Biom’up issues a new tranche of €5 million from the credit line granted by Athyrium

- Issue of bonds with warrants attached, fully subscribed by Athyrium within the framework of the €35 million facility announced on April 3, 2018
- A cash shortfall now estimated as of early November 2019
- €2 million remain available to the Company until December 31, 2019, subject to Athyrium’s approval

Saint-Priest, France, August 7, 2019, 6:00 PM (CET) – Biom’up (the “Company”), a specialist in surgical hemostasis, today announces the issuance of a third tranche of its bond financing for €5 million.

This issue was carried out as part of the bond financing subscribed by Athyrium Opportunities III Acquisition LP, a fund managed by Athyrium Capital Management, LP (“Athyrium”) for an aggregate amount of up to €35 million, with €25 million issued on March 29, 2018 and €3 million issued on December 31, 2018. The Company can call the €2 million still available under the facility until December 31, 2019, subject to Athyrium waiving existing conditions in light of the Company’s financial situation.

This new financing provides the Company with additional resources to support the commercialization of HEMOBLAST™ Bellows and general corporate purposes, allowing to postpone the cash shortfall to early November 2019, previously estimated on September 2019. The Company will continue to need significant financial resources to cover its planned operating and investing activities and is actively looking at all available options.

The bond subscription agreement of March 29, 2018 between Biom’up and Athyrium Capital Management, LP, as amended on August 6, 2019, provides as follows:

- the interest rate on all bonds (existing and new), all maturing on March 29, 2023, is 10 % p.a. (increased to 13% p.a. in the event of default that goes unremedied, where no waiver has been granted and that has not ceased), representing an annual interest charge of €2.5 million (assuming no early redemption) on average over the life of the bonds, taking into account the

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1 Such conditions are set out in section 21.1.4.4 of the Company’s French language « document de référence » for the year 2018 available on the Company’s website: www.biomup.com and upon written request from the Company at 8 allée Irène Joliot-Curie, 69800 Saint-Priest.
amortization of the bonds starting on the third anniversary of the initial issue (increased to €2.6 million per year on average over the life of the bonds, in case of the exercise of the option for €2 million in additional financing between now and December 31, 2019) subject to Athyrium waiving existing conditions¹ in light of the Company’s financial situation. Interest is payable quarterly;

- to guarantee the obligations assumed by the Company under the terms of the initial €25 million bond issue and the second €3 million tranche, the Company granted Athyrium senior and subordinated security agreements for on-going business (fonds de commerce), bank accounts, intellectual property rights and patents. The Company granted a super-subordinated security on the same assets under the new €5 million tranche. In addition, the US subsidiary of the Company, Biom’up USA, Inc. guarantees all bonds of its parent company;

- the new €5 million tranche was subscribed by Athyrium pursuant to the third resolution (issuances through private placements) adopted by the extraordinary general meeting of June 7, 2019, resulting in the issuance of 5,000 bonds, with a par value of €1,000 each, and of 865,000 warrants, i.e. 173 warrants per new bond (versus 12 warrants per bond previously issued), Athyrium having waived the conditions of drawdown in exchange for a revision of the number of warrants attached to each new bond;

- the €2 million still available under the facility may be called in one or more installments up to December 31, 2019, subject to Athyrium waiving existing conditions¹ in light of the Company’s financial situation;

- the exercise ratio of the new warrants equals 1 new share for each warrant, or a total of 865,000 shares to be issued from the exercise of the 865,000 warrants (or 5.72% of the Company’s share capital on a non-diluted basis and 5.24% on a diluted basis);

- the exercise price of the new warrants is equal to the volume-weighted average for the five trading days preceding their issue on August 7, 2019 plus a premium of 2%, i.e. €1.6983. Each new warrant will confer a right to 1 new share;

- the new warrants, which will not be admitted for trading on the regulated market of Euronext Paris, may be exercised during the period running from the business day following their issue date, i.e. August 8, 2019, until maturity of the bonds, i.e. until March 29, 2023;

- the transferability of the new warrants is restricted to affiliates of the bondholders for the first two years only, except in the event of a default by the Company; and

- the shares issued upon exercise of the new warrants will be admitted to trading on the regulated market of Euronext Paris.

Following this transaction, Athyrium, which currently holds 8.57% of the Company’s share capital and voting rights on a non-diluted basis, holds a total of 1,201,000 warrants giving the right, upon exercise,
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to as many new shares of the Company, representing a total holding of 14.68% of the Company’s capital and voting rights on a diluted basis.

The bond issue is not made in the context of a public offering (offre au public) of financial instruments in France within the meaning of Article L. 411-1 of the French monetary and financial code (code monétaire et financier) and therefore no prospectus has been submitted for approval (visa) to the Autorité des marchés financiers.

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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.

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, Athryium 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.

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