



Biom'Up announces a financing targeting a total of €43m

Capital increase of an initial amount of €18m which may be increased to €20.7m by means of a public offering without preferential subscription rights and with a priority subscription period of three trading days as of right only

Proposed bond issue with stock warrants of an initial amount of €25m which may be increased to €35m for the benefit of investment funds managed by Athyrium Capital Management, a major US investor in the healthcare sector, which also agrees to take part in the capital increase

The proposed bond issue, which is subject to the Capital Increase achieving at least €15m of its initial amount, will enable the company to refinance the Kreos Capital loan of €8.2m

Saint-Priest, France, February 14, 2018 – 7.30 a.m. Paris time – Biom'Up (the "Company"), specialist in surgical hemostasis, announces today a financing operation consisting of:

- (i) a capital increase by means of a public offering without preferential subscription rights for shareholders and with a priority subscription period, as of right only, for existing shareholders (the "Capital Increase"), of an initially planned amount of €18 million, which may be increased to a maximum of €20.7 million if the increase option is exercised in full and independently;
- (ii) a proposed bond issue with stock warrants of an initial amount of €25 million which may be increased to €35 million with Athyrium Capital Management, L.P. ("Athyrium"), an investment fund management company, with which the Company has entered into exclusive negotiations. This proposed bond issue is not subject to Athyrium acquiring a stake in the Company within the framework of the Capital Increase. However, it is subject to the Capital Increase achieving at least €15m of its initial amount.

Net proceeds from the funds raised within the framework of the Capital increase, in the amount of around €16.3 million, will be used to finance, in the following order of priority:

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- 1) for half of the net proceeds of the Capital Increase, the means to help to increase the Company's production capacity, in particular opening a second production plant in order to respond to demand for HEMOBLAST™ Bellows;
- 2) for just under one-third of the net proceeds of the Capital Increase, the continuation and ramp-up of clinical development of HEMOBLAST™ Bellows in laparoscopy, cosmetic surgery and knee surgery, and clinical trials with a view to obtaining PMA for HEMOSNOW™;
- 3) the remainder of the net proceeds of the Offer will enable the Company to continue with its efforts to roll out a sales team in the United States, step up its marketing efforts and train practitioners, and to finance its ongoing activities.

If the proposed bond issue becomes concrete, the funds raised, in the initial amount of €25 million which may be increased to €35 million in the twelve months following the initial issue, would be used:

- 1) in priority to refinance the bond loan from Kreos Capital in the amount of €8.2 million;
- 2) consolidate the financing plan for a second HEMOBLAST™ Bellows production plant, close to the existing Saint-Priest plant and able to supply up to 750,000 units, with the remainder to be financed out of the total cost of the plant of €15 million (after using the proceeds of the Capital Increase as described above); and
- 3) increase the Company's financing capacity to carry out acquisitions and finance growth in the working capital requirement on account of anticipated growth in the Company's business activity.

Etienne Binant, Chief Executive Officer of Biom'Up, comments: *"Since its successful IPO in October 2017, Biom'Up has seen unprecedented acceleration in growth. By obtaining market approval in the United States for HEMOBLAST™ Bellows seven months ahead of the initial target, we have confirmed our clinical and regulatory excellence. Following on from this success, we are initiating a financing operation of a total of €43 million based on a capital increase by means of a public offering and a bond issue in the process of being finalised in favor of Athyrium Capital Management, which will also take part in the capital increase. This will enable us to step up the ramp-up of production within the framework of the launch of HEMOBLAST™ Bellows in Europe and the United States, scheduled for summer 2018, extend our product range to cover more types of usage and repay our loans from Kreos Capital. I would like to thank Athyrium for its involvement in Biom'Up's development by means of its participation in this operation, as well as granting a debt financing offer. Securing the support of a US investor specializing in the healthcare sector of the caliber of Athyrium attests to investors' confidence in Biom'Up's growing position in the hemostat market."*

