UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K/A

(Amendment No. 1)

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

Date of Report (Date of earliest event reported): **September 26, 2019**

OCUGEN, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-36751**	**04-3522315**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

5 Great Valley Parkway, Suite 160
Malvern, Pennsylvania 19355
(484) 328-4701
(Addresses, including zip code, and telephone numbers, including area code, of principal executive offices)

Histogenics Corporation
c/o Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP
One Marina Park Drive, Suite 900
Boston, MA 02210
(Former Name or Former Address, if Changed Since Last Report)

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 (*see* General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o 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, par value $0.01	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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company x

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. o

Explanatory Note

This Current Report on Form 8-K/A (this "Amendment") is being filed by Ocugen, Inc. (f/k/a Histogenics Corporation), a Delaware corporation (the "Company"), to amend its Current Report on Form 8-K (the "Prior 8-K") filed with the Securities and Exchange Commission (the "SEC") on October [1], 2019, in connection with the consummation on September 27, 2019 of the transactions contemplated by that certain Agreement and Plan of Merger and Reorganization, dated as of April 5, 2019, by and among the Company, Ocugen, Inc., a Delaware corporation ("Ocugen"), and Restore Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of the Company, as amended by Consent and Amendment No. 1 thereto made and entered into as of June 13, 2019.

The Company is filing this Amendment solely to provide (i) Ocugen's historical unaudited condensed consolidated financial statements as of June 30, 2019 and December 31, 2018, and for the three and six month periods ended June 30, 2019 and 2018, referred to in Item 9.01(a) below, (ii) Ocugen's related Management's Discussion and Analysis of Financial Condition and Results of Operations as of June 30, 2019 and for the three and six month periods ended June 30, 2019 and 2018 referred to in Item 8.01 below, and (iii) the unaudited pro forma condensed combined financial statements as of and for the six month period ended June 30, 2019 and for the year ended December 31, 2018, referred to in Item 9.01(b) below. Except for the foregoing, this Amendment does not modify or update any other disclosure contained in the Prior 8-K.

Item 8.01 Other Events.

Ocugen's Management's Discussion and Analysis of Financial Condition and Results of Operations as of June 30, 2019 and for the three and six month periods ended June 30, 2019 and 2018, is filed herewith and attached hereto as Exhibit 99.1, and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) ***Financial Statements of Business Acquired***

Reference is made to the Company's Registration Statement on Form S-4 (Reg. No. 333-232147), as amended (the "Registration Statement"), which Registration Statement included the audited financial statements of Ocugen as of and for the years ended December 31, 2018 and 2017 in satisfaction of the requirements of Item 9.01(a) of the Prior 8-K.

Ocugen's unaudited condensed consolidated financial statements as of June 30, 2019 and December 31, 2018, and for the three and six month periods ended June 30, 2019 and 2018, filed herewith and attached hereto as Exhibit 99.2, are incorporated herein by reference.

(b) ***Pro Forma Financial Information***

The unaudited pro forma condensed combined financial statements as of and for the six month period ended June 30, 2019 and for the year ended December 31, 2018, filed herewith and attached hereto as Exhibit 99.3, are incorporated herein by reference.

(d) ***Exhibits***

Exhibit No.	Exhibit
99.1	Management's Discussion and Analysis of Financial Condition and Results of Operations of Ocugen as of June 30, 2019 and for the three and six month periods ended June 30, 2019 and 2018
99.2	Unaudited condensed consolidated financial statements of Ocugen as of June 30, 2019 and for the three and six month periods ended June 30, 2019 and 2018
99.3	Unaudited pro forma condensed combined financial statements as of and for the nine month period ended June 30, 2019 and for the year ended December 31, 2018

SIGNATURE

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

Date: October [ ], 2019

OCUGEN, INC.

By: /s/ Shankar Musunuri
Shankar Musunuri
Chief Executive Officer and Chairman

OCUGEN, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As of June 30, 2019 and for the three and six month periods ended June 30, 2019 and 2018

Explanatory Note:

On September 27, 2019, Histogenics Corporation ("Histogenics") completed its business combination with the Delaware corporation that was previously known as "Ocugen, Inc." in accordance with the terms of the Agreement and Plan of Merger and Reorganization, dated as of April 5, 2019, by and among the Company, Ocugen, Inc., a Delaware corporation ("Ocugen"), and Restore Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Histogenics ("Merger Sub"), as amended (the "Merger Agreement"), pursuant to which Merger Sub merged with and into Ocugen, with Ocugen surviving as a wholly owned subsidiary of Histogenics (the "Merger"). Immediately after completion of the Merger, Histogenics changed its name to "Ocugen, Inc." and the business conducted by Histogenics became the business conducted by "Ocugen, Inc."

You should read the following discussion and analysis of financial condition and results of operations of Ocugen together with Ocugen's condensed consolidated financial statements as of June 30, 2019 and for the three and six month periods ended June 30, 2019 and 2018 and related notes appearing as Exhibit 99.2 to the Form 8-K of Ocugen, Inc. (previously known as Histogeniccs) filed with the Securities and Exchange Commission (the "SEC") on September 30, 2019, and Histogenics's Registration Statement on Form S-4 (Reg. No. 333-232417), as amended (the "Registration Statement"), filed with the SEC. Capitalized terms not defined herein shall have the meaning as defined in the Registration Statement.

Overview

Ocugen is a clinical stage biopharmaceutical company focused on discovering, developing and commercializing a pipeline of innovative therapies, including gene therapies and biologicals, to address rare and underserved eye diseases.

