Biom’up Provides Business Update for the First Half of 2019 and confirms its Revenue Guidance for the year

- Global, unaudited sales of HEMOBLAST™ Bellows for the first half of 2019 were €1.4 million – on track to achieve 2019 revenue guidance range of €4.0-4.5 million; projection for 15% market share in the US and main European countries remains a long-term goal
- Operating expenditures for 2019 expected to reach circa €30 million, a significant decrease versus 2018
- Upgrades at manufacturing facility in Saint-Priest will now provide sufficient capacity to meet HEMOBLAST Bellows demand through 2021, pushing out the need for a new facility at least 24 months
- Consolidated, unaudited cash position as of June 30, 2019 at €8.5 million

Saint-Priest, France, July 10, 2019 - 8h00 (CET) - Biom’up SA (the « Company »), specializing in surgical hemostasis, announced unaudited sales of HEMOBLAST Bellows for the first half of 2019 ended June 30th totaled €1.4 million, a sequential month-over-month growth rate of 23% since global launch in July 2018. HEMOBLAST Bellows sales for 1H 2019 were more than twice as much as the €627 K recorded for the previous six months. The revenue recorded for HEMOBLAST Bellows during 1H 2019 is also in line with the full-year 2019 guidance for global sales in the range of €4.0-4.5 million. US orders already represent close to 2/3 of total orders, demonstrating HEMOBLAST Bellows’ potential in the strategic US market.

In terms of operational expenditures, and as previously communicated, following the significant commercial, manufacturing and R&D investments of 2018, the Company now Foresees operating expenditures at the Group level to be limited to €30 million. The Company will continue to manage its cost base efficiently and maintains its objective of an EBITDA break-even in 4Q 2021 despite a loss-making full-year.

Finally, the Company has conducted an extensive review of its manufacturing options and has determined that the ongoing improvements at its existing facility in Saint-Priest will increase capacity a further 100% by the end of 2020 over that estimated for the end of 2019. Implementation of this plan will enable the Company to comfortably meet the increasing demand for HEMOBLAST Bellows through 2021 while significantly reducing capital expenditures. Biom’up will thus postpone commencement of construction on a new factory in the Lyon area by at least two years.
Dr. Jan Ohrstrom, Chairman & CEO, said: "The first half of 2019 was a success from a commercialization perspective, with the US in particular delivering excellent results. We look forward to meeting our full year objectives for 2019. On the cost side, we continue to manage actively and efficiently our cost base while supporting the continued robust adoption of HEMOBLAST Bellows. Finally, I wanted to thank our manufacturing engineers for their innovative work in further increasing capacity at our existing factory, enabling us to face greater demand under tight deadlines."

The Company reiterates its revenue guidance in the range of €4.0 to 4.5 million for 2019 as announced on May 20, 2019. The Company remains convinced that HEMOBLAST Bellows has the potential to capture a 15% market share in the US and main European countries in the long term but cannot commit to a precise year in which such level of revenues may be achieved.

The consolidated unaudited cash balance at June 30, 2019 stood at €8.5 million, compared to €44.2 million at June 30, 2018 and €30.6 million at December 31, 2018. The Company will continue to need important financial resources to cover its planned operating and investing activities in light of a liquidity shortfall as from September 2019 and is actively looking at available options. In this context, the Company obtained from Athyrium a reduction from €8 million to €2 million until July 31, 2020 of the minimum liquidity ratio under the bond financing entered into in March 2018.

Annex 1: Definition of alternative performance measures

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About Biom’up

Founded in 2005 and based in the Lyon suburb of Saint-Priest (France), Biom’up develops and commercializes hemostatic products based on patented biopolymers designed to simplify the surgeons practices for open and minimally invasive surgical procedures, including laparoscopic, in multiple specialties such as cardiac, general, and orthopedic surgery. The Company’s lead product, HEMOBLAST™ Bellows and its laparoscopic applicator are marketed in Europe and the United States.
PRESS RELEASE

Since its creation, Biom’up has benefited from the support of prominent European and U.S. investors. The Company’s shareholders include Bpifrance (including its Innobio fund), Gimv, Lundbeckfond, Athyrium Capital, Financière Arbevel and Invesco, as well as all the Company’s management team. Biom’up successfully completed its IPO on Euronext Paris, raising €42.5 million in October 2017.

Since then, the Company carried out a €16 million capital increase in February 2018 and a €7.7 million capital increase by means of a private placement in December 2018. It also entered into a €25 million bond financing agreement with Athyrium, a U.S. fund specializing in innovative companies in the healthcare sector, in March 2018, that was brought to €28 million in December 2018.

About HEMOBLAST

HEMOBLAST Bellows is a hemostatic product to control bleeding in a broad range of open and minimally invasive surgical procedures including laparoscopy for multiple specialties such as cardiac, general, and orthopedic surgery.

Uncontrolled bleeding is a major surgical complication associated with higher mortality, longer hospitalization and higher rates of transfusions and reoperations. Beyond its impact on patient’s health, this major complication causes excess costs in all surgical specialties and is a burden for hospital budgets across the globe. HEMOBLAST Bellows is the only surgical hemostatic agent approved by the FDA based on the validated SPOT GRADE™ Surface Bleeding Severity Scale (SBSS), which demonstrates the ability to control a range of bleeding from minimal (oozing), mild (pooling) and moderate (flowing) bleeding. HEMOBLAST Bellows is proven to control bleeding with flow rates up to 117 mL per minute. Due to its efficacy, versatility and ease of use, HEMOBLAST Bellows is quickly becoming a popular choice amongst U.S. surgeons looking for new options to control surgical bleeding challenges.

Biom’up obtained CE Marking for HEMOBLAST Bellows in December 2016. On the basis of compelling preliminary results (93% effectiveness at 6 minutes, compared with 74% for the control arm) in a major clinical trial, FDA approval for HEMOBLAST Bellows was obtained in December 2017, seven months ahead of the original plan. This allowed for the commercial roll-out of its lead product in the U.S. in the summer of 2018.

In July 2018, Biom’up additionally obtained CE Marking for its HEMOBLAST Bellows Laparoscopic Applicator designed to deliver the HEMOBLAST Bellows powder in all minimally-invasive procedures. In January 2019, the Company obtained the respective approval for HEMOBLAST Bellows Laparoscopic Applicator in the U.S. This has opened up new market segments, representing approximately 500,000 and 443,000 surgeries per year in Europe and the US respectively.

Currently the Company is working to expand the range of applications for HEMOBLAST Bellows. In addition, the approval from the Australian health authorities for the Company’s lead product is expected during the second half of 2019.
Annex 1: Definition of alternative performance measures

Alternative performance measures not included in the financial statements:

- **Monthly orders growth**: ratio between (i) the value, calculated over a given calendar month, of firm commitments made by all healthcare institutions (hospital sites and private clinics) having acquired HEMOBLAST Bellows and (ii) the value of commitments of the same nature made over the previous calendar month.

- **Production capacities**: maximum number of units of HEMOBLAST Bellows produced by the Company (directly or by its subcontractors) over a given period (annual or monthly), before quality control.

- **Number of hospitals that have purchased HEMOBLAST Bellows**: number of healthcare institutions (hospital sites and private clinics) that have purchased at least one batch of HEMOBLAST Bellows since its commercial launch in the summer of 2018, it being specified that one batch includes 12 units.

- **Number of customers who ordered more than once**: number of healthcare institutions (hospital sites and private clinics) that have ordered HEMOBLAST Bellows at least twice since its commercial launch in the summer of 2018.