(i) Public offering

The Company's shareholders registered on February 13, 2018 will benefit from a priority subscription period as of right only of three trading days from February 14, 2018 to February 16, 2018 (inclusive). Shares not subscribed during the priority subscription period, as well as new shares that may be issued as a result of the increase being exercised, will be the object of an overall offer comprising:

- a public offering in France (the "Public Offering"); and

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- a global placement (the “Global Placement”), comprising:
 - a private placement in France, primarily among qualified investors or persons providing investment management services for third parties; and
 - an international private placement, primarily among institutional investors in certain other countries, including the United States of America by means of a private placement carried out by the Company within the framework of transactions benefiting from exemption from registration under the US Securities Act of 1933.

Orders placed within the framework of the Public Offering and the General Placement may be reduced according to the results of subscriptions as of right only within the framework of the priority subscription period.

The subscription price of €11.00 per new share (the “**Subscription Price**”) represents a discount of 5% to the volume-weighted average price of the Company’s shares over the last three trading days prior to February 13, 2018 (inclusive).

The Capital Increase will result in the issuing of 1,636,363 new shares representing a total amount (including additional paid-in capital) of €18 million, which may be increased, if the increase option is exercised in full, to a maximum of 1,881,817 new shares in total, representing a total amount of €20.7 million or 16.8% of the Company’s existing share capital. The Capital Increase is being led by Bryan Garnier & Co as Global Coordinator, Joint Lead Manager and Joint Bookrunner, and by RBC Capital Markets acting as Joint Lead Manager and Joint Bookrunner.

Any exercise of the increase option will be decided by the Chief Executive Officer, acting on the delegation of the Company’s board of directors no later than February 19, 2018 (according to the indicative timetable), in agreement with the Joint Lead Managers and Joint Bookrunners. The decision to exercise the increase option will be mentioned in the press release issued by the Company and published on the Company’s website and in the notice issued by Euronext announcing the results of the capital increase.

Subscription intentions and commitments of new investors

Athyrium, currently in exclusive negotiations to provide the Company with the aforementioned bond financing, has made an irrevocable undertaking to place an order of €2 million within the framework of the Global Placement, equal to 11.1% of the initially planned amount of the capital increase (9.7% of the maximum amount of the Capital Increase if the increase option is exercised in full).

The Company is not aware of the intentions of other shareholders or other members of its board of directors.

Lock-up and retention commitments

The Company has entered into a lockup agreement as of the date the Autorité des Marchés Financiers (the “AMF”) approves the Prospectus (as defined below) and until the end of a period of 180 calendar days following the settlement-delivery date of new shares, subject to certain exceptions as specified in the *note d’opération* and the possibility of a waiver by the Global Coordinator, the Joint Lead Managers and the Joint

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Bookrunners. No new retention commitments have been entered into within the framework of the Capital Increase.

Underwriting

A placement and underwriting agreement relating to the issuing of new shares was signed on February 13, 2018, between the Company and the Joint Lead Managers and Joint Bookrunners (the “Underwriting Agreement”).

The agreement does not constitute a firm underwriting (“*garantie de bonne fin*”) within the meaning of Article L. 225-145 of the French Commercial Code.

The Capital Increase may not go ahead and subscriptions may be cancelled retroactively if the amount of subscriptions received represents less than 83.3% of the initial amount of the Capital Increase or if the Underwriting Agreement is terminated.

Main terms of the Capital Increase

Amount of the issue and new shares to be issued

The Capital Increase comes to an initial gross amount (including additional paid-in capital) of €18 million, which may be increased to €20.7 million if the increase option is exercised in full, representing 15% of the initial amount.

Structure of the Capital Increase and indicative timetable

The Capital Increase is being carried out without preferential subscription rights for shareholders with a priority subscription period as of right only for shareholders (concerning the initial amount of the Capital Increase only) of three consecutive trading days, from February 14, 2018 to February 16, 2018 (inclusive) at 5.00 p.m., granted to shareholders registered on February 13, 2018.