Ocugen is developing a modifier gene therapy platform for unmet medical needs in the area of retinal diseases, including inherited retinal diseases ("IRDs"). Ocugen's modifier gene therapy platform is novel in that it targets nuclear hormone receptor ("NHR") genes that have the potential to restore homeostasis to the retina and may target multiple genes that are associated with a range of IRDs. Unlike single-gene replacement therapies, which only target one genetic mutation, Ocugen believes that its gene therapy platform, through its use of NHRs, may impact multiple genes that are associated with a range of genetically diverse diseases. Ocugen's first gene therapy candidate, OCU400 received Orphan Drug Designation ("ODD"), from the Food and Drug Administration (the "FDA"), for the treatment of *NR2E3* mutation-associated retinal degenerative disease. OCU400 uses an adeno-associated virus vector. Ocugen is planning to initiate a Phase 1/2a clinical trial for OCU400 in the next two years.

Ocugen has a late-stage, Phase 3 program, OCU300, that also has received ODD from the FDA. OCU300 is a small molecule therapeutic currently in Phase 3 clinical development for patients with ocular graft-versus-host disease ("oGVHD"). Ocugen is the first and only company to receive ODD for the treatment of oGVHD. Ocugen estimates the current prevalence of patients suffering from oGVHD in the United States to be approximately 50,000. The final manufacturing processes for OCU300 has been scaled up by Ocugen's existing contract manufacturer at a cGMP facility located in the United States to support potential commercialization, and chemistry, manufacturing and control ("CMC") development is ongoing.

OCU300 is formulated using Ocugen's proprietary nanoemulsion technology, OcuNanoE—Ocugen's ONE Platform™ ("OcuNanoE™"). Ocugen is the first and only company to use nanoemulsion technology in the ophthalmology space, and Ocugen believes that OcuNanoE™ provides additional protection to the ocular surface. Ocugen's technology delivers the active drug with the use of defined narrow-range globules with an average diameter of less than 100 nanometers. Ocugen believes this provides the potential for enhanced efficacy compared to traditional formulations.

Ocugen is developing OCU310 for patients with dry eye disease ("DED"), which is also formulated using OcuNanoE™. Ocugen has completed a Phase 3 clinical trial for OCU310 that was initiated in September 2018 with the first patient dosed in December 2018. Although the study showed that OCU310 is well-tolerated, as demonstrated by no adverse events regarded as "severe," it did not meet its co-primary endpoints for symptom and sign. However, a pre-specified exploratory efficacy endpoint of reduction in redness (sign) from the baseline visit, measured by a Validated Bulbar Redness score, was significantly better for OCU310 relative to placebo at both Day 14 and Day 28. Post-hoc analysis of the Phase 3 clinical trial is ongoing, subsequent to which a consultation with the FDA will be sought. Ocugen is evaluating its options and timing for the continued development of OCU310, including partnering for future clinical trials.

Ocugen is developing OCU200, a novel fusion protein, that is currently in preclinical development for treating wet age-related macular degeneration ("wet AMD"). Ocugen expects to initiate a Phase 1/2 clinical trial for OCU200

within the next two years. In addition, Ocugen plans to expand the therapeutic applications of OCU200 beyond wet AMD to potentially include diabetic retinopathy ("DR"), diabetic macular edema ("DME"), macular edema following retinal vein occlusion ("RVO"), and myopic choroidal neovascularization ("mCNV"). Ocugen's novel biologic, OCU100 for the treatment of retinitis pigmentosa ("RP") has received ODD in the United States and the European Union.

To date, Ocugen has viewed its operations and manages its business as one operating segment. As of June 30, 2019, all of Ocugen's assets were located in the United States. Its headquarters and operations are located in Malvern, Pennsylvania.

Development Stage Company

Ocugen is a development stage company, and it has no products approved for sale. As a result, Ocugen has not generated any revenue to date and has primarily funded its operations to date through the sale of common stock, warrants to purchase common stock, the issuance of convertible notes, and debt. Specifically, since Ocugen's inception and through June 30, 2019, it has raised an aggregate of $27.7 million to fund its operations, of which $14.4 million was from the sale of Ocugen common stock and warrants, $12.0 million was from convertible notes, $1.0 million was from borrowings under the U.S. Government's Immigrant Investor Program, commonly known as the EB-5 program (the "EB-5 Program") and $0.2 million was from a research grant from the state of Colorado. As of June 30, 2019, Ocugen had a cash and cash equivalents balance of $0.7 million.

Since Ocugen's inception, it has devoted substantial resources to research and development and has incurred significant net losses and expects to continue to incur net losses for the foreseeable future. Ocugen incurred net losses of approximately $9.9 million and $10.3 million for the six months ended June 30, 2019 and 2018, respectively. As of June 30, 2019, Ocugen had an accumulated deficit of $41.1 million.

Ocugen's ability to generate revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of its product candidates, which is subject to significant uncertainty. Ocugen expects that over the next several years it will continue to incur losses from operations as it increases its expenditures in research and development in connection with clinical trials and other development activities. If adequate funds are not available to Ocugen on a timely basis, or at all, Ocugen may be required to terminate or delay certain development activities.

Ocugen believes that the net proceeds from the Pre-Merger Financing and the Asset Sale, together with the existing cash and cash equivalents of the combined company, will be sufficient to fund its operations into mid-2020, during which time Ocugen expects to continue its development efforts with respect to its product candidates. However, Ocugen will need to raise additional capital in the future to further the development and commercialization of its other product candidates. Until such time, if ever, as Ocugen generates product revenue, Ocugen expects to obtain additional financing through the issuance of its common stock, through other equity or debt financings or through collaborations or partnerships with other companies. Ocugen may not be able to raise additional capital on terms acceptable to it, or at all, and any failure to raise capital as and when needed could compromise its ability to execute on its business plan and cause it to delay or curtail its operations until such funding is received.

