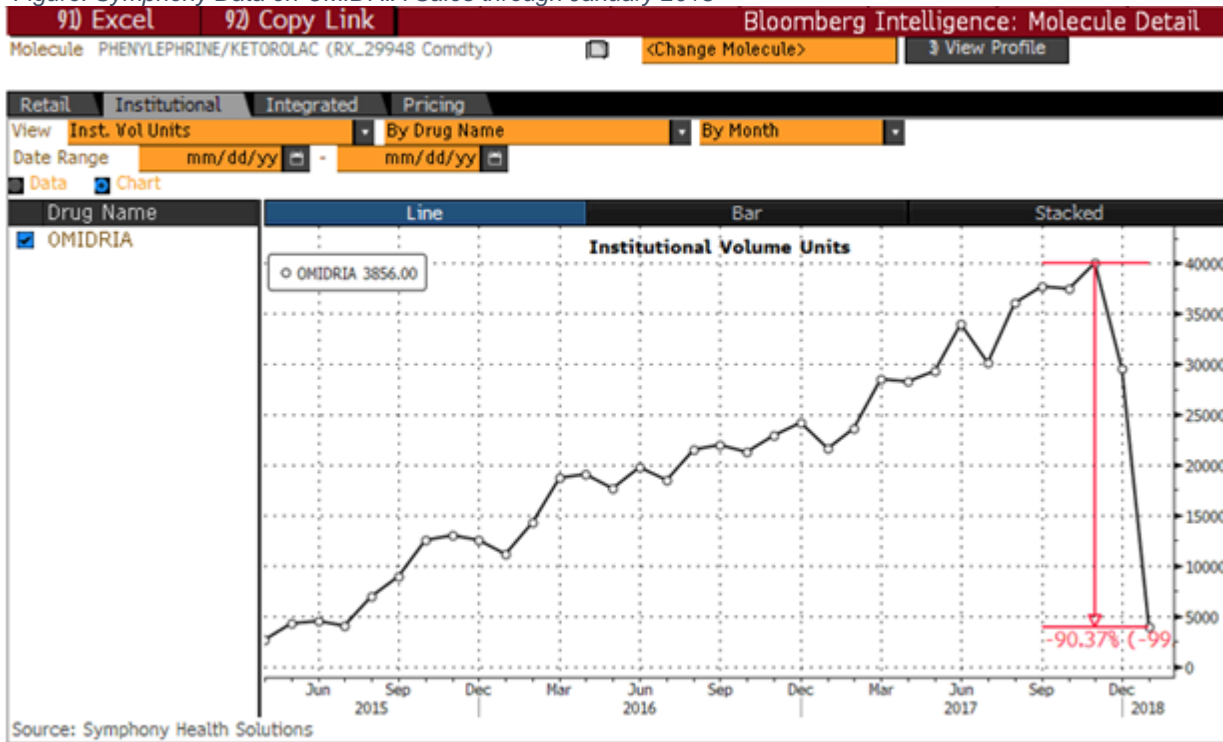


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FourWorld Capital Spotlights 90% Sales Collapse of Omeros Sole Product OMIDRIA in Past Two Months, Reflecting Company's Weakening State

According to sales data just released from Symphony Health¹, OMIDRIA sales fell 87% in the month of January and over 90% from the November 2017 peak

Figure: Symphony Data on OMIDRIA Sales through January 2018



NEW YORK (February 21, 2018) – Investment adviser **FourWorld Capital Management**, which recently issued a research report analyzing the potential financial deterioration of biopharmaceutical company **Omeros Corp.** (Nasdaq: OMER), has uncovered new data showing that sales of the company's principal commercial product have fallen dramatically in the past two months. FourWorld believes this casts serious doubt about Omeros' future viability.

¹ According to their website, "Symphony Health's Integrated Dataverse (IDV)[®] provides the most comprehensive and interconnected source of healthcare data in the industry." Additional information is available at symphonyhealth.com

In its initial report issued February 14, FourWorld outlined seven key takeaways questioning Omeros' financial health, raising the prospect of a default or the need for a series of large, dilutive equity raises by the Seattle-based company.

