

# OpGen

## Collaboration update

# Another collaboration agreement for Ares Genetics

Pharma and biotech

OpGen's subsidiary, Ares Genetics, has signed a research <u>collaboration</u> <u>agreement</u> with the Belgian National Reference Center (BNRC) for invasive *Streptococcus pneumoniae* at the university hospital Leuven. Under the agreement, the partners will evaluate the utility of Ares Genetics' next-generation sequencing platform, machine learning tools and bioinformatics to identify and characterize *Streptococcus pneumoniae* for diagnostic purposes. This agreement marks Ares Genetics' second collaboration with a reference lab following its 2021 agreement with an unnamed US contract research organization and reference lab.

Year end	Revenue (\$m)	PBT* (\$m)	EPS* (\$)	DPS (\$)	P/E (x)	Yield (%)
12/20	4.2	(24.7)	(1.57)	0.0	N/A	N/A
12/21	4.3	(35.7)	(1.17)	0.0	N/A	N/A
12/22e	5.0	(22.8)	(0.49)	0.0	N/A	N/A
12/23e	8.1	(19.0)	(0.41)	0.0	N/A	N/A

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

As part of the agreement with the BNRC, Ares Genetics will leverage its antimicrobial resistance (AMR) database, ARESdb (c 80,000 datasets at the end of 2021), in combination with artificial intelligence and machine learning to develop predictive models for antibiotic susceptibility of *Streptococcus pneumoniae* using whole genome sequencing-based antibiotic susceptibility testing. The company will also deploy its cloud-based bioinformatics tool AREScloud at the BNRC to support pathogen typing, AMR characterization and outbreak analysis. The US Center of Disease Control has classified drug-resistant *Streptococcus pneumoniae* as a serious antimicrobial resistance threat. We also note that AMR has been declared one of the top 10 global public threats by the World Health Organization and resulted in c 1.2 million deaths globally in 2019, reflecting the high unmet need for effective diagnostics.

The collaboration is expected to also help Ares Genetics enrich its ARESdb database with key pathogen data procured from the BNRC, which in turn could help the company develop more robust predictive models. ARESdb is central to the applicability and utility of Ares Genetics' suite of products but, as an added benefit, could also be monetized independently. As a reminder, in November 2021, Ares Genetics signed a deal with an undisclosed in vitro diagnostics player for non-exclusive access to 1.1% of ARESdb's dataset for a consideration in excess of \$600,000.

This development comes at an important stage for OpGen, with the company seeking to expand its Ares Genetics suite of products and increasingly commercialize it in the near to medium term. Recent endeavours include extension of its master services agreement with Sandoz and the launch of new sequencing and analysis services such as ARESid and ARESiss Express in Q122.

27 July 2022

Price	US\$0.5
Market cap	US\$23m

Cash and cash equivalents (\$m) at 16.6 30 June 2022 (unaudited)

 Shares in issue
 46.6m

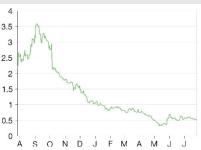
 Free float
 92.5%

Code OPGN

Primary exchange NASDAQ

Secondary exchange N/A

#### Share price performance



#### **Business description**

OpGen is primarily a lab diagnostic manufacturer focused on the identification and treatment of bacterial infections. With the acquisition of Curetis in H120, management has the technology necessary to detect pathogens and predict resistance. Through the dual platform offering of AMR Gene Panel and Unyvero, the company has the ability to provide diagnostic results in hours instead of days under legacy technologies.

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