Financial Operations Overview

Revenue

Ocugen has not generated revenue from the sale of any products, and it does not expect to generate revenue unless or until it obtains regulatory approval of and commercializes one or more of its product candidates.

Research and development expense

Research and development costs are expensed as incurred. These costs consist of internal and external expenses. Internal expenses include the cost of salaries, benefits and other related costs, including stock-based compensation, for personnel serving in Ocugen's product development functions, as well as allocated rent and utilities expenses. External expenses include development, clinical trials, patent costs and regulatory compliance costs incurred with

research organizations and other third-party vendors. License fees paid to acquire access to proprietary technology are expensed to research and development unless it is determined that the technology is expected to have an alternative future use. All patent related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred to research and development expense due to the uncertainty about the recovery of the expenditure. Ocugen records costs for certain development activities, such as clinical trials, based on its evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations, or information provided to Ocugen by Ocugen's vendors on their actual costs incurred. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected in the consolidated financial statements as prepaid or accrued research and development expense, as the case may be.

	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)	
(in thousands)	**2019**	**2018**	**2019**	**2018**
Research and development	$ 1,240	$ 2,832	$ 5,033	$ 5,844

Ocugen plans to incur research and development expenses for the foreseeable future as it expects to seek to continue development and eventual commercialization of one or more of its product candidates. At this time, due to the inherently unpredictable nature of preclinical and clinical development, Ocugen is unable to estimate with any certainty the costs it will incur and the timelines it will require in its continued development efforts.

As a result of the uncertainties discussed above, successful development and completion of clinical trials is uncertain and may not result in approved products. Completion dates and completion costs can vary significantly for each future product candidate and are difficult to predict. Ocugen will continue to make determinations as to which product candidates to pursue and how much funding to direct to each product candidate on an ongoing basis in response to its ability to enter into collaborations with respect to each product candidate, the scientific and clinical success of each product candidate as well as ongoing assessments as to the commercial potential of product candidates. Ocugen may seek to obtain additional financing in the future through the issuance of its common stock, through other equity or debt financings or through collaborations or partnerships with other companies. Ocugen may not be able to raise additional capital on terms acceptable to it, or at all, and any failure to raise capital as and when needed could compromise Ocugen's ability to execute on its business plan and cause it to delay or curtail its operations until such funding is received.

General and administrative expense

General and administrative expense consists primarily of personnel expenses, including salaries, benefits and stock-based compensation expense, for employees in executive, accounting and other administrative functions. General and administrative expense also includes corporate facility costs, including rent and utilities, as well as legal fees related to corporate matters and fees for accounting and other consulting services.

Ocugen anticipates that its general and administrative expense will increase as a result of an expanded infrastructure and an increased headcount. Ocugen anticipates higher corporate infrastructure costs including, but not limited to accounting, legal, human resources, consulting and investor relations fees, as well as increased director and officer insurance premiums, associated with becoming a public company. Additionally, if and when Ocugen believes a regulatory approval of a product candidate appears likely, it anticipates an increase in payroll and expense as a result of its preparation for commercial operations, especially as it relates to the sales and marketing of its product candidates.

Change in fair value of derivative liabilities

Change in fair value of derivative liabilities represents the change in fair value each reporting period of the embedded conversion features and embedded change in control features required to be bifurcated from certain of the outstanding convertible promissory notes.

Other income (expense)

Other income (expense) consists primarily of interest expense, the amortization of debt issuance costs related to Ocugen's debt and accretion of the discount created by the bifurcation of the embedded conversion features and embedded change in control features from certain of the convertible promissory notes, interest earned on Ocugen's cash and cash equivalents held with institutional banks, as well as foreign currency income (losses) due to exchange rate fluctuations on transactions denominated in a currency other than its functional currency.

Critical Accounting Policies and Significant Judgments and Estimates

Ocugen's consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of Ocugen's financial statements requires it to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reported period. Ocugen bases its estimates on historical experience, known trends and events and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Ocugen evaluates its estimates and assumptions on an ongoing basis. Ocugen's actual results may differ from these estimates under different assumptions and conditions.

While Ocugen's significant accounting policies are described in more detail in the notes to its consolidated financial statements appearing elsewhere in this proxy statement/prospectus/information statement, Ocugen believes that the following accounting policies and estimates are those most critical to the preparation of its consolidated financial statements.

Research and development expenses

Research and development costs are expensed as incurred and consist of internal and external expenses. Internal expenses include employee compensation, benefits and certain overhead such as rent and utilities. External expenses include development, clinical trials, patent costs and regulatory compliance costs incurred with research organizations and other third-party vendors.

Ocugen records costs for certain development activities, such as clinical trials, based on its evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations, or information provided to Ocugen by its vendors on their actual costs incurred. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected in the consolidated financial statements as prepaid or accrued research and development expense, as the case may be.

Income taxes

Ocugen records income taxes in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codifications ("ASC") Topic 740, Income Taxes ("ASC 740"), which provides for deferred taxes using an asset and liability approach. Ocugen recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Ocugen accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, Ocugen recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. As of June 30, 2019 and December 31, 2018, Ocugen did not have any uncertain tax positions.

Ocugen has incurred substantial losses during its history. Ocugen does not anticipate generating revenue from sales of products for the foreseeable future, if ever, and it may never achieve profitability. To the extent that Ocugen continues to generate tax losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire. Under Section 382 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change," which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income may be limited. Ocugen has not completed its analysis to determine what, if any, impact any prior ownership change has had on its ability to utilize its net operating loss carryforwards. In addition, Ocugen may experience ownership changes in the future as a result of subsequent shifts in its stock ownership, such as in connection with the merger or the Pre-Merger Financing. As of December 31, 2018, Ocugen had federal net operating loss carryforwards of approximately $23.7 million that could be limited if Ocugen has experienced, or if in the future it experiences, an ownership change. As of June 30, 2019, Ocugen had recorded a full valuation allowance against these loss carryforwards.

