribed for all 70,000 Incentive Warrants, the CEO is allotted 280,000 Stock Options; and
- b) subject to having subscribed for all 14,000 Incentive Warrants, each other member of the senior management (five persons) is allotted 56,000 Stock Options.

Stock Options

Provided that the participant is still employed by the Episurf group at the exercise of the Stock Options, each Stock Option entitles the employee to purchase one B-share in the Company during the period from and including 1 June 2022 until and including 31 May 2023. The price for the shares of series B shall be equal to an amount corresponding to 125 per cent of the average volume-weighted share price for the Company’s share of series B on Nasdaq Stockholm during the period from and including 1 April 2019 until and including 5 April 2019 (the “**Calculation Period**”), provided however that the purchase price shall never be less than the quota value of the share.

The Stock Options may not be transferred or pledged.

In case of special circumstances, the Board of Directors shall be authorised to resolve that Stock Options may be kept and exercised despite the fact that the employment in the Episurf group has ceased, for example due to illness.

The Board of Directors shall be entitled to make adjustments to the Programme if significant changes in the Episurf group, or its markets, result in a situation where the decided terms and conditions for exercising the Stock Option are no longer appropriate.

Incentive Warrants

The Incentive Warrants are issued for a price corresponding to the Incentive Warrants' market value calculated according to the Black & Scholes formula. Each Incentive Warrant entitles its holder to subscribe for one (1) share of series B in the Company during the period from and including 1 June 2022 until and including 31 May 2023 for a subscription price corresponding to 125 per cent of the volume-weighted average of the price for the Company's share of series B on Nasdaq Stockholm during the Calculation Period.

Proposal under item 15(b); Resolution on an issue of warrants of series 2019/2022(A)

As further described under item 15(a) above, the Board of Directors proposes that the Company shall issue a maximum of 140,000 Incentive Warrants. The right to subscribe for the Incentive Warrants shall, with deviation from the shareholders' preferential rights, belong to the senior executives of the Episurf group. Subscription of the Incentive Warrants shall take place on a separate subscription list not later than 28 June 2019. Payment shall be made no later than on the same date.

The increase of the Company's share capital will, upon exercise of the Incentive Warrants, amount to not more than approximately SEK 42,036.55 calculated as per the date of this notice.

Proposal under item 15(c); Resolution on an issue of warrants of series 2019/2022(B) and approval of transfers of warrants of series 2019/2022(B)

To ensure delivery of shares to holders of Stock Options, the Board of Directors proposes that the Company shall issue a maximum of 560,000 warrants of series 2019/2022(B) ("**Hedge Warrants**"). The right to subscribe for the Hedge Warrants shall, with deviation from the shareholders' preferential rights, belong to Episurf Operations AB (the "**Subsidiary**"), a wholly-owned Swedish subsidiary of the Company.

The Hedge Warrants shall be issued to the Subsidiary without compensation and subscription shall take place on a separate subscription list not later than 28 June 2019.

Each Hedge Warrant entitles the holder to subscribe for one new share of series B in the Company during the period from and including 1 June 2022 up until and including 31 May 2023. The subscription price shall be equal to an amount corresponding to 125 per cent of the volume-weighted average of the price for the Company's share of series B on Nasdaq Stockholm during Calculation Period. The increase of the Company's share capital will, upon exercise of the Hedge Warrants, amount to not more than approximately SEK 168,142.20 calculated as per the date of this notice.

The Board of Directors finally proposes that the meeting approves that up to 560,000 Hedge Warrants during the period from and including 1 June 2022 up until and including 31 May 2023 are transferred by

the Subsidiary to participants in the Programme or to third parties in order to ensure delivery of shares of series B pursuant to the Stock Options.

Majority requirements and conditions, etc.

The Board of Directors proposals for resolution pursuant to item 15(a)–(c) 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 with observance of the majority rules that are stated in Chapter 16 of the Swedish Companies Act, meaning that the resolution must be supported by shareholders representing at least nine tenths of both the votes cast and of the shares represented at the Meeting.

Proposal under item 16; Resolution on an issue of warrants of series 2019/2022(C) as part of an incentive programme for the Board of Directors

LMK Forward AB, which holds approximately 2.7 per cent of the shares and 2.6 per cent of the votes in the Company, proposes that the Meeting, in accordance with the below, establishes an incentive programme for the board members of Episurf (the “**Incentive Programme**”) and thereby resolves on an issue of warrants of series 2019/2022(C) on the following main terms.

