

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 6, 2024

OCUGEN, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation)

001-36751
(Commission
File Number)

04-3522315
(IRS Employer
Identification No.)

11 Great Valley Parkway, Malvern, Pennsylvania 19355
(Address of Principal Executive Offices, and Zip Code)

(484) 328-4701
Registrant's Telephone Number, Including Area Code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

(Title of each class)	(Trading Symbol)	(Name of each exchange on which registered)
Common Stock, \$0.01 par value	OCGN	The Nasdaq Stock Market LLC (The Nasdaq Capital Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry Into a Material Definitive Agreement.

Loan and Security Agreement

On November 6, 2024 (the “Closing Date”), Ocugen, Inc. (the “Company”) and its wholly owned subsidiary Ocugen OpCo, Inc., each as borrowers, entered into a Loan and Security Agreement (the “Loan and Security Agreement”), with Avenue Capital Management II, L.P., as administrative agent and collateral agent (the “Agent”), Avenue Venture Opportunities Fund II, L.P., as a lender (“Avenue 2”), and Avenue Venture Opportunities Fund, L.P., as a lender (“Avenue 1”, and together with Avenue 2, the “Lenders”).

Amount. The Loan and Security Agreement provides for term loans in an aggregate principal amount of up to \$30.0 million (the “Loan Amount”) to be delivered in one tranche on the Closing Date (the “Term Loans”). The Company intends to use the proceeds of the Term Loans for working capital and general corporate purposes.

Maturity. The Term Loans mature on November 1, 2028 (the “Maturity Date”).

Interest Rate and Amortization. The principal balance of the Term Loans bears interest at a variable rate per annum equal to the sum of 4.25% and the prime rate as reported in *The Wall Street Journal*, subject to a prime floor equal to *The Wall Street Journal* prime rate on Closing Date. The Term Loans will amortize in equal payments of principal from the end of interest only period to the Maturity Date.

Final Payment. The Company will pay 4.25% of the Loan Amount, due upon the earlier of the Maturity Date or prepayment of the Term Loans (the “Final Payment”).

Prepayment Fee. The Company may, at its option at any time, prepay the Term Loans in their entirety by paying the then outstanding principal balance and all accrued and unpaid interest on the Term Loans, subject to a prepayment premium equal to (i) 3.0% of the principal amount outstanding if the prepayment occurs on or prior to the first anniversary following the Closing Date, (ii) 2.0% of the principal amount outstanding if the prepayment occurs after the first anniversary following the Closing Date, but on or prior to the second anniversary following the Closing Date, (iii) 1.0% of the principal amount outstanding if the prepayment occurs after the second anniversary following the Closing Date, but on or prior to the third anniversary following the Closing Date, and (iv) 0.5% of the principal amount outstanding if the prepayment occurs at any time thereafter.

Security. The Loan and Security Agreement is collateralized by all of the Company’s assets in which the Agent is granted senior secured lien. The Company also grants the Lenders a negative pledge on the Company’s intellectual property.

Covenants; Representations and Warranties; Other Provisions. The Loan and Security Agreement contains customary representations, warranties and covenants, including covenants by the Company limiting additional indebtedness, liens (including a negative pledge on intellectual property and other assets), guaranties, mergers and consolidations, substantial asset sales, investments and loans, certain corporate changes, transactions with affiliates and fundamental changes.

Default Provisions. The Loan and Security Agreement provides for events of default customary for term loans of this type, including but not limited to non-payment, breaches or defaults in the performance of covenants, insolvency, bankruptcy and the occurrence of a material adverse effect on the Company. After the occurrence of an event of default, the Agent may (i) accelerate payment of all obligations, impose an increased rate of interest, and terminate the Lenders’ commitments under the Loan and Security Agreement and (ii) exercise any other right or remedy provided by contract or applicable law.

Conversion Right. Additionally, the Lenders have the right to convert an aggregate amount of up to \$6.0 million of the outstanding principal amount into shares of Common Stock at a conversion price per share equal to a 80% of the trading price on the date of conversion, which shall be at Lenders’ option. In the event the Company elects to prepay the Term Loans in full, Lenders shall have 10 days to elect to exercise its conversion right prior to such prepayment. All conversion rights shall terminate on Term Loans payoff. Notwithstanding the foregoing, the aggregate amount of Common Stock issued pursuant to the “Conversion Right” and the “Equity Grant” shall not exceed a number of shares equal to 19.9% of the Company’s outstanding Common Stock.

The Loan and Security Agreement will be filed as an exhibit to the Company's Annual Report on Form 10-K for the year ending December 31, 2024 (the "Annual Report"). The representations, warranties and covenants Loan and Security Agreement were made only for purposes of such agreement and as of specific dates and were solely for the benefit of the parties to such agreement.

Subscription Agreement

In connection with the entry into the Loan and Security Agreement, the Company entered into a Subscription Agreement (the "Subscription Agreement") by and among the Company and the Lenders, pursuant to which the Company issued (i) 211,268 shares of Common Stock to Avenue 1 and (ii) 845,070 shares of Common Stock to Avenue 2, with an issue date as of the Closing Date. The issuance of the shares of Common Stock was made in reliance on the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 of Regulation D thereunder, because the offer and sale of such securities does not involve a "public offering" as defined in Section 4(a)(2) of the Securities Act, and other applicable requirements are met.

Pursuant to the Subscription Agreement, the Company shall use its commercially reasonable efforts to prepare and file with the SEC within 90 days of the Closing Date a registration statement on Form S-3, registering the resale of the shares granted pursuant to the Subscription Agreement, and the shares of Common Stock issuable upon Conversion Right pursuant to the Loan and Security Agreement.

