

PRESS RELEASE
November 19, 2002

New Artimplant Share Issue To Strengthen Financial Position

- **The purpose is to provide the Company with SEK 45 million by combining a directed issue and a rights issue.**
- **The subscription price is SEK 3 in both instances.**
- **Old and new shareholders have so far subscribed to new B series shares totaling SEK 24 million in the directed issue with payment due in December.**
- **Professor Sven Lindskog is proposed for election as a new board member at the extraordinary general meeting to be held on December 17, 2002.**
- **Divestment of the subsidiary Gothenburg Medical Center has been initiated.**
- **The Company's new organization is in place.**

The Board of Artimplant AB has decided to call an extraordinary general meeting on December 17, 2002 in order to, among other things:

- Gain the Meeting's approval of the Board's decision to implement a directed issue with a maximum of 10,000,000 new B series shares at an subscription price of SEK 3 per share;
- Gain authorization to implement a new stock issue of a maximum of 19,250,000 B series shares with preferential rights for existing shareholders at an subscription price of SEK 3 per share;
- Gain approval to introduce a stock option program with a maximum of 1,000,000 stock options with the right to subscribe to shares at a price of SEK 10 during the period December 1, 2005 through March 31, 2006 and SEK 20 during the period December 1, 2007 through March 31, 2008.

The directed issue is offered to both new investors and existing Artimplant shareholders. The Company's main shareholders, board members, top management, and new investors have committed themselves to subscribe to shares for a total of SEK 24 million. Of this amount, individual members of the board and top management have signed for a total of SEK 4.3 million. The fund Pecunia will become a new institutional shareholder in connection with the directed issue.

Existing shareholders that are to subscribe to shares in the directed issue agree to abstain from their subscription rights in the rights issue that is planned for the first quarter of 2003. Other shareholders that shall also exercise their primary subscription rights have the right to subscribe to additional shares secondarily. Through this process, all existing shareholders are provided the opportunity to protect their holding in the Company, which also means that the principle of the Swedish Companies Act concerning equal treatment is followed.

At the extra general meeting, it will be proposed that Professor Sven Lindskog be appointed as a new board member. Professor Lindskog is active within oral cell biology at Karolinska Institutet and is one of the founders of Biora AB.

Discussions with a smaller number of interested parties have been entered in order to divest the subsidiary Gothenburg Medical Center.

The Company's new organization is now in place. In order to create a more cost effective organization, the three departments Research & Development, Medical Affairs, and Production have been combined into one single Development department. Company management, however, assesses that it is not possible to sign new license agreements before the end of the year. The board and management have prioritized its resources and focused on solving the company's longterm financing. Discussions with potential licensees continue with unhampered verve however.

Important strategic goals for 2003 include:

- License agreement for Spacer and ACL
- CE certification for Spacer
- FDA application for Spacer

The Chair of the Board, Akbar Seddigh, says:

"We are satisfied to have already been able to secure more than half of the estimated capital requirement. Through these stock issues and other actions, the board anticipates the creation of the financial freedom to act required in order to take the Company to commercial success."

The Company's advisor for the new stock issues is ABG Sundal Collier.

For additional information, please contact:

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Web site: www.artimplant.se

Please find enclosed the public announcement of the extraordinary general meeting.

ANNOUNCEMENT AND SUMMONS TO EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING IN ARTIMPLANT AB (PUBL)

ANNOUNCEMENT

The Board of Directors in Artimplant AB (publ), 556404-8394, ("the Company") has on November 14, 2002, decided to, with deviation from the shareholders' preferential rights, increase the share capital of the Company with at the most SEK 1.000.000 by issuing at the most 10.000.000 new B-shares, corresponding to a dilution of approximately 51,9 per cent of the shares and 38,2 per cent of the number of votes. Swedish and foreign investors and certain present large shareholders are entitled to subscribe for the new shares. The complete decision, which is available at the Company's office at Hulda Mellgrens gata 5, Västra Frölunda, is subject to the approval of the Extraordinary General Shareholders' Meeting to be held in the Company on December 17, 2002.

SUMMONS

Shareholders of Artimplant AB (publ), 556404-8394, ("the Company") are hereby summoned to an Extraordinary Shareholders' Meeting ("the Meeting") to be held on Tuesday December 17, 2002 at 5 pm. The Meeting will take place in the Company's office at Hulda Mellgrens gata 5, Gothenburg, Sweden. The office will be open for registration from 4.30 pm.

