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PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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OpGen A/S

Gungevej 2, 2.sal, 2650 Hvidovre

Company reg. no. 27 91 37 41

Annual report

1 January - 31 December 2018

The annual report has been submitted and approved by the general meeting on the 24 April 2019.

Evan Jones
Chairman of the meeting



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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



Management's report

The board of directors and the managing director have today presented the annual report of OpGen A/S for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.


Hvidovre, 1 April 2019

Managing Director

Timothy Carrol Dec

Board of directors


Evan Jones


Timothy Carrol Dec


Vadim Sapiro



Independent auditor's report

To the shareholder of OpGen A/S

Opinion

We have audited the annual accounts of OpGen A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties concerning the enterprise's ability to continue as a going concern

Regarding uncertainty concerning the enterprise's ability to continue as a going concern, management has assumed that AdvanDx Inc and the ultimate parent OpGen Inc. will continue to provide the necessary liquidity to the Company for the current year and into the beginning of 2020.

OpGen A/S has received written commitment from the ultimate parent company OpGen Inc.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.



Independent auditor's report

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.



Independent auditor's report

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 1 April 2019

Christensen Kjaerulff

Statsautoriseret Revisionsaktieselskab

Company reg. no. 15 91 56 41

Iver Haugsted

State Authorised Public Accountant
mne10678



Company data

The company	OpGen A/S Gungevej 2, 2.sal 2650 Hvidovre
	Web site www.opgen.com
	Company reg. no. 27 91 37 41
	Established: 17 June 2004
	Domicile: Hvidovre
	Financial year: 1 January - 31 December
Board of directors	Evan Jones Timothy Carrol Dec Vadim Sapiro
Managing Director	Timothy Carrol Dec
Auditors	Christensen Kjørulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K
Parent company	AdvanDx Inc



Management's review

The principal activities of the company

OpGen A/S is a wholly-owned subsidiary of AdvanDx Inc. AdvanDx Inc was in July 2015 acquired by OpGen Inc. OpGen develops and markets molecular diagnostic tests for identification of pathogens causing critical infections. Test results are available in hours rather than days, allowing healthcare providers to make faster and better qualified therapy decisions for the benefit of patients as well as hospitals.

OpGen A/S was founded with the primary objective of building the organisation's sales and marketing activities outside the US and conducting research and development programmes within the organisation's strategic areas.

Development in activities and financial matters

The gross profit for the year is tDKK 332 against tDKK 409 last year. The results from ordinary activities after tax are tDKK -840 against tDKK -412 last year. The management consider the results not satisfactory.

Capital resources:

OpGen A/S has received a written commitment from the ultimate parent company, OpGen Inc, to provide the required liquidity to OpGen A/S for the current year and onwards until the beginning of 2020.



Profit and loss account 1 January - 31 December

Amounts concerning 2018: DKK.

Amounts concerning 2017: DKK in thousands.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross profit	332.048	409
2 Staff costs	-1.053.827	-1.019
Operating profit	-721.779	-610
Other financial income	9	199
3 Other financial costs	-118.212	-1
Results before tax	-839.982	-412
Tax on ordinary results	0	0
Results for the year	-839.982	-412
Proposed distribution of the results:		
Allocated from results brought forward	-839.982	-412
Distribution in total	-839.982	-412



Balance sheet 31 December

Amounts concerning 2018: DKK.

Amounts concerning 2017: DKK in thousands.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Assets		
Fixed assets		
Deposits	32.825	33
Financial fixed assets in total	<u>32.825</u>	<u>33</u>
Fixed assets in total	<u>32.825</u>	<u>33</u>
Current assets		
Assets intended for sale	128.110	119
Inventories in total	<u>128.110</u>	<u>119</u>
Trade debtors	314.300	281
Amounts owed by group enterprises	5.516.139	6.310
Other debtors	1.821	24
Accrued income and deferred expenses	<u>10.167</u>	<u>10</u>
Debtors in total	<u>5.842.427</u>	<u>6.625</u>
Available funds	<u>114.367</u>	<u>186</u>
Current assets in total	<u>6.084.904</u>	<u>6.930</u>
Assets in total	<u>6.117.729</u>	<u>6.963</u>



Balance sheet 31 December

Amounts concerning 2018: DKK.

Amounts concerning 2017: DKK in thousands.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Equity			
4	Contributed capital	500.000	500
5	Results brought forward	-3.156.253	-2.316
	Equity in total	<u>-2.656.253</u>	<u>-1.816</u>
Liabilities			
	Trade creditors	47.842	60
	Debt to group enterprises	8.512.457	8.512
	Other debts	213.683	207
	Short-term liabilities in total	<u>8.773.982</u>	<u>8.779</u>
	Liabilities in total	<u>8.773.982</u>	<u>8.779</u>
	Equity and liabilities in total	<u>6.117.729</u>	<u>6.963</u>

1 Uncertainties concerning the enterprise's ability to continue as a going concern



Notes

Amounts concerning 2018: DKK.

Amounts concerning 2017: DKK in thousands.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

Regarding uncertainty concerning the enterprise's ability to continue as a going concern, management has assumed that AdvanDx Inc and the ultimate parent OpGen Inc. will continue to provide the necessary liquidity to the Company for the current year and onwards until the beginning of 2020.

OpGen A/S has received written commitment from the ultimate parent company OpGen Inc.

	<u>2018</u>	<u>2017</u>
2. Staff costs		
Salaries and wages	1.049.243	1.015
Other costs for social security	4.584	4
	<u>1.053.827</u>	<u>1.019</u>
Average number of employees	<u>1</u>	<u>1</u>
3. Other financial costs		
Other financial costs	118.212	1
	<u>118.212</u>	<u>1</u>
4. Contributed capital		
Contributed capital 1 January 2018	500.000	500
	<u>500.000</u>	<u>500</u>
5. Results brought forward		
Results brought forward 1 January 2018	-2.316.271	-1.904
Profit or loss for the year brought forward	-839.982	-412
	<u>-3.156.253</u>	<u>-2.316</u>



Accounting policies used

The annual report for OpGen A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security, etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.



Accounting policies used

The balance sheet

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.