The Subscription Agreement will be filed as an exhibit to the Company's Annual Report. The representations, warranties and covenants Subscription Agreement were made only for purposes of such agreement and as of specific dates and were solely for the benefit of the parties to such agreement.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 of this Current Report on Form 8-K regarding the Loan and Security Agreement is incorporated by reference into this Item 2.03.

Item 3.02. Unregistered Sales of Equity Securities.

The information provided in Item 1.01 of this Current Report on Form 8-K regarding the Subscription Agreement is incorporated by reference into this Item 3.02.

Item 8.01. Other Events.

On November 7, 2024, the Company issued a press release announcing the execution of the Loan and Security Agreement. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
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99.1	Press Release of the Company, dated November 7, 2024.
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104	Cover Page Interactive Data File (embedded within the Inline XBRL document).
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OCUGEN, INC.

Date: November 8, 2024

/s/ Shankar Musunuri

Name: Shankar Musunuri

Title: Chairman, Chief Executive Officer, & Co-Founder

Ocugen Secures \$30 Million in Debt Funding

MALVERN, Pa., November 7, 2024 (GLOBE NEWSWIRE)—Ocugen, Inc. (Nasdaq: OCGN), a biotechnology company focused on discovering, developing, and commercializing novel gene and cell therapies, biologics, and vaccines, today announced that on November 6, 2024, the Company entered into a new \$30 million credit facility with Avenue Venture Opportunities Fund, L.P., a fund of Avenue Capital Group. Proceeds from the facility are intended for general corporate purposes, capital expenditures, working capital, and general and administrative expenses.

The credit facility, which has a term of 4 years, provided \$30 million fully funded on the closing date.

“We are pleased to enter into this relationship with Avenue Capital Group that provides what we believe is a shareholder-friendly financing for the Company,” said Dr. Shankar Musunuri, Chairman, Chief Executive Officer, and Co-founder of Ocugen. “This additional working capital will support the clinical development of our three, first-in-class modifier gene therapies and provide adequate funding to near completion of the OCU400 Phase 3 liMeliGhT clinical trial and prepare for the BLA and MAA submissions.”

This most recent financing is part of Ocugen’s diversified strategy to fund the business and appropriately allocate resources across the portfolio.

“We are pleased to partner with Ocugen with this financing as the Company drives its next chapter of growth, based on its novel scientific platforms and dedication to fighting blindness diseases,” said Chad Norman, Senior Portfolio Manager, Avenue Capital.

With net proceeds from this facility and current cash, cash equivalents, and restricted cash, the Company’s expected cash runway extends into the first quarter of 2026.

Chardan and Titan Partners Group, a division of American Capital Partners, acted as financial advisors to Ocugen on the transaction.

About Ocugen, Inc.

Ocugen, Inc. is a biotechnology company focused on discovering, developing, and commercializing novel gene and cell therapies, biologics, and vaccines that improve health and offer hope for patients across the globe. We are making an impact on patient’s lives through courageous innovation—forging new scientific paths that harness our unique intellectual and human capital. Our breakthrough modifier gene therapy platform has the potential to treat multiple retinal diseases with a single product, and we are advancing research in infectious diseases to support public health and orthopedic diseases to address unmet medical needs. Discover more at www.ocugen.com and follow us on [X](#) and [LinkedIn](#).

About Avenue Venture Opportunities

The Avenue Venture Debt Funds seek to provide creative financing solutions to high-growth, venture capital-backed technology and life science companies, focusing generally on companies within the underserved segment of the market created by the widening financing gap between commercial banks and larger debt funds. The Avenue Venture Debt funds are part of the larger group of funds of Avenue Capital Group. For additional information on Avenue Capital Group, which is a global investment firm with assets under management of approximately \$12.2 billion, visit www.avenuecapital.com.

Cautionary Note on Forward-Looking Statements

This press release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995, including, but not limited to, strategy, business plans and objectives for Ocugen's clinical programs, plans and timelines for the preclinical and clinical development of Ocugen's product candidates, including the therapeutic potential, clinical benefits and safety thereof, expectations regarding timing, success and data announcements of current ongoing preclinical and clinical trials, the ability to initiate new clinical programs; expectations regarding the satisfaction of closing conditions, timing of the funding and the anticipated use of proceeds; Ocugen's financial condition and expected cash runway into the first quarter of 2026; and statements regarding qualitative assessments of available data, potential benefits, expectations for ongoing clinical trials, anticipated regulatory filings and anticipated development timelines, which are subject to risks and uncertainties. We may, in some cases, use terms such as "predicts," "believes," "potential," "proposed," "continue," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should," or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Such statements are subject to numerous important factors, risks, and uncertainties that may cause actual events or results to differ materially from our current expectations, including, but not limited to, the risks that preliminary, interim and top-line clinical trial results may not be indicative of, and may differ from, final clinical data; that unfavorable new clinical trial data may emerge in ongoing clinical trials or through further analyses of existing clinical trial data; that earlier non-clinical and clinical data and testing of may not be predictive of the results or success of later clinical trials; and that that clinical trial data are subject to differing interpretations and assessments, including by regulatory authorities. These and other risks and uncertainties are more fully described in our annual and periodic filings with the Securities and Exchange Commission (SEC), including the risk factors described in the section entitled "Risk Factors" in the quarterly and annual reports that we file with the SEC. Any forward-looking statements that we make in this press release speak only as of the date of this press release. Except as required by law, we assume no obligation to update forward-looking statements contained in this press release whether as a result of new information, future events, or otherwise, after the date of this press release.

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