



TELA Bio Secures Up to \$50 Million in Debt Financing from MidCap Financial

May 31, 2022

MALVERN, Pa., May 31, 2022 (GLOBE NEWSWIRE) -- TELA Bio, Inc. ("TELA") (NASDAQ: TELA), a commercial-stage medical technology company focused on providing innovative soft-tissue reconstruction solutions that optimize clinical outcomes by prioritizing the preservation and restoration of the patient's own anatomy, today announced that the Company has entered into a new credit facility with MidCap Financial ("MidCap"), providing TELA with access to up to \$50 million in total credit. A portion of the proceeds from the new credit facility were used to fully repay TELA's existing \$30 million credit facility with OrbiMed Royalty Opportunities II, LP, with the remaining proceeds under the credit facility available for working capital needs and other corporate purposes.

"We are excited about our new partnership with MidCap which provides TELA with cost-effective funding and financial flexibility. This transaction is reflective of TELA's strong financial condition and prospects, which enabled us to access the debt capital markets to obtain non-dilutive financing," said Antony Koblish, president and CEO of TELA Bio. "The proceeds from this loan will allow TELA to fund its current key business objectives and drive future growth initiatives, with minimal further capital required to be raised, if at all."

The MidCap credit facility consists of an initial \$40 million tranche received at closing and an additional \$10 million tranche that can be drawn at TELA's option upon satisfaction of certain conditions, including, but not limited to, reaching net revenue thresholds by the end of the 2023 fiscal year. The facility matures on May 1, 2027, and bears interest at a rate equal to 6.25% plus the greater of one-month Term SOFR or 1.0%. The facility provides for at least 36 months of interest only-payments, which can be extended to 48 months upon satisfaction of certain conditions.

Additional detail regarding the foregoing financing is set forth in TELA's Current Report on Form 8-K, filed today with the U.S. Securities and Exchange Commission.

About TELA Bio, Inc.

TELA Bio, Inc. (NASDAQ: TELA) is a commercial-stage medical technology company focused on providing innovative technologies that optimize clinical outcomes by prioritizing the preservation and restoration of the patient's own anatomy. The Company is committed to providing surgeons with advanced, economically effective soft-tissue reconstruction solutions that leverage the patient's natural healing response while minimizing long-term exposure to permanent synthetic materials. For more information, visit www.telabio.com.

About MidCap Financial

MidCap Financial is a middle-market focused, specialty finance firm that provides senior debt solutions to companies across all industries. As of December 2021, MidCap Financial provides administrative or other services for over \$39.6 billion of commitments. MidCap Financial is managed by Apollo Capital Management, L.P., a subsidiary of Apollo Global Management, Inc, pursuant to an investment management agreement. Apollo had assets under management of approximately \$497.6 billion as of December 31, 2021 in credit, private equity and real assets funds. For more information about MidCap Financial, please visit <http://www.midcapfinancial.com>. For more information about Apollo, please visit <http://www.apollo.com>.

Caution Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "predict," "forecast," "project," "plan," "intend" or similar expressions, or statements regarding intent, belief, or current expectations are forward-looking statements and reflect the current beliefs of TELA's management, including, with respect to, TELA's expectations regarding the financial flexibility provided by the new credit facility, the impact of the credit facility on TELA's financial condition, TELA's ability to reach profitability, the use of the proceeds from the credit facility, TELA's ability to borrow additional amounts under the new credit facility, as well as its expectations regarding future growth to its business. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors that could cause actual results and events to differ materially and adversely from those indicated by such forward-looking statements. These risks and uncertainties are described more fully in the "Risk Factors" section and elsewhere in our filings with the Securities and Exchange Commission and available at www.sec.gov, including in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Any forward-looking statements that we make in this announcement speak only as of the date of this press release, and TELA assumes no obligation to update forward-looking statements whether as a result of new information, future events or otherwise after the date of this press release, except as required under applicable law.

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