The Capital Increase is carried out pursuant to the 5th resolution of the extraordinary general meeting of the Company of August 31, 2017.

New shares not subscribed during the priority subscription period, as well as new shares to be issued, if applicable, if the increase option is exercised in full or in part, will be the object of a global offering comprising:

- a Public Offering in France, targeted primarily at private individuals, open from February 14, 2018, to February 16, 2018 (inclusive) at 5.00 p.m. (Paris time) for subscriptions placed at counters and at 8.00 p.m. (Paris time) for online subscriptions (if this option is provided by their financial intermediary), and
- a Global Placement targeted primarily at institutional investors, open from February 14, 2018, to February 19, 2018, at 12.00 p.m. (Paris time).

Shareholders wanting to subscribe for more than the number of shares they can claim in respect of the priority subscription period should do so by placing an order within the framework of the Public Offering or

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the Global Placement, it being specified that shares issued within the framework of the Public Offering and the Global Placement will be allocated at the sole discretion of the Company according to demand (shareholders do not benefit from any priority in this situation).

Subscription orders received within the framework of the priority subscription period and the Public Offering are irrevocable.

As an indication, it is specified that a shareholder who holds 1% of the Company's share capital prior to the Capital Increase and does not subscribe to it would only have 0.87% of the capital after the issuance of the 1 636,363 new shares (excluding the exercise of the Extension Clause) and 0.86% after the issue of 1,881,817 new shares (in the event of full exercise of the Extension Clause).

Availability of the prospectus

A prospectus containing the Company's *document de base* registered on September 11, 2017, a *note d'opération* and a summary was approved by the AMF on February 13, 2018, and a prospectus was approved by the AMF under number 18-038. Copies of the prospectus, comprising the *document de base*, the *note d'opération* and the summary are available free of charge from Biom'Up (Parc Technologique de Lyon, 8, allée Irène Joliot Curie, 69800 Saint-Priest, France) as well as on the Company's website (www.biomup.com) and the AMF website (www.amf-france.org).

Investors' attention is drawn to the risk factors mentioned in chapter 4 of the *document de base*, as updated in chapter 11 of the *note d'opération*, as well as chapter 2 of the *note d'opération*, before making their investment decision. The realization of all or some of these risks may have an unfavorable effect on Biom'Up's activity, financial position, results, development or outlook.

(ii) Bond Financing

Lastly, the Company has announced that it has entered into exclusive negotiations with Athyrium after receiving a financing offer from it for a maximum of €35 million, including €25 million upon issue, along with an option for an additional €10 million to be agreed at the discretion of the parties within 12 months of the initial issue, repayable quarterly as of the third anniversary of the issue, in each case in the form of bonds with stock warrants with a maturity of five years after the initial issue, and to be subscribed by one or more funds managed by Athyrium, The bonds will be secured by taking guarantees equivalent to those pledged for the needs of the bond loan from Kreos Capital in 2016. In addition, it is planned that within the frame of the bond loan, a representative of Athyrium will join the Board of Directors of the Company as censor. If the proposed bond issue goes ahead:

- the interest rate of the bonds would be equal to 10% per annum (increased to 13% per annum in the event of the occurrence of an event of default that would not be remedied, would not have been the subject of a waiver and would not have ceased), representing an annual interest expense of € 2.5 million, which could be increased to € 2.8 million in the event of the exercise of the option for an additional € 10 million;
- the warrants attached to the bonds will entitle the holder to subscribe to 385,000 new shares in the Company (equal to 3.1% of the Company's share capital on a diluted basis prior to the Capital

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Increase), including 275,000 new shares in respect of the first tranche of €25 million (issued pursuant to the 6th resolution of the extraordinary general meeting of the Company of August 31, 2017), and 110,000 new shares in respect of the second tranche of €10 million (issued pursuant a resolution subsequent to the extraordinary general meeting of the Company), in each case entailing the payment of a subscription price equal to the volume-weighted average for the last five trading days preceding the issuing of warrants plus a premium of 2%;

- the warrants attached to the bonds will be exercisable during a period from January 1, 2019 to the date falling 5 years after the date of issue of the bonds;
- the transferability of the warrants attached to the bonds would be restricted to the bondholders' affiliates for the first two years, except in the event of default; and
- only the underlying shares would be admitted to trading on the Euronext regulated market in Paris.