Stock-based compensation

Ocugen accounts for its stock-based compensation awards in accordance with FASB ASC Topic 718, *Compensation-Stock Compensation* ("ASC 718"). ASC 718 requires all stock-based payments to employees, including grants of employee stock options and restricted stock units and modifications to existing agreements, to be recognized in the statements of operations based on their fair values. Ocugen uses the Black-Scholes option-pricing model to determine the fair value of options granted.

Ocugen's stock-based awards are subject to either service or performance-based vesting conditions. Compensation expense related to awards to employees and directors with service-based vesting conditions is recognized on a straight-line basis based on the grant date fair value over the associated service period of the award, which is generally the vesting term. Compensation expense related to awards to employees with performance-based vesting conditions is recognized based on the grant date fair value over the requisite service period to the extent achievement of the performance condition is probable.

Estimating the fair value of options requires the input of subjective assumptions, including the estimated fair value of Ocugen common stock, the expected life of the option, stock price volatility, the risk-free interest rate and expected dividends. The assumptions used in Ocugen's Black-Scholes option-pricing model represent management's best estimates and involve a number of variables, uncertainties and assumptions and the application of management's judgment, as they are inherently subjective. If any assumptions change, Ocugen's stock-based compensation expense could be materially different in the future.

These assumptions used in Ocugen's Black-Scholes option-pricing model are as follows:

Expected Term. Due to the lack of a public market for the trading of Ocugen common stock and the lack of sufficient company-specific historical data, the expected term of employee options is determined using the "simplified" method, as prescribed in SEC's Staff Accounting Bulletin ("SAB No. 107"), whereby the expected life equals the arithmetic average of the vesting term and the original contractual term of the option. The expected term of non-employee options is equal to the contractual term.

Expected Volatility. The expected volatility is based on historical volatilities of similar entities within Ocugen's industry which were commensurate with the expected term assumption as described in SAB No. 107.

Risk-Free Interest Rate. The risk-free interest rate is based on the interest rate payable on U.S. Treasury securities in effect at the time of grant for a period that is commensurate with the assumed expected term.

Expected Dividends. The expected dividend yield is 0% because Ocugen has not historically paid, and do not expect for the foreseeable future to pay, a dividend on its common stock.

The following table reflects the assumptions used to estimate the fair value of options granted during the periods presented.

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Expected option term (years)	6.0	6.0 - 10.0	6.0	6.0 - 10.0
Weighted-average expected stock price volatility	89%	118.65%	89%	119%
Risk-free interest rate	2.4%	2.3% - 2.8%	2.4%	2.3% - 2.8%
Expected dividend yield	0%	0%	0%	0%
Weighted-average common stock price	$ 5.95	$ 3.54	$ 5.95	$ 3.54

Stock-based compensation expense was $0.1 million and $0.3 million for the three months ended June 30, 2019 and 2018, respectively, and $0.5 million for the six months ended June 30, 2019 and 2018, respectively. At June 30, 2019, Ocugen had $1.3 million of unamortized stock-based compensation expense related to unvested service-based stock options, which is expected to be recognized over a remaining weighted-average vesting period of 1.6 years. Ocugen expects the impact of its stock-based compensation expense for stock options granted to employees and non-employees to increase in future periods due to the potential increases in the value of its common stock and in headcount.

Valuation of common stock

As there has been no public market for Ocugen common stock to date, the estimated fair value of its common stock has been determined by the Ocugen Board as of the date of each option grant and quarter end, with input from management, considering Ocugen's most recently available third-party valuations of common stock. These factors include, but are not limited to:

- Ocugen's most recently available valuations of its common stock by an unrelated third party;
- the price at which Ocugen sold shares of its common stock to outside investors in arms-length transactions;
- Ocugen's results of operations, financial position and capital resources;
- current business conditions and projections;
- the lack of marketability of Ocugen common stock;
- the hiring of key personnel and the experience of management;
- the risk inherent in the development of Ocugen's products;
- Ocugen's stage of development and material risks related to its business;
- the fact that the option grants involve illiquid securities in a private company; and
- the likelihood of achieving a liquidity event, such as an initial public offering or sale, in light of prevailing market conditions.

Ocugen has periodically determined the estimated fair value of its common stock at various dates using contemporaneous valuations performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*, or the Practice Aid. The Practice Aid identifies various available methods for allocating enterprise value across classes and series of capital stock to determine the estimated fair value of common stock at each valuation date. In accordance with the Practice Aid, the Ocugen Board considered the following methods:

- *Current Value Method.* Under the Current Value Method, or CVM, Ocugen's value is determined based on its balance sheet. This value is then first allocated based on the liquidation preference associated with preferred stock issued as of the valuation date, and then any residual value is assigned to the common stock.

- *Option-Pricing Method.* Under the option-pricing method, or OPM, shares are valued by creating a series of call options with exercise prices based on the liquidation preferences and conversion terms of each equity class. The estimated fair values of the preferred and common stock are inferred by analyzing these options.

- *Probability-Weighted Expected Return Method.* The probability-weighted expected return method, or PWERM, is a scenario-based analysis that estimates value per share based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to Ocugen, as well as the economic and control rights of each share class.

Based on Ocugen's early stage of development and other relevant factors, Ocugen determined that a PWERM was the most appropriate method for allocating its enterprise value to determine the estimated fair value of its common stock. Ocugen common stock valuation as of June 30, 2019 was prepared using the PWERM.