Notification etc

Shareholders intending to attend the Meeting must:

- 1) be recorded as shareholders in the Shareholders Register issued by the Swedish Securities Register Center (VPC AB) not later than Friday December 6, 2002.
- 2) notify the Company of their, and their assistants (if any), intention to attend the Meeting not later than 4 p.m. on Thursday December 12. Notification to attend should be made in writing to Artimplant AB, Hulda Mellgrens Gata 5, 421 32 Västra Frölunda; or by telephone +46 (0)31-746 56 38 (Monday-Thursday 10-12 a.m.); or by facsimile +46 (0)31-746 56 60; or by e-mail to extrablagssstamma2002@artimplant.se. When notification is made, name, address, personal- or corporate registration number should be stated together with (daytime) telephone number. If applicable, the notification should also be accompanied by Power of attorney, certificate of incorporation stating who is entitled to sign for the legal entity being represented and other proof of authority.

Shareholders whose shares are held in trust by a bank or a private broker must temporarily register their shares in their own names in the Shareholders Register to be able to attend the Meeting. Banks and private brokers should be contacted in this matter well ahead of Friday December 6, 2002, when such registration must be executed.

Agenda

At the Meeting the following issues will be addressed:

1. Drawing up and approval of the voting list.
2. Election of chairman to preside over the Meeting.
3. Approval of the agenda for the Meeting.
4. Election of two persons to, besides the chairman, approve the minutes of the Meeting.
5. Decision as to whether the Meeting has been properly convened.
6. Election of one new member of the Board of Directors.
7. Resolution regarding changes in the Articles of Association.
8. Resolution regarding approval of the Board of Directors' decision to, with deviation from the shareholders' preferential rights, carry out a new issue of shares.
9. Resolution regarding the Board of Directors' proposal to authorize the Board of Directors to issue new shares.
10. Resolutions regarding the Board of Directors' proposal for an incentive program consisting of an issue of debentures with detachable subscription rights for new shares and regarding approval of future transfer of shares in the Company to employees.
11. Other issues.
12. Closing of the Meeting.

The Board of Directors' complete proposals regarding section 8, 9 and 10 will be made available at the Company's office from Tuesday December 3, 2002. These documents will be sent to the shareholders that

have given notice of their attendance at the Meeting or otherwise have requested it and have stated their postal address. All documents will also be presented at the Meeting.

The Board of Directors' proposal for resolution under sections 7 and 8 must be supported by shareholders holding two-thirds of the shares voted as well as two-thirds of all shares present or represented at the Meeting to be valid.

The Board of Directors' proposal for resolutions under section 10 must be supported by shareholders holding ninety percent of the shares voted as well as ninety percent of all shares present or represented at the Meeting to be valid.

6. Election of one new member of the Board of Directors

The Board of Directors proposes that Sven Lindskog is elected as new member of the Board of Directors.

7. Resolution regarding change of the Articles of Association

The Board of Directors proposes that the Meeting adopts a resolution for the following changes in the Articles of Association:

The present wording in section 4 of the Articles of Association: *"The Company's share capital shall be at the lowest SEK 500.000 and at the highest SEK 2.000.000"* is replaced with *"The Company's share capital shall be at the lowest SEK 1.500.000 and at the highest SEK 6.000.000"*

Furthermore, the Board of Directors proposes that, as a consequence of the abovementioned change, the present wording of section 6 of the Articles of Association: *"Shares may be issued in two different series... and the number of Series B-shares issued may not exceed 15.000.000 with one vote per share"* is replaced with: *"Shares may be issued in two different series... and the number of Series B-shares issued may not exceed 55.000.000 with one vote per share"*

A prerequisite for a decision under section 7 is that the Meeting adopts the resolution proposed by the Board of Directors under section 8.

8. The Board of Directors proposal for resolution under section 8

On November 14, 2002, the Board of Directors decided to, with deviation from the shareholders' preferential rights, increase the share capital of the Company with at the most SEK 1.000.000 by issuing at the most 10.000.000 new B-shares, corresponding to a dilution of approximately 51,9 per cent of the share capital and 38,2 per cent of the number of votes. The subscription price shall be SEK 3 per share. Swedish and foreign investors and certain present large shareholders are entitled to subscribe for the new shares. The reason for the deviation from the shareholders' preferential rights is that the current market situation and the Company's capital requirements give at hand that a directed issue of new shares is the only alternative which would enable the Company to bridge its current financially strained situation. The present shareholders will, in accordance with the Board of Directors' proposal under section 9, be entitled to, during early 2003, participate in an issue of new shares, without deviation from the shareholders' preferential rights, with a corresponding subscription price. The Board of Directors proposes that the Meeting approves this decision.

The present shareholders who have subscribed for the new shares issued in accordance with this proposal have committed themselves not to subscribe for any of the shares that may be issued under the authorization that the Board of Directors has proposed the Meeting to give the Board of Directors under section 9.

9. The Board of Directors proposal for resolution under section 9

The Board of Directors proposes that the Meeting authorizes the Board to – not later than at the next Shareholders' General Annual Meeting – on one or more occasions, increase the share capital of the Company with, at the most SEK 1.925.000 by issuing at the most 19.250.000 new B-shares at a subscription price of SEK 3.