This proposed bond issue is not subject to Athyrium acquiring a stake in the Company within the framework of the Capital Increase. However, it is subject to the Capital Increase achieving at least 83.3% of its initial amount.

The operation is being led by Jean-Yves Quentel, the Group's new Chief Financial Officer. He replaces Jean-Paul Alves, who made a significant contribution to the Company's hugely successful IPO on the Euronext Paris regulated market in October 2017 (gross amount raised of €42.5 million).

Contacts

Biom'Up

Chief Financial Officer
Jean-Yves Quentel
investisseurs@biomup.com
04 86 57 36 10

NewCap

Investor relations
Tristan Roquet Montégon
biomup@newcap.eu
01 44 71 00 16

NewCap

Media Relations
Nicolas Merigeau
biomup@newcap.eu
01 44 71 94 98

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. Its flagship product, HEMOBLAST™ Bellows, is a unique hemostatic solution, ready to use (no preparation time needed, no need to mix, no heat required), usable once or several times during the surgery. Developed by a world-renowned scientific team, HEMOBLAST™ Bellows has obtained positive results for all the primary and secondary endpoints of Phase III of its pivotal study involving 412 patients in the United States. HEMOBLAST™ Bellows obtained its CE Mark in December 2016, and its PMA (Pre-Market Approval) application was granted by the FDA (Food & Drug Administration) in December 2017 with a view to commercializing in the United States over the summer in 2018. 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

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million in equity. Biom'Up successfully completed its IPO on Euronext Paris, raising 42.5 million euros in October 2017.

About Athyrium Capital Management

Athyrium Capital Management, LP ("Athyrium") is a specialized asset management company formed in 2008 to focus on investment opportunities in the global healthcare sector. As of September 30, 2017, Athyrium had over \$3.5 billion of assets under management. The Athyrium team has substantial investment experience in the healthcare sector across a wide range of asset classes including public equity, private equity, fixed income, royalties, and other structured securities. Athyrium invests across all healthcare verticals including biopharma, medical devices and products, and healthcare focused services. The team partners with management teams to implement creative financing solutions to companies' capital needs. For more information, please visit www.athyrium.com.

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This announcement is an advertisement and does not constitute a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council (the "**Prospectus Directive**"), as amended, to the extent such Directive has been transposed in the relevant Member State of the European Economic Area.

With respect to the Member States of the European Economic Area, other than France, which have implemented the Prospectus Directive (each a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the securities requiring a publication of a prospectus in any Relevant Member State, other than France. As a result, the new or existing shares of the Issuer may not be offered and will not be offered in any Relevant Member State, except as permitted under Article 3 of the Prospectus Directive and/or regulations applicable in the Relevant Member State.

For the purposes of this provision, an "offer to the public" in relation to the new or existing shares of the Issuer in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the new or existing shares of the Issuer to be offered so as to enable an investor to decide to purchase the new or existing shares of the Issuer, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

In the United Kingdom, this document does not constitute an approved prospectus for the purpose of and as defined in section 85 of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**"), has not been prepared in accordance with the Prospectus Rules issued by the UK Financial Conduct Authority (the "**FCA**") pursuant to section 73A of the FSMA and has not been approved by or filed with the FCA or any other authority which would be a competent authority for the purposes of the Prospectus Directive. The new and existing shares in the Issuer may not be offered or sold and will not be offered or sold to the public in the United Kingdom (within the meaning of sections 85 and 102B of the FSMA) save in the circumstances where it is to be lawful to do so without an approved prospectus (within the meaning of section 85 of the FSMA) being made available to the public before the offer is made.

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