The Ocugen Board and management develop best estimates based on application of these approaches and the assumptions underlying these valuations, giving careful consideration to the advice from Ocugen's third-party valuation expert. Such estimates involve inherent uncertainties and the application of significant judgment. As a result, if factors or expected outcomes change and Ocugen uses significantly different assumptions or estimates, Ocugen's equity-based compensation could be materially different.

Following the closing of the merger, the Ocugen Board will determine the fair market value of Ocugen common stock based on its closing price as reported on the date of grant on the primary stock exchange on which Ocugen common stock is traded.

Warrants

Ocugen accounts for its warrants, all issued prior to December 31, 2017, as equity instruments. Ocugen estimated their fair value in the same manner as Ocugen's stock options using the Black-Scholes model, and the valuation assumptions are similar to those used in estimating the fair value of Ocugen's stock options.

Derivative liabilities

The derivative liabilities are embedded conversion features bifurcated from Ocugen's convertible promissory notes because the number of common shares to be issued upon conversion is variable and embedded change in control features because it represents a redemption feature not clearly and closely related to the debt host. Ocugen estimated the fair value of the embedded conversion, redemption and change in control features at each issuance of convertible promissory notes and at the end of each reporting period using an income approach model. Inputs into this model include the expected time until conversion or change in control and Ocugen's estimate of the probability of conversion or change in control occurring.

Results of Operations

Comparison of the Three Months Ended June 30, 2019 and June 30, 2018

The following table summarizes the results of Ocugen's operations for the three months ended June 30, 2019 and 2018:

(in thousands)	Three months ended June 30, 2019	2018	Changes
Operating expenses:			
Research and development	$ 1,240	$ 2,832	$ (1,592)
General and administrative	1,088	1,220	(132)
Total Operating Expenses	2,328	4,052	(1,724)
Loss from Operations	(2,328)	(4,052)	1,724
Other Income (expense):			
Change in fair value of derivative liability	(608)	(8)	(600)
Loss on debt conversion	(341)	—	(341)
Interest income	—	6	(6)
Interest expense	(262)	(1,235)	973
Other expense	—	(2)	2
Total other expense	(1,211)	(1,239)	28
Net Loss	$ (3,539)	$ (5,291)	$ 1,752

*Research and development expense*Research and development expense decreased by $1.6 million for the three months ended June 30, 2019 when compared to the three months ended June 30, 2018 primarily as a result of a net decrease of $1.3 million in clinical trial activities and a decrease of $0.3 million in other costs. Specifically, the OCU300 trial was well into Phase III by the second quarter of 2019 causing a $0.7 million decrease in pre-clinical and manufacturing costs. The OCU310 trial was completed in the first quarter of 2019 causing a $0.4 million decrease in year-over-year clinical costs. The $0.2 decrease is attributed to minimal activity in the OCU100 and OCU200 trials and reduced amount of patient activity within the OCU300 trial in 2019. The decrease of $0.3 million is attributable to decrease in R&D headcount to 10 full-time employees at June 30, 2019 from 13 at June 30, 2018, resulting in decreased employee benefits and wage and salaries expenses totaling $0.1 million. The remaining decrease is attributable to a minimization of expenses primarily related to patent work and employee travel.

General and administrative expense

General and administrative expenses remained relatively flat for the three months ended June 30, 2019 when compared to the three months ended June 30, 2018. This was primarily due to a $0.6 million increase in accounting and legal fees related to the S-4 filing. As an offset, a) stock-based compensation expense decreased by $0.2 million for the three months ended June 30, 2019 compared to the three months ended June 30, 2018, due to reduced headcount, b) a decrease of $0.2 million resulting from severance payments, and c) G&A headcount decreased to 3 fulltime employees at June 30, 2019 from 7 at June 30, 2018, resulting in decreased employee benefits and wage and salaries expenses totaling $0.1 million.

Change in fair value of derivative liability

The change in fair value of derivative liability was loss of $0.6 million for the three months ended June 30, 2019 compared to a loss of $0.1 million for the three months ended June 30, 2018. This loss relates to the remeasurement of embedded features on the convertible notes which were issued during fiscal year 2018, the first, and the second quarter of 2019. All previous convertible debt, as discussed below, was converted during the quarter.

Loss on debt conversion

The loss on debt conversion of $0.3 million primarily relates to the April 4, 2019 conversion of all previously issued convertible debt.

Interest income

Interest income was $377 for the three months ended June 30, 2019 compared to $6,200 for the three months ended June 30, 2018. This relates to interest earned on cash and cash equivalents and lower cash balances in 2019 when compared to 2018.

Interest expense

Interest expense was $0.3 million for the three months ended June 30, 2019 compared to $1.2 million for the three months ended June 30, 2018. The decreased expense is primarily due to conversion of the convertible debt on during the second quarter of 2019.

Other expense

Other expense was $183 for the three months ended June 30, 2019 compared to $1,762 for the three months ended June 30, 2018. The second quarter of 2019 and 2018 expense relates to foreign exchange revaluations for Ocugen's Irish subsidiary, with minimal activity with the Irish subsidiary taking place during 2019.

