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Biom'up launches a private placement financing of a minimum of €7 million

- Capital increase without preferential subscription rights to the benefit of certain categories of investors
- Delivery of the new 8,700 sqm production facility expected in 2021
- Financial information update

Saint-Priest, France, December 5, 2018, 6:00 p.m. (C.E.T.) – Biom'up (the "**Company**"), a specialist in surgical hemostasis, announces the launch of a capital increase by the issuance of new shares without preferential subscription rights for the benefit of a category of beneficiaries (the "**Offer**"). Biom'up wishes to raise a minimum of €7 million.

Objectives

The proceeds of the Offering are mainly intended to provide the Company with additional resources to accelerate its development. Accordingly, the net proceeds from the funds raised within the framework of the Offering, i.e. a minimum of €7 million, will allow the Company to finance, in the following order of priority and in equal proportions:

- the continuation and ramp up of clinical development for HEMOBLAST™ Bellows in abdominoplasty surgery, knee surgery and spinal surgery.
- continuing expenditures for the construction of the new production plant near the existing site (the Company now estimates this new plant could supply up to 500,000 units of HEMOBLAST Bellows by the end of 2021 v. 2020 initially).

To achieve its 2022 target of a 15% market share in the United States and the main European countries, the Company will need additional financing.

- ongoing efforts to deploy the sales force in the United States and Europe, ramping up efforts devoted to marketing and training practitioners and the Company's ordinary operating activities.

Structure of the Offering

The New Shares (the "**New Shares**") will be offered in connection with a capital increase, entailing the cancellation of preferential subscription rights for the benefit of categories of persons set by the 5th resolution

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of the extraordinary general meeting of the shareholders of June 5, 2018, in compliance with article L. 225-138 of the French commercial code (the "**Capital Increase**").

These categories include notably one or more companies or French or foreign investment funds who customarily invest, or have invested more than €1 million during the 36 months preceding the date of the issue in question, in the life sciences or health technology sector.

Financière Arbevel, acting on behalf of the UCITS and investment mandates that it manages, shareholders of the Company holding 6.68% of the share capital (5.92% on a fully diluted basis), and Athyrium Capital Management L.P., fund manager of the shareholder investment fund of the Company holding 1.43% of the share capital (3.37% on a fully diluted basis) have undertaken to invest respectively €2 million and €5 million in the Offer. These subscription commitments cover the entirety of the minimum amount of the Capital Increase.

The New Shares whose admission to trading on the regulated market of Euronext Paris will be requested shall be ordinary shares of the Company, subscribed for and paid up in full, and reserved and allocated to investors meeting the above characteristics. These shares are subject to an offering consisting of (i) a "book-building" process in the European Economic Area (the "EEA") under the derogation provided for by Article 3.2 of the 2003/71/EC Directive of the European Parliament and Council dated November 4, 2003 (as amended), and (ii) a private placement outside the EEA in accordance with the rules of each country concerned, and in particular outside of the United States by virtue of Regulation S of the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and in the United States by virtue of an exemption from the registration requirements of the Securities Act to Qualified Institutional Buyers (QIBS) as defined by Article 144A of the U.S. Securities Act.

In accordance with articles 211-3 and 212-5 of the general Regulation of the AMF, neither the Offer nor the admission of the New Shares to trading on the regulated market of Euronext Paris shall be subject to a prospectus having been granted clearance by the AMF.

The New Shares may be listed only after their issuance at the end of the settlement-delivery of New Shares scheduled for December 10, 2018.

Placement of the New Shares will be assured by Bryan Garnier & Co acting as placement agent under the terms of an underwriting agreement to be concluded with the Company. This underwriting agreement does not constitute a performance guarantee (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the French commercial code. The Company will grant, under the terms of this agreement, an abstention commitment (whereby it will not proceed with any issue or grant any promise of sale of shares or securities giving access to the capital of the Company), for a period of 90 days expiring after the date of settlement-delivery of the New Shares in the absence of a prior written agreement of the Placement Agent or application of the usual exceptions.

The Company's historic shareholders with a stake in the capital before the IPO of October 13, 2017 and Kreos Capital V (UK) Ltd, a holder of share warrants, remain subject to a lock-up commitment for the Company's shares for those securities giving access to the capital they hold or will come to hold until December 31, 2018.

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Preferential subscription rights

The issue of New Shares will be made with the cancellation of preferential subscription rights reserved for categories of beneficiaries in compliance with the provisions of article L.225-135 of the French Commercial Code.

In this framework, at the General Meeting of June 5, 2018 (5th resolution) the Company's shareholders decided to cancel their preferential subscription rights for the benefit of investors meeting the above characteristics.

