



H1 2018 RESULTS

ON TRACK WITH THE COMPANY'S BUSINESS PLAN

- **€41 million raised through a capital increase and an OBSA bond issue**
- **Successful implementation of commercial infrastructures in the United States**
- **Reinforced management team**

Saint-Priest, France, September 13, 2018 – 8:00 CEST – Pursuant to the adoption of the interim consolidated financial statements for the period ended June 30, 2018 by the Board of Directors on September 12, 2018, Biom'up (the "**Company**"), specialist of surgical hemostasis, today announces its first-half results.

The statutory auditors have performed a limited review of the consolidated financial statements adopted by the Board of Directors on September 12, 2018.

Etienne Binant, Chief Executive Officer of Biom'up, commented: *"Biom'up has made significant progress since its successful IPO in October 2017. The two financing deals completed at the start of the year, i.e. the capital increase through a public offering and the bond issue with stock warrants attached, have allowed the Company to raise €41 million since the IPO, thus ensuring we have the resources to match our ambitions over the medium-term. The first half results published today reflect our efforts of the last six months, focused on financing, increased production capacity and the successful implementation of our commercial infrastructure in the United States. The remainder of the year will be focused on launching the construction of the second manufacturing facility near Saint-Priest, the expansion of the hemostatic line with continuing studies required for HEMOBLAST™ Bellows and Hemosnow™ and, of course, the commercial launch of our lead product in the United States".*

The French-language interim financial report for the first half of the 2018 fiscal year has been filed with the *Autorité des marchés financiers* and is available to the public. It can be downloaded from the Company's internet website (www.biomup.com), folder Investisseurs / Documentation.

KEY FINANCIAL AGGREGATES AT JUNE 30, 2018

- Income statement

(€000s)	06/30/2018	06/30/2017
Revenue	558	1,193
Current operating profit/(loss)	(15,642)	(7,298)
Operating profit/(loss)	(15,522)	(7,482)
Net profit (loss) attributable to equity holders of the parent	(17,084)	(8,643)
Diluted earnings per share (in €)	(1.39)	(1.97)

- Balance sheet

(€000s)	06/30/2018	12/31/2017
Shareholders equity attributable to equity holders of the parent	41,341	43,192
Non-current debt	25,751	6,349
Cash and cash equivalents	44,169	32,954

DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- Revenue

The Company's decision to focus resources on its lead product, HEMOBLAST Bellows, and discontinue the sale of its historical products (COVA, COVAMESH and MATRIBONE) led revenue at June 30, 2018 to be down from one year earlier.

Sales in the 2018 first half were largely generated by the disposal of stock from this same historical portfolio in France.

With the launch of the HEMOBLAST Bellows product in the 2018 second half, the Company expects this trend to be reversed by year end.

- Operating profit/(loss)

After reinforcing commercial teams and preparing for the launch of the HEMOBLAST Bellows line, selling and marketing costs rose significantly in relation to 2017. This increase in part reflects the decline in operating profit in the 2018 first half.

In addition, the number of salaried employees has risen to increase production capacity, implement the appropriate organization and infrastructure to support HEMOBLAST Bellows' commercial development and ensure Biom'up group's management. In consequence, staff costs are up twofold from the last fiscal year.

- **Cash flows**

The cash balance at June 30, 2018 stood at €44.1 million compared to €32.9 million at December 31, 2017. Cash inflows amounted to €41 million in the first half, originating mainly from the capital increase in February 2018 and the bond issue with stock warrants attached in March 2018, and cash outflows to €29.7 million, including a €8.4 million repayment of financial debt, €2.8 million in capital expenditures and €15.4 million in operating expenses.

(€000s)	06/30/2018	06/30/2017
Cash flows from operating activities	15,443	5,696
Cash flows from investing activities	2,788	7,048
Cash flows from financing activities	29,545	10,966

SIGNIFICANT EVENTS OCCURRING IN THE FIRST SIX MONTHS OF THE YEAR

- **Financing activities**

On February 20, 2018, Biom'up announced a capital increase entailing the issuance of 1,452,418 new shares, representing 12.9% of the share capital pre-capital increase, by means of a public offering with a priority subscription period, on the basis of exact rights (*à titre irréductible*) only, for existing shareholders, at a price per share of €11.00, or a total amount of €16 million (including additional paid-in capital).

On April 3, 2018, Biom'up announced the successful issuance by way of a private placement of a €25 million bond issue with stock warrants attached subscribed by Athyrium Opportunities III Acquisition LP, a fund managed by Athyrium Capital Management, L.P. ("**Athyrium**"). Subject to certain conditions the bond issue may be topped up by an additional €10 million within a year from issuance. The bond issue will be 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), and takes the form of 5-year bonds with stock warrants attached which will entitle their holders to subscribe for up to 420,000 new shares (or 3.2% of the existing share capital) 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. On this occasion, Athyrium Opportunities III Acquisition LP, represented by Mr. Laurent Hermouet, joined the Company's Board of Directors as a non-voting observer (*censeur*).

The net proceeds from the capital increase and the bond issue will be used to increase HEMOBLAST Bellows' production capacity, by constructing a second manufacturing facility close to the existing unit in Saint Priest to support HEMOBLAST Bellows' deployment in Europe and the United States, continue to fund preclinical and clinical trials for HEMOBLAST Bellows and Hemosnow and, finally, to repay in advance the Kreos venture loan for an amount totaling €7.6 million.

