

OpGen

\$3.5m fund-raise to extend runway

In a bid to strengthen its cash position, OpGen has announced a c \$3.5m (gross) fund-raise through an equity issue, subject to shareholders' approval and expected to close on or around 4 May 2023. As part of the offering, OpGen will issue 4.5m common shares (or pre-funded warrants) at \$0.7785 per share (close to the last trading price of \$0.7784/share) and a similar number of accompanying warrants. The warrants will be exercisable (if approved by shareholders) at a strike price of \$0.7785 per share, with an expiry period of five years from the date of shareholders' approval. Proceeds from the fund-raise are likely to support the ongoing commercialization of the Acuitas AMR Gene Panel and Unyvero suite of products, further development of the Ares database and services, working capital needs and repayment of the European Investment Bank (EIB) loan. Despite the challenging macroeconomic environment, the announced raise will, we estimate, increase the pro-forma gross cash position to \$17.7m (at end FY22 plus the two fund-raises of **\$6.8m** and \$3.5m), extending the cash runway to Q323.

Year end	Revenue (\$m)	EBITDA* (\$m)	PBT* (\$m)	EPS* (\$)	P/E (x)	Net debt/ (cash) (\$m)
12/21	4.3	(20.4)	(35.7)	(23.4)	N/A	(14.4)
12/22	2.6	(20.6)	(25.3)	(10.4)	N/A	4.4
12/23e	4.7	(17.7)	(21.0)	(3.8)	N/A	17.6
12/24e	7.9	(15.3)	(19.6)	(3.6)	N/A	37.5

Note: *Figures are normalized, excluding amortization of acquired intangibles, exceptional items and share-based payments. EPS adjusted for the 1:20 share consolidation in January 2023.

As per the terms of the fund-raise, the company will obtain \$3.5m in gross proceeds by issuing 4,495,825 common shares (or pre-funded warrants) at \$0.7785 per share, along with an identical number of attached warrants. The warrants can be exercised at a strike price of \$0.7785/share and within the expiry period of five years from the date of shareholders' approval. Additionally, OpGen has revised the exercise price of previously issued warrants to \$0.7785 per share (previously ranging from \$2.65 to \$7.54 per share), at the same exercise price as the latest warrants. We note that OpGen has a total 10.9m outstanding warrants as on date (including c 6.4m issued from February 2018 through January 2023), which, if fully exercised, could yield additional cash inflows up to \$8.5m.

The funds will be used for commercialization efforts for OpGen's Unyvero platform and Acuitas AMR Gene Panel, to further develop and commercialize Ares Genetics, to support sales and marketing activities, and capex and working capital needs. Importantly, the funds will also be used for the EIB loan repayment (the second tranche of €3m plus interest payments is due in June).

The recent cash raise should provide OpGen with additional headroom, extending the cash runway to Q323, based on our estimated operating cash burn of \$4.5m per quarter. Incorporating the upcoming EIB loan repayment and working capital requirements, we anticipate the need to raise a further c \$11.5m in H223 and another \$45m over FY24–26, before reaching the scale to fund operations from internally generated cash flow in FY27.

Funding update

Pharma and biotech

3 May 2023

Price **US\$0.68**
Market cap **US\$4m**

Pro-forma net cash (US\$m) at 31 December 2022 (including proceeds from January 2023 and announced May 2023 equity raise) 5.9

Shares in issue (excluding 4.5m common shares to be issued under May fund raise) 5.5m

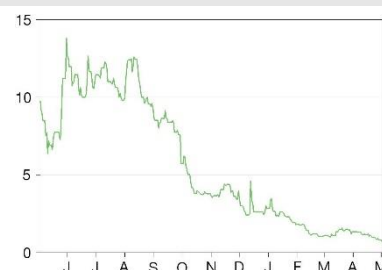
Free float 92.5%

Code OPGN

Primary exchange Nasdaq

Secondary exchange N/A

Share price performance



Business description

OpGen is primarily a lab diagnostic manufacturer focused on identifying and treating 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 the AMR Gene Panel and Unyvero, the company can provide diagnostic results in hours instead of days under legacy technologies.

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