Subscription price

The final conditions of the Offer, including the subscription price and the impact of the issue of New Shares on the percentage of capital held and the situation of the shareholder will be announced as soon as possible by the issuance of a press release.

Indicative timetable for the Offer

December 5, 2018 (post-closing)	Decision of the Board of Directors deciding on the launch of the Offer and its main procedures. Press release announcing the launch of the Capital Increase
December 6, 2018	Decision of the Board of Directors setting the issue price of the New Shares and the final procedures of the Offer (or the chief executive officer when this authority has been delegated to the latter) (before the opening of trading on the stock market) Execution of the Underwriting Agreement Press release announcing the Offer price and the final amount of the Capital Increase (before the opening of trading)
December 7, 2018	Publication by Euronext of the notice of admission of the New Shares to trading
December 10, 2018	Settlement-Delivery and admission to trading of the New Shares on Euronext Paris.

Update of information concerning the company

The Company was created in 2005 with the objective of designing and producing implantable, resorbable biomaterials and medical devices derived from biopolymers like collagen. The Group has also developed a new generation of hemostasis products composed of patent-protected biopolymers.

The development strategy is now focused on (i) HEMOBLAST Bellows, a hemostatic powder (acting to control minimal to moderate bleeding during surgical procedures) equipped with a bellows applicator and (ii) HEMOSNOW™, a hemostatic dry powder enabling mechanical or activation for minimal bleeding during surgical procedures. The HEMOBLAST product range can be used in many surgical fields only with the applicator or in conjunction with a 10 cm cannula in most open surgical procedures or with the assistance of a 35 cm laparoscopic cannula in laparoscopy for example.

HEMOBLAST Bellows obtained CE marking in December 2016. In the United States, following completion of the Premarket Approval (PMA), in December 2017, the Group received FDA marketing approval in the United States for HEMOBLAST Bellows, 7 months in advance of the original plan.

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The product's official commercial launch in Europe and the United States took place in the summer of 2018, with the first sales recorded in July 2018.

Thanks to the productivity improvement, the doubling of the number of shifts, and the expansion of the capacity of production of HEMOBLAST Bellows subsequent to the capacity freed up by the discontinuation of legacy products, the production site in Saint-Priest is now able to produce 4,000 units of HEMOBLAST Bellows per month. This capacity is anticipated to increase to 7,000 units per month by the first semester of 2019. Delivery of a new 8,700 sqm production facility is now expected in 2021 v. 2020 initially; the Company anticipating this new site to produce up to 500,000 units of HEMOBLAST Bellows per year by end of 2021. In order to achieve the 15% market shares in the United States of America and main European countries in 2022, the Company will need additional financing.

Net working capital

Since its creation, the Company has financed its growth by strengthening its equity through successive capital increases, and by obtaining public grants for innovation, the reimbursement of research tax credit receivables and through bank borrowings through bond issues.

The cash balance was at €33.1 million at September 30, 2018 and €28.8 million at October 31, 2018. The Company has completed a specific review of its liquidity risk and considers that it is unable to honor the terms for future payments (based on a qualified situation of deficiency as of the September 2019). The working capital deficiency would attain a maximum amount of €6.8 million within 12 months, i.e. end of December 2019. The Company however considers the net proceeds of the Offer will be sufficient to meet its obligations and operating cash flow needs during the twelve months. This Offering is the Company's preferred solution for obtaining positive net working capital for the next twelve months.

The Company will continue to have significant financing requirements in the future. The Company will consider different sources of financing (equity, debt or other non-dilutive solutions) to guarantee the Company's continuity as a going concern after December 2019. Until the end of March 2019, and subject to fulfillment of certain conditions, the Company has an option to raise an additional €10 million from Athyrium in connection with the March 2018 bond issue.

Profit-sharing plans adopted before the Company's initial public offering

After reviewing the situation of the share price and its consequences for profit-sharing plans set up pursuant to the delegations of authority granted by the shareholders' general meetings of February 19, 2015 and July 17, 2015 (for BSPCE warrants) and June 21 2016 (for stock options), and in light of notably the exercise price of the instruments in question, i.e. 236,413 BSPCE warrants exercisable at a price of €16.80 for two new shares and 52,579 stock options exercisable under the same conditions, and the shares limited liquidity, on October 29, 2018 the Board decided, on the recommendations of the nomination and compensation committee, to propose to each beneficiary employed by the Group on October 29, 2018 to substitute a fixed amount of €4.20 per dilutive instruments (or €2.10 per underlying share) or a total amount of €418,198.20, in exchange for waiving their rights to said instruments, it being specified that the beneficiaries are corporate officers who waived their rights to these instruments without compensation.