Comparison of the Six Months Ended June 30, 2019 and 2018

The following table summarizes the results of Ocugen's operations for the six months ended June 30, 2019 and June 30, 2018:

(in thousands)	Six months ended June 30, 2019	2018	Change
Operating expenses:			
Research and development	$ 5,033	$ 5,844	$ (811)
General and administrative	2,137	2,203	(66)
Total Operating Expenses	7,170	8,047	(740)
Loss from Operations	(7,170)	(8.047)	877
Other Income (expense):			
Change in fair value of derivative liabilities	(1,385)	(253)	(1,131)
Loss on debt conversion	(341)	—	(341)
Interest income	1	14	(13)
Interest expense	(957)	(2,034)	1,077
Other expense	—	(10)	10
Total other expense	(2,682)	(2,283)	(399)
Net Loss	$ (9,852)	$ (10,330)	$ 478

Research and development expense

Research and development ("R&D") expense decreased by $0.8 million for the six months ended June 30, 2019 when compared to the six months ended June 30, 2018 primarily as a result of a net decrease in program development and clinical trial activities of $0.4 million and a decrease of $0.4 million in other costs. Specifically, OCU310 clinical trial activities increased in 2019 by $2.0 million due to the wrap-up of the Phase III trial. This

increase was offset by $2.4 million of decreases in pre-clinical and manufacturing activities within OCU100, OCU200, and OCU300. In addition, R&D headcount decreased to 10 full-time employees at June 30, 2019 from 13 at June 30, 2018, resulting in decreased bonuses and wage and salaries expenses totaling $0.2 million. The remaining $0.2 million decrease is attributable to a minimization of overall expenses primarily related to patent work, and employee travel.

General and administrative expense

General and administrative expenses ("G&A") remained relatively flat for the six months ended June 30, 2019 when compared to the six months ended June 30, 2018. This was primarily due to a $0.6 million increase in accounting and legal fees related to the S-4 filing in the second quarter of 2019. As an offset, a) G&A headcount decreased to 3 full-time employees at June 30, 2019 from 7 at June 30, 2018, resulting in decreased employee benefits and wages and salaries of $0.2 million, b) a decrease of $0.2 million resulting from severance payments, c) the remaining $0.2 million decrease is attributable to a minimization of overall expenses primarily related to marketing and employee travel.

Change in fair value of derivative liability

The change in fair value of derivative liability increased the loss by $1.1 million for the six months ended June 30, 2019 when compared to the six months ended June 30, 2018. This increase relates to the remeasurement of embedded features on the convertible notes which were issued during 2018 and 2019.

Loss on debt conversion

The loss on debt conversion of $0.3 million primarily relates to the April 4, 2019 conversion of all previously issued convertible debt.

Interest income

Interest income was $971 for the six months ended June 30, 2019 and $13,631 for the six months ended June 30, 2018. This relates to interest earned on cash and cash equivalents and lower cash balances in 2019 when compared to 2018.

Interest expense

Interest expense was $0.9 million for the six months ended June 30, 2019 and $2.0 million for the six months ended June 30, 2018. The lower interest expense was primarily due to the conversion of the convertible notes on April 4, 2019.

Other expense

Other expense was $232 for the six months ended June 30, 2019 and $10,168 for the six months ended June 30, 2018. The 2019 and 2018 expense relates to foreign exchange revaluations for Ocugen's Irish subsidiary, with minimal activity with the Irish subsidiary taking place during 2019.

Liquidity and Capital Resources

Ocugen has funded its operations primarily through the sale and issuance of common stock and warrants to purchase common stock, proceeds from convertible notes payable, and debt. Specifically, since its inception and through June 30, 2019, Ocugen has raised an aggregate of $27.7 million to fund its operations, of which $14.4 million was from the sale of Ocugen common stock and warrants, $12.0 million was from convertible notes, $1.0 million was from borrowings under the EB-5 Program, and $0.2 million was a grant for research from the State of Colorado. As of June 30, 2019, Ocugen had $0.7 million in cash and cash equivalents.

Since Ocugen's inception, it has devoted substantial resources to research and development and has incurred significant net losses and expects to continue to incur net losses for the foreseeable future. Ocugen incurred net losses of approximately $9.9 million and $10.3 million for the six months ended June 30, 2019 and 2018, respectively. As of June 30, 2019, Ocugen had an accumulated deficit of $41.1 million.

In September 2016, pursuant to the EB-5 Program, Ocugen entered into an arrangement to borrow up to $10.0 million from EB5 Life Sciences, L.P. (the "Lender") in $0.5 million increments. Borrowing may be limited by the amount of funds raised by the Lender and are subject to certain job creation requirements by Ocugen. Borrowings are at a fixed interest rate of 4.0% and are to be utilized in the clinical development, manufacturing, and commercialization of the Ocugen's products and for the general working capital needs of Ocugen. Outstanding borrowings pursuant to the EB-5 Program become due upon the seventh anniversary of the final disbursement. Amounts repaid cannot be re-borrowed. At June 30, 2019, there is $1.1 million of principal outstanding under the EB-5 program.

Although it is difficult to predict future liquidity requirements, Ocugen believes that the net proceeds from the Pre-Merger Financing and Asset Sale, together with the existing cash and cash equivalents of the combined company, will be sufficient to fund its operations into mid-2020, during which time, Ocugen expects to continue its development efforts with respect to its product candidates. However, Ocugen will need to raise additional capital in the future to further the development and commercialization of its other product candidates. Until such time, if ever, as Ocugen generates product revenue, Ocugen expects to obtain additional financing through the issuance of its common stock, through other equity or debt financings or through collaborations or partnerships with other companies. Ocugen may not be able to raise additional capital on terms acceptable to it, or at all, and any failure to raise capital as and when needed could compromise its ability to execute on its business plan and cause it to delay or curtail its operations until such funding is received.

