



Biom'up and Athyrium Close First Tranche of Bond Financing for €25 Million with Stock Warrants Attached

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SAINT-PRIEST, France--(BUSINESS WIRE)--Regulatory News:

Biom'up (Paris:BUSP) (the "**Company**"), a specialist in surgical hemostasis, announced today the successful issuance by way of private placement of a €25 million bond with stock warrants attached subscribed by Athyrium Opportunities III Acquisition LP, a fund managed by Athyrium Capital Management, L.P. ("**Athyrium**"), as initially announced on February 14, 2018. This brings the total amount raised post-IPO to €41 million (€16 million in equity plus €25 million from the bond issue). Subject to certain conditions the bond issue may be topped up by an additional €10 million within a year.

The net proceeds from the recent equity raise and the bond issue will be used to increase Biom'up's existing production capacity of HEMOBLAST™ Bellows, support the mid-2018 commercial rollout of HEMOBLAST Bellows in Europe and the U.S., add a second manufacturing facility close to the existing unit in Saint-Priest, fund further preclinical and clinical trials for HEMOBLAST Bellows and HEMOSNOW™ and, finally, repay €7.6 million of the venture loan from Kreos Capital V (UK) Limited ("**Kreos**").

Etienne Binant, Biom'up's Chief Executive Officer, said: *"We now stand on a very solid financial basis in order to meet our ambitious objectives in the near- and mid-term. In view of the imminent commercial launch of HEMOBLAST Bellows in Europe and the U.S., we are proud to be partnering with Athyrium and to have earned over the past few weeks the trust of such a specialist investor in the healthcare sector, leading to this landmark commitment."*

Laurent Hermouet, a partner at Athyrium Capital Management, said: *"We are thrilled to partner with Biom'up and its innovative HEMOBLAST Bellows product. This financing will help power a multi-geography commercial launch, a manufacturing capacity expansion and any growth opportunities made available to the Company."*

The bond issue is for an aggregate amount of up to €35 million, with €25 million issued on March 29, 2018 and an option for an additional €10 million subject to the satisfaction of certain financial milestones and conditions precedent within 12 months of the initial issue, repayable quarterly as of the third anniversary of the initial issue (or, subject to certain conditions, as of the fourth anniversary of the initial issue), in each case in the form of bonds with a maturity of five years after the initial issue with stock warrants attached, such bonds subscribed for by a fund managed by Athyrium. The bonds will be secured by collateral substantially equivalent to that granted for the purposes of the December 2016 bond issue to Kreos.

Furthermore, Athyrium Opportunities III Acquisition LP, acting through its initial representative, Mr. Laurent Hermouet, joins the Company's Board of Directors as a non-voting observer.

The arrangements for the bond issue are as follows:

- the interest rate on the bonds is 10% p.a. (increased to 13% p.a. in the event of an event of default that goes unremedied, where no waiver has been granted and that has not ceased), representing an annual interest charge of €2 million (assuming no early

redemption) on average over the life of the bonds, taking into account the amortization of the bonds starting on the third anniversary of the initial issue (increased to up to € 2.8 million per year on average in case of exercise of the option for a € 10 million additional financing in the year to come). Interests are due on a quarterly basis;

- to guarantee all obligations assumed by the Company under the terms of the bonds, the Company granted Athyrium a pledge of on-going business (*fonds de commerce*), a pledge of bank accounts, a pledge of intellectual property rights and a patent security agreement and the US subsidiary of the Company, Biom'up USA, Inc., granted a guarantee agreement;
- each bond was issued with one stock warrant attached and the stock warrants, when exercised, will entitle their holder to subscribe for up to 420,000 new shares of the Company (or 3.2% of the Company's share capital on a diluted basis) subject to notably dilutive equity transactions, including 300,000 new shares in respect of the first tranche of €25 million and 120,000 new shares in respect of the second tranche of €10 million (in each case issued pursuant to the sixth resolution (issuances through private placements) of the Company's Extraordinary General Meeting of August 31, 2017);
- the exercise price of the stock warrants is equal to the volume-weighted average for the five trading days preceding their issue plus a premium of 2%, i.e. €114.94 per stock warrant of the first tranche, with one stock warrant giving right to twelve new shares;
- the stock warrants, which will not be admitted for trading on the regulated market of Euronext Paris, may be exercised during the period running from January 1, 2019 until the 5-year anniversary date of the issue of the bonds, i.e. until March 29, 2023 with respect to the stock warrants of the first tranche, except in case of a change of control, in which case the stock warrants may be exercised at any time after the issue date until the 5-year anniversary date of the issue of the bonds;
- the transferability of the stock warrants will be 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 warrants will be admitted to trading on the regulated market of Euronext Paris.

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 *code monétaire et financier* and therefore no prospectus has been submitted for approval (*visa*) by the *Autorité des marchés financiers*.

About Biom'up

Founded in 2005 and based in Saint-Priest, close to Lyon (France), Biom'up develops hemostatic products based on patented biopolymers that aim to simplify surgical procedures in numerous surgical 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), and usable once or several times during surgery. Developed by a world-renowned scientific team, HEMOBLAST Bellows has successfully met all primary and secondary endpoints of a Phase III 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 U.S. Food & Drug Administration in December 2017 with a view to commercializing in the United States in

mid-2018. Since inception, Biom'up has been supported by 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. In addition, the Company concluded a €16 million capital increase by means of a public offering without preferential subscription rights in February 2018.

For more information, please visit www.biomup.com.

About Athyrium Capital Management L.P

Athyrium is a specialized asset management company formed in 2008 to focus on investment opportunities in the global healthcare sector. As of December 31, 2017, Athyrium had approximately \$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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