The Company shall issue no more than 300,000 warrants of series 2019/2022(C). The right to subscribe for warrants of series 2019/2022(C) shall, with deviation from the shareholders' preferential rights, belong to the persons who are elected as board members of the Company at the Meeting.

The chairman of the board of directors may subscribe for up to 100,000 warrants of series 2019/2022(C). Each additional person entitled to subscription may subscribe for up to the number of warrants of series 2019/2022(C) which corresponds to 200,000 divided by the number of board members, other than the chairman, elected at the Meeting, rounded down to the nearest whole number of warrants.

The warrants of series 2019/2022(C) shall be issued at a price corresponding to the market value calculated in accordance with the Black & Scholes formula. The price shall be calculated by Alvarez & Marsal.

Subscription of the warrants of series 2019/2022(C) shall take place on a separate subscription list and be subscribed and paid for no later than 31 May 2019. The Board of Directors is entitled to prolong the subscription and payment period in the event that a person entitled to subscription is prevented from subscribing for warrants due to insider or market abuse regulations.

Each warrant of series 2019/2022(C) entitles the holder to subscribe for one (1) new share of series B in the Company during the period from and including 1 June 2022 up until and including 31 May 2023.

The subscription price shall be equal to an amount corresponding to 125 per cent of the volume-weighted average of the purchase price for the Company's share of series B on Nasdaq Stockholm during the period from and including 1 April 2019 until and including 5 April 2019. The calculated subscription price shall be

rounded off to the nearest SEK 0.10. The subscription price may not be determined to an amount lower than the quota value of the shares.

Standard terms for recalculation of the subscription price, as well as the number of shares which a warrant of series 2019/2022(C) entitles subscription for, in the event of a bonus issue, new issue and in certain other cases, shall apply.

The increase of the Company's share capital will, upon exercise of the warrants of series 2019/2022(C), amount to not more than SEK 90,076.18, calculated as per the date of this notice.

The reason for deviating from the shareholders' preferential rights is to achieve optimum alignment of interests between the participants in the Incentive Programme and the shareholders and to promote long-term ownership of shares.

Upon full subscription by virtue of the warrants of series 2019/2022(C), a maximum of 300,000 new shares of series B may be issued, corresponding to a dilution of approximately 0.9 per cent of the total number of shares and approximately 0.8 per cent of the total number of votes in the Company.

The principles of the Incentive Programme have been prepared by LMK Forward AB, which holds approximately 2.7 per cent of the shares and 2.6 per cent of the votes in the Company. Christian Krüeger, who is a board member of the Company and is proposed to participate in the Incentive Programme, is employed by the LMK group. Christian Krüeger has not been involved in LMK Forward AB's preparation of the proposal.

A valid resolution under this item must be supported by shareholders representing not less than nine-tenths of both the votes cast as well as the shares represented at the Meeting. Board members who are entitled to participate in Incentive Programme who are also shareholders should not participate in the resolution.

Proposal under item 17; Resolution on authorisation for the Board of Directors to resolve on new issues

The Board of Directors proposes that the Meeting authorises 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 when resolving on deviation from the shareholders' preferential rights.

Payment may, except for in cash, be made in kind, by right of set-off or otherwise against markets terms according to the Board of Directors' assessment on a case-by-case level.

The Board of Directors or a person appointed by the Board of Directors are authorised to make minor adjustments to the resolution that may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office or due to other formal requirements.

A valid resolution under this item must be supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the Meeting.

MISCELLANEOUS

On the date of this notice, the total number of shares in Episurf is 35,113,686, of which 508,077 are shares of series A with three votes each, and 34,605,609 are shares of series B with one vote each. Accordingly, the total number of votes amounts to 36,129,840. The Company does not hold any shares in treasury.

The Nomination Committee's complete proposals are, together with the annual report and the auditors' report, available at the Company's website www.episurf.com and at the Company's head of office at Karlavägen 60, 114 49 Stockholm, Sweden. A form of power of attorney as well as the Board of Directors' complete proposals and reports prepared in accordance with the Swedish Companies Act will not later than on 18 March 2019 be available to the shareholders on the Company's website and at the Company's head office. All documents will also be sent free of charge to those shareholders who so request and provide the Company with their address.

The shareholders are informed of their right to request information from the Board of Directors and the CEO at the Meeting in accordance with Chapter 7, Section 32 of the Swedish Companies Act.

Welcome!

Stockholm in March 2019

The Board of Directors

www.episurf.com