The following table shows a summary of Ocugen's cash flows for the periods indicated (in thousands):

	Six months ended June 30,	
	2019	2018
Net cash used in operating activities	$ (6,031)	$ (5,763)
Net cash used in investing activities	(132)	(77)
Net cash provided by financing activities	5,214	5,961
Effect on cash of changes in exchange rate	—	1
Net increase in cash, cash equivalents and restricted cash	$ (949)	$ 122

Operating activities

Cash used in operating activities was $6.0 million for the six months ended June 30, 2019 compared with $5.8 million for the six months ended June 30, 2018. The $0.3 million increase in cash used in operating activities is primarily due to a $0.5 million decrease in net loss for the six months ended June 30, 2019 compared with the six months ended June 30, 2018, a $1.1 increase in the change in fair value of the derivative liability, and increase of $0.3 million due to loss on debt extinguishment, partially offset by $1.1 million decreases due to the non-cash interest, respectively, and a $1.1 million decrease in changes in operating assets and liabilities.

Investing activities

Cash used in investing activities, related to equipment purchases and improvements, was relatively flat at approximately $0.1 million for the six months ended June 30, 2019 compared to the six months ended June 30, 2018.

Financing activities

Cash provided by financing activities was $5.2 million for the six months ended June 30, 2019 compared to $6.0 million for the six months ended June 30, 2018. This $0.8 million decrease is primarily due to the $1.7 million decrease in the issuance of convertible debt offset by a $1.0 million stock subscription entered during 2019.

Funding requirements

Ocugen expects to continue to incur significant expenses in connection with its ongoing activities, particularly as it continues research and development, including clinical development activities of its product candidates, increases its headcount and adds operational, financial and information systems to execute its business plan, maintains, expands and protects its patent portfolio, contracts to manufacture its product candidates, and operates as a public company.

Ocugen's future funding requirements, both near- and long-term, will depend on many factors, including, but not limited to:

- the initiation, progress, timing, costs and results of clinical trials for its product candidates;
- the outcome, timing and cost of the regulatory approval process for its product candidates by the FDA;
- future costs of manufacturing and commercialization;
- the cost of filing, prosecuting, defending and enforcing its patent claims and other intellectual property rights;
- the cost of defending intellectual property disputes, including patent infringement actions brought by third parties against it;
- the costs of expanding infrastructure and increasing headcount, as well as the higher corporate infrastructure costs associated with becoming a public company; and
- the extent to which it in-licenses or acquires other products, product candidates or technologies.

Ocugen believes that the net proceeds from the Pre-Merger Financing and the Asset Sale, together with the existing cash and cash equivalents of the combined company, will be sufficient to fund its operations into mid-2020, during which time Ocugen expects to continue its development efforts with respect to its product candidates. Ocugen has based this estimate on assumptions that may prove to be wrong, and Ocugen could utilize its available capital resources sooner than it expects. Ocugen expects that it will need to raise additional capital in the future to complete the clinical development of its product candidates. Additional funds may not be available on a timely basis, on favorable terms, or at all, and such funds, if raised, may not be sufficient to enable Ocugen to continue to implement its long-term business strategy. If Ocugen cannot expand its operations or otherwise capitalize on its business opportunities because it lacks sufficient capital, Ocugen's business, financial condition and results of operations could be materially adversely affected, and it may need to delay or curtail its operations until such funding is received.

Contractual Obligations

The following table summarizes Ocugen's contractual obligations and commitments at June 30, 2019 (in thousands):

	Payments due by period as of June 30, 2019				
Contractual Obligations	**Total**	**Less than 1 year**	**1 - 3 years**	**4 - 5 years**	**More than 5 years**
Operating lease commitments (1)	$ 474	$ 190	$ 284	$ —	$ —
Capital lease commitments (2)	48	24	24	—	—
Long-term debt obligations, including interest (3)	3,522	2,415	—	1,107	—
	$ 1,621	$ 266	$ 248	$ 1,107	$ —

(1) Reflects obligations pursuant to Ocugen's office lease in Malvern, PA.
(2) Reflects obligations pursuant to Ocugen's specialized research equipment.
(3) Reflects two loans for $0.5 million each dated September 2016 and December 2016 as well as convertible debt issued of $2.1 million in May 2019.

This table does not include potential future milestone payments or royalty obligations to third parties under license and other agreements to the extent that the timing and likelihood of such milestone payments are not known, and, in the case of royalty obligations, if the amount of such obligations are not reasonably estimable, as discussed below.

Milestone, Royalty-Based and Other Commitments

License Agreement with University of Colorado

In March 2014, Ocugen entered into a license patent agreement with the University of Colorado ("CU"), which was amended in January 2017 and clarified by a letter of understanding in November 2017 (the exclusive license agreement, as amended and clarified, is referred to as the "CU Agreement"). The CU Agreement gives Ocugen an exclusive, worldwide, sublicensable license to patents for OCU100 and OCU200. The CU Agreement requires the payment of certain regulatory milestones, aggregating $1.5 million, and low single digit percentage earned royalties on net sales.

In exchange for the licensed patents, Ocugen issued CU 180,000 shares of Ocugen common stock. The license agreement included an anti-dilution provision, requiring the issuance of additional shares to maintain a specified ownership interest until such time as Ocugen achieved a specified level of financing. Between the effective date of the agreement and December 31, 2016, Ocugen issued CU an additional 67,000 shares of Ocugen common stock. The anti-dilution provision was no longer effective per the terms of the agreement, as amended, after the closing in December 2016 of Ocugen's common stock financing round designated as Series A. Ocugen also reimbursed CU for $26,179 of fees and costs previously incurred by CU.

The agreement with CU calls for minimum annual royalty payments of $20,000, starting on the third anniversary of the agreement and on each annual anniversary thereafter, and after sales commence, increasing to a percentage rate in the mid-twenties of the previous year's royalty payment paid to CU, through the term of the agreement. Ocugen paid $20,000 during 2018 and will pay $20,000 in 2019 as the minimum royalty is due annually beginning in 2017 and recognized such amount as research and development expense. No additional royalties were paid or incurred during 2018 or the six months ended June 30, 2019 as Ocugen has not achieved any milestones, net sales or sublicensing for OCU100 or OCU200. Future annual royalties will be recognized in the years they are earned, per the license agreement. Ocugen may cancel the license agreement at any time with 60 days' written notice.