- **Construction of a new production plant**

On March 6, 2018, the Company announced the construction of a new production plant for 2020 on the Lyon Metropole territory and the creation of 150 jobs. The plant that will cover an area of 700 m², will be able to supply up to 500,000 units of HEMOBLAST Bellows per year by 2020 and up to 750,000 units per year by 2022 subject to additional financing.

Pursuant to the announcement of the creation of this new plant, Mr. Thierry Darnis was appointed as Global Vice President for manufacturing and engineering.

- **Success of the training program for surgeons in the use of HEMOBLAST Bellows**

On April 24, 2018 the Company announced the implementation of a training program for surgeons in the use of HEMOBLAST Bellows to prepare for its commercial launch. These training programs led by the Company's experts in collaboration with key opinion leaders in surgical hemostasis experienced significant attendance, with more than 200 surgeons having received training in HEMOBLAST Bellows' use.

- **Finalization of a commercial infrastructure in the United States**

On May 2, 2018, the Company announced the finalization of its commercial infrastructure to support HEMOBLAST Bellows' launch in the United States. The Company has recruited an experienced management team and independent specialist sales representatives to drive the nationwide marketing and sales campaign of HEMOBLAST Bellows. This commercial organization has already attracted in excess of 150 members, providing sufficient geographic coverage to ensure the success of HEMOBLAST Bellows' commercial launch.

Biom'up's own sales and marketing team, which will oversee the efforts of those in-direct sales professionals, has recently been reinforced with the appointments of Clay Beaty as area Vice President Sales, Western U.S., Paul Uricchio as U.S. Director of Marketing, and Ken Mingus as Regional Business Director, West Coast.

SIGNIFICANT DEVELOPMENTS SINCE JULY 1, 2018

- **Changes in governance**

On July 3, 2018, the Company announced the arrival of Ms. Caroline Lang as independent director and Ms. Janice Hogan as non-voting observer (*censeur*) to strengthen its focus on the US market.

On September 4, 2018, the Company announced Dr. Peter Byloos' addition to the Board as an independent director.

- **Commercial launch of HEMOBLAST Bellows in the United States**

On July 3, 2018, the Company announced the signature of a supply agreement for HEMOBLAST Bellows by a first hospital in North America, namely the UCLA Medical Center, a leading Los Angeles hospital.

In addition, the first commercial supply of HEMOBLAST Bellows in the United States was made on July 2, 2018.

To date, medico-economic evaluations are currently being performed by Value Analysis Committees at 140 US hospitals.

- **HEMOBLAST Bellows laparoscopic Applicator obtains CE Marking**

On July 12, 2018, the Company announced that it obtained CE Marking for its laparoscopic Applicator, thus enabling European surgeons to use HEMOBLAST Bellows hemostatic powder for both open and laparoscopic surgery, while continuing to benefit from the same advantages in terms of efficacy, simplicity and rapidity.

The HEMOBLAST Bellows laparoscopic Applicator is designed to deliver the HEMOBLAST Bellows hemostatic powder in cases of surgical bleeding through a trocar with a diameter of at least 5 mm.

The 35 cm polycarbonate accessory is compatible with the existing HEMOBLAST Bellows applicator, already with CE Marking.

▪ **2018 profit-sharing plans**

On 27 August 2018, the Board of Directors adopted the terms of the following profit-sharing agreements:

- 1) free shares representing 1.36% of the existing share capital were granted to employees and corporate officers of the group pursuant to the authorization granted by resolution fourteen of the general meeting of August 31, 2017;
- 2) stock options representing 2.81% of the existing share capital were granted to employees of the US subsidiary of the Company, Biom'up USA, Inc., pursuant to the authorization granted by resolution eleven of the general meeting of June 5, 2018; and
- 3) warrants representing 0.12% of the existing share capital were granted to an independent director and a service provider (Key Opinion Leader), pursuant to the delegation of authority granted by resolution twelve of the general meeting of June 5, 2018.

2018 OUTLOOK AND THE CONTINUING EXECUTION OF THE STRATEGY

Biom'up has the resources to implement its development strategy which shall focus on the following:

- 1) pursuing the commercial launch of HEMOBLAST Bellows in the United States and Europe;
- 2) increasing production capacity for HEMOBLAST Bellows;
- 3) continuing to develop HEMOBLAST Bellows through:
 - clinical trials to expand its scope of application for the following surgical indications¹: laparoscopy, spine surgery, urology, head and neck...
 - post-marketing follow-up clinical studies for HEMOBLAST Bellows in order to further define requisite skills for the product's use.
- 4) strengthening the network of distributors and sales agents to accelerate market penetration;
- 5) developing a new version of the HEMOSNOW product for the North American market (launch of clinical studies in 2019 in the United States in connection with a PMA application with the FDA).

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¹ As HEMOBLAST Bellows has already obtained CE marking and FDA approval for the US market for selected procedures, some of the studies are not mandatory from a regulatory perspective though may be used by the Company to illustrate the benefits offered by the product for these indications.

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 Independent Data Monitoring Committee (IDMC) unanimously recommended to stop the study before the initially planned date 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 for the United States.

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 et commercial activities and the recruitment of sales and marketing teams in the U.S. to prepare the commercial roll-out of our lead product in the United States planned for the 2018 third quarter.

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, a US fund specializing in innovative companies in the healthcare sector, in March 2018.

Forward looking statement

This press release may contain certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, all statements other than statements of historical fact included in this press release about future events are subject to (i) change without notice and (ii) factors beyond the Company's control. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Except as required by law, the Company assumes no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those

anticipated in the forward-looking statements, even if new information becomes available in the future. This press release has been prepared in both French and English. In the event of any differences between the two texts, the French language version shall supersede.