10. The Board of Directors proposal for resolutions under section 10

A. Issue of debentures with subscription rights for new shares

The Board of Directors proposes that the Company shall raise a debenture loan at a par value of SEK 1.000 by issuing two debentures with a par value of SEK 500 per debenture and with 666.670 detachable subscription rights for new shares per debenture. Each subscription right will entitle the holder to subscribe for one new B-share in the Company at a par value of SEK 0,10, subject to recalculation in accordance with customary practice. The debentures are issued at par value.

Höghuset 342 AB, 556628-0995, ("Höghuset"), shall, with deviation from the shareholders' preferential rights, be exclusively entitled to subscribe for the debentures. Subscription shall be made on a separate subscription list not later than December 30, 2002. Cash payment for the debentures shall be made not later than December 30, 2002. The debentures, that are subordinated, shall not carry any interest and payment is due on January 31, 2003.

The subscription rights are issued in two series, series 2002/2006 and series 2002/2008. Half of the subscription rights are attributable to each series.

Subscription for shares, in accordance with the conditions for the subscription rights, can be made for Series 2002/2006 from December 1, 2005, to April 30, 2006, and for Series 2002/2008 from December 1, 2007, to April 30, 2008. The subscription price for series 2002/2006 shall be SEK 10 per share and for series 2002/2008 it shall be SEK 20 per share. If the subscription rights are fully subscribed for and fully exercised, the registered share capital of the Company will increase by a maximum of SEK 133.334 allocated among 1.333.340 B-shares, corresponding to a dilution of approximately 3,4 percent of the Company's registered share capital and 2,9 percent of the votes before any recalculation due to new issues etc. As regards the present incentive program decided at the Shareholders' Annual General Meeting in 2000, it is the assessment of the Board of Directors that the holders of the options not will exercise their options and that the pending incentive program thus not will lead to any dilution.

Within the framework of the incentive program as described below, Höghuset will, in accordance with a special agreement concluded with the Company and in accordance with the Board of Directors' additional instructions, and without any consideration, issue call options for shares in the Company to certain categories of present and future employees of the Company and its subsidiaries, as well as subsequently fulfil those obligations by transferring shares in the Company that have been subscribed for through exercises of the options. The terms by which the employees may exercise the allocated options will be covered by separate agreements between Höghuset and each individual option holder.

Furthermore, Höghuset shall be entitled to sell a certain number of new shares on the market, that have been subscribed for, in order to cover the social security obligations that the Company may incur in connection with the incentive program. Höghuset and the Company shall enter into an agreement regarding this.

The primary reason for the deviation from the shareholders' preferential rights is to implement an incentive program for the managerial group, key employees and certain other employees, which would stimulate their commitment, motivation and sense of affinity with the Company.

B. Incentive program

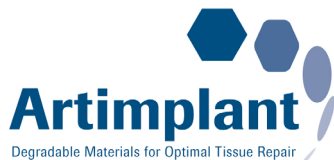
The Board of Directors proposes that the Company shall adopt an incentive program consisting of no more than 1.000.000 call options directed to certain categories of present and future employees of the Company and its subsidiaries. The incentive program shall entitle employees to acquire B-shares in the Company from Höghuset as described above. The call options will not be transferable and will generally lapse if the employee leaves the Company or its subsidiaries. The call options will be exercisable from December 1, 2005, to March 31, 2006, and from December 1, 2007, to March 31, 2008, depending on series. The exercise price shall correspond to the subscription prices, i.e. SEK 10 for Series 2002/2006 and SEK 20 for series 2002/2008

Höghuset shall, in accordance with a special agreement concluded with the Company and the Board of Directors' additional instructions, and without any consideration, issue call options for B-shares in the Company to certain categories of present and future employees of the Company and its subsidiaries, as well as subsequently fulfil those obligations by transferring shares in the Company that have been subscribed for through exercises of the options.

Each call option will entitle the employee to purchase 1 (one) new share in the Company at the prices specified above, subject to recalculation in accordance with customary practice. It is incumbent on the individual option holder to arrange any financing necessary to pay the subscription price.

The Board of Directors will establish more detailed criteria for allocating the call options to the employees. Allocation of the options will be based on position, duties and job performance in the following categories:

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|---|-------------------------|
| A. CEO: | maximum 350.000 options |
| B. Managerial group: | maximum 450.000 options |
| C. Key employees and certain other employees: | maximum 200.000 options |



Board members elected by the Shareholders' Meeting will not be entitled to acquire call options as described above. Persons residing abroad will be afforded the opportunity to participate in the incentive program in so far as that it is legal and does not, in the judgement of the Board of Directors, entail administrative inconveniences.

N.B. THIS NOTICE IS ONLY A TRANSLATION. THE SWEDISH NOTICE SHALL AT ALL TIMES HAVE PRECEDENCE

Gothenburg in November 2002
THE BOARD OF DIRECTORS