"In our view, the first sign is a collapse in sales of OMIDRIA - the company's only FDA approved drug and sole source of revenue – and that now appears to have started," FourWorld says. The firm's report described how at the start of the year Omeros lost critical Medicare pass-through reimbursement status, which supported an average price for OMIDRIA of roughly \$350 per dose for the past three years.

OMIDRIA is a cocktail of legacy generic pupil dilation and pain relief drugs used in cataract procedures. However, FourWorld notes the drug has readily available generic alternatives that price at a fraction of the company's version.

Through its own independent research, FourWorld states: "We predict an 80% year-over-year decline in revenue, based on our channel checks with surgeons at ASC's across the country, who characterized the clinical benefits of OMIDRIA as mild at best, and not worth much, if any, additional cost over alternatives available for \$30 per dose."

As outlined in its report, FourWorld believes a sudden collapse in revenue will result in financial deterioration for Omeros that could be significant enough to trigger a Material Adverse Change (MAC) or a covenant breach under Omeros' \$125 million term loan with CRG Financial. "In our view, the loan agreement provides CRG with opportunities to not only deny the additional \$45 million available under the term loan – which Omeros needs - but this new data goes much further and opens avenues for CRG to declare an event of default or covenant breach," FourWorld states.

"Since the release of our February 14 report, Omeros has chosen to ignore the major issues we've raised," FourWorld says. Instead, the firm notes that Omeros issued a press release on February 15 that was strikingly similar to an announcement from last October 26 "and provided little additional information of value on a speculative drug in its pipeline with a very limited addressable market."

"We reiterate seven key takeaways from our report below and call upon Omeros management to address these important issues, explain the collapse in OMIDRIA sales, and provide a viable plan to its shareholders," FourWorld states. "We reiterate our \$4 per share price target for Omeros common stock."

FourWorld's Key Takeaways from *Omeros Corporation: Far Less Than Meets the Eye*

1. We forecast an 80% YoY revenue decline and a 90% price decline for OMIDRIA as Omeros has exhausted all viable regulatory and legislative options to extend reimbursement status.
2. Cracks in OMIDRIA revenues are now visible; data from Symphony Health shows a 26% decline in December 2017 sales volume for OMIDRIA and a further 87% decline in January. Channel checks with several surgeons representing major ASC's in six states indicated none of them were purchasing OMIDRIA after January 1, 2018, and all planned to discontinue use of the drug in their normal practice given the loss of Medicare support.
3. OMER's term loan contains provisions that leave Omeros in a Catch 22 – it needs to draw the additional liquidity in the face of collapsing revenues, but doing so will very likely cause a default on the loan or necessitate a series of large equity dilution events.
4. We believe legislative options to extend OMIDRIA reimbursement status are now effectively dead, as Congress dealt with healthcare spending in the Bipartisan Budget Act of 2018 that was signed into law on February 9.

5. We believe OMER management squandered an opportunity to secure a pricing model independent of the ‘transitional’ Medicare program and continued promoting legislative and regulatory solutions for reimbursement even though there appeared to be a very low chance of success, given CMS explicitly denied the Company’s requests to extend the pass-through period for OMIDRIA on multiple occasions.
6. Without OMIDRIA, Omeros faces a potential funding shortfall of \$400 million over the next four years. We believe Omeros must raise this capital to realize any commercial value from its speculative pipeline.
7. We believe OMS721 represents the only drug of any value in the Omeros drug pipeline, and estimate that OMS721 will not produce any clinical trial data until 2020 due to complications with enrollment for Phase 3 trials in aHUS and IgA Nephropathy.

The full report is available at fourworldcapital.com

About FourWorld Capital

FourWorld Capital Management LLC is an SEC-registered investment adviser based in New York. FourWorld focuses on event-driven investment opportunities. For more, visit www.fourworldcapital.com.

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