The offer of substitution was opened to beneficiaries until November 30, 2018, the date on which the beneficiaries had responded favorably. On that basis, the summary of potentially dilutive instruments on the Prospectus date is as follows:

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Nature of the dilutive instruments	Number of instruments	Potential new shares
BSPCE founders' warrants (<i>Bons de souscription de parts de créateur</i>)	0	0
Stocks options	418,705	418,705
Warrants	217,320	492,320 *
Restricted stock units	406,360	406,360
Total	1,042,385	1,317,385 **

* Increase to a maximum of 612,320 new shares, taking into account the 120,000 new shares that could be issued from exercising the BSA warrants attached to the bond subscribed by Athyrium in respect of the second tranche of €10 million, not yet issued on this date.

** Increase to a maximum of 1,437,385 new shares, taking into account the 120,000 new shares that could be issued from exercising the BSA warrants attached to the bond subscribed by Athyrium Capital Management L.P. in respect of the second tranche of €10 million, not yet issued on the date of the Prospectus.

Biom'up USA, Inc.

Biom'up USA, Inc. is the US subsidiary of the Company responsible for the distribution of the Group's products in its priority market, the United States. On September 18, 2018 Biom'up USA Inc., appointed Mr. William Spotnitz, also the Group's Chief Medical Officer, as Chief Executive Officer, in replacement of Mr. Etienne Binant, also the Company's Chief Executive Officer (*directeur général*), now occupying the offices of Chairman of Biom'up USA, Inc. In light of the progress and success of the US subsidiary under Mr. Etienne Binant's management between March 2015 and September 2018, this subsidiary granted him a bonus of a net amount in US dollars equal to €490,095.

Availability of the registration document and the interim financial report

Detailed information about Biom'up, notably relating to its business, results, outlook and the corresponding risk factors is provided in the Company's registration document for 2017, filed with the AMF on May 28, 2018 (No. R.18-043), and in the interim financial report for the six-month period ended June 30, 2018 which may be consulted along with other regulated information and all press releases of the Company at the Biom'up website (www.biomup.com).

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About HEMOBLAST

HEMOBLAST Bellows is a hemostatic product to control bleeding in a broad range of surgical procedures, such as cardiac surgery, general surgery, and orthopedic surgery, etc. Biom'up conducted a successful clinical trial in the United States with 412 patients admitted to cardio-thoracic, abdominal or orthopedic (lower limb) surgeries which met all of its primary and secondary endpoints. Given the compelling preliminary results (93 % effectiveness at 6 minutes, compared with 74 % for the control arm), the

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Independent Data Monitoring Committee (IDMC) unanimously recommended to stop the study after an interim analysis of the data, which allowed the company to accelerate the submission of its filing for premarket approval (PMA) to regulatory authorities in June 2017.

After obtaining expedited FDA approval for HEMOBLAST Bellows in December 2017, 7 months ahead of original plan, Biom'up's efforts are focused on industrial and commercial activities and the recruitment of sales and marketing teams in the U.S. to prepare the planned commercial roll-out of our lead product in the United States.

On July 12, 2018, Biom'up obtained CE Marking for its HEMOBLAST Bellows Laparoscopic Applicator designed to deliver the HEMOBLAST Bellows powder in minimally-invasive procedures. This has opened the way for the Company in a new market segment representing approximately 500,000 surgeries per year in Europe. In addition, on July 2, 2018 the Company filed a PMA supplement to obtain approval for HEMOBLAST Bellows for all laparoscopic surgical procedures in the United States.

About Biom'up

Founded in 2005 and based in the Lyon suburb of Saint-Priest (France), Biom'up designs hemostatic products based on patented biopolymers that aim to simplify surgical procedures in numerous specialties (spine, cardiothoracic, general, orthopedic, plastic) and give patients a better quality of life.

Since its creation, Biom'up has benefited from the support of prominent European investors such as Bpifrance, Innobio, Gimv, Lundbeckfond, Mérieux Participation, SHAM and ACG, as well as all the company's managers, who have invested €2 million in equity. Biom'up successfully completed its IPO on Euronext Paris, raising €42.5 million in October 2017. This has been followed by a €16 million capital increase in February 2018 and a €25 million bond financing agreement with Athyrium Opportunities III Acquisition LP, a US fund specializing in innovative companies in the healthcare sector, in March 2018.

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For the purposes of this provision, an "offer to the public" in relation to the new or existing shares of the Company in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as modified, if applicable, by the Member State. "Prospectus Directive" herein refers to the Directive 2003/71/EC (as amended, including by Directive 2010/73/EC), and any relevant transposition measure in the Member State.

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