License Agreement with University of Illinois, Chicago

In February 2016, Ocugen entered into a license agreement with the University of Illinois, Chicago ("UIC"). This agreement gives Ocugen an exclusive, worldwide, non-transferable, sublicensable license to patents and patent rights for OCU300 and OCU310. Commencing in 2019, Ocugen pays UIC an annual minimum payment and reimburses UIC for reasonable documented patent costs and expenses. The UIC agreement requires the payment of certain regulatory and commercial milestones, aggregating $1.25 million.

Ocugen is required to pay royalties ranging from the low single digits to low teens to UIC based on net sales and sublicense revenues generated by OCU300 and OCU310. Ocugen is also required to pay minimum annual royalties to UIC, beginning with an annual payment of $20,000 on the third anniversary of the effective date of the agreement, and increasing gradually to $50,000 by the sixth anniversary and continuing through the term of the agreement. These minimum royalties will be recognized over the annual period to which they relate. Ocugen is also obligated to pay UIC up to $1.25 million upon the achievement of certain development and regulatory milestones.

Ocugen recognized $6,250 and $5,000 of royalty expense related to this agreement during the three months ended

June 30, 2019 and 2018, respectively, and $12,083 and $8,333 during the six months ended June 30, 2019 and 2018, respectively. Additionally, during 2018, Ocugen incurred $250,000 in milestone payments due to achieving a milestone associated with dosing the first patient in a Phase 3 clinical trial. Ocugen has not achieved any other milestones, net sales or sublicensing for OCU300 or OCU310. Ocugen may cancel the license agreement at any time with 90 days' written notice.

License Arrangement with The Schepens Eye Research Institute

In December 2017, Ocugen entered into a license agreement with The Schepens Eye Research Institute ("SERI"). The agreement gives Ocugen an exclusive, worldwide, sublicensable license to patent rights, biological materials and technical information for nuclear hormone receptor genes *NR1D1*, *NR2E3* (OCU400), *RORA*, *NUPR1* and *NR2C1*. Ocugen is required to pay an annual license maintenance fee, as well as payment of certain regulatory and commercial milestones, aggregating $16.5 million, and low single-digit percentage royalties on annual net sales of products that fall under the licensed patent rights.

This agreement is accounted for as a Collaborative Arrangement. In connection with acquiring the license, Ocugen was required to pay a license fee of $125,000, which was recognized in 2017. In addition, a licensing fee of $75,000 was incurred in June 2019.

Ocugen was also required to reimburse SERI for all patent costs incurred prior to the effective date of the agreement, totaling $39,681, and will be required to reimburse SERI for all future patent costs related to this licensed technology. These license and patent fees were recognized as research and development expense in 2017. These license and patent fees were recognized as research and development expense in 2017.

Ocugen is obligated to pay SERI up to $6.0 million upon the achievement of certain development and regulatory milestones. Ocugen is also obligated to pay SERI up to $10.5 million upon the achievement of certain commercial milestones. Ocugen will also pay SERI royalties in the low single digits based on net sales, which will be credited against the annual license maintenance fees. The license agreement dictates that Ocugen will pay an annual license maintenance fee of $25,000 for the first two years following expiration or termination of the Sponsored Research Agreement, and $50,000 for each year thereafter. No license maintenance fees were paid during the three and six months ended June 30, 2019 or June 30, 2018. No milestones or royalties were paid or incurred through June 30, 2019, as Ocugen has not achieved any milestones, net sales or sublicensing under this agreement. Ocugen may cancel the license agreement at any time with 180 days' written notice.

In December 2017, Ocugen also entered into a Sponsored Research Agreement with SERI which is effective for two years. Pursuant to the terms of the agreement, Ocugen expects to make payments of approximately $1.1 million for research services for OCU400 over the period beginning December 2017 and ending December 2019. Ocugen recognized approximately $159,250 and $112,000 as research and development expense in the three months ended June 30, 2019 and June 31, 2018, respectively, and approximately $318,500 and $257,600 in the six months ended June 30, 2019 and 2018, respectively, for work performed under this agreement.

Off-Balance Sheet Arrangements

Ocugen did not have off-balance sheet arrangements during the periods presented, and it does not currently have any off-balance sheet arrangements as defined in the rules and regulations of the SEC.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02 Leases (ASC 842). In July 2018, the FASB issued ASU No. 2018-10, "Codification Improvements to Topic 842, Leases" (ASU 2018-10), which provides narrow amendments to clarify how to apply certain aspects of the new lease standard, and ASU No. 2018-11, "Leases (Topic 842)—Targeted Improvements" (ASU 2018-11), which addressed implementation issues related to the new lease standard. These and certain other lease-related ASUs have generally been codified in ASC 842. ASC 842 supersedes the lease accounting requirements in Accounting Standards Codification Topic 840, Leases (ASC 840).

ASC 842 establishes a right-of-use model that requires a lessee to record a right-of-use ("ROU") asset and a lease liability on the balance sheet for all leases. Under ASC 842, leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The standard also requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018 and interim periods within that reporting period. Nonpublic entities are required to apply the guidance in annual periods beginning after December 15, 2019 and in interim periods beginning after December 15, 2020. Ocugen adopted ASC 842 on January 1, 2019 using the effective date transition method. Prior period results continue to be presented under ASC 840 based on the accounting standards originally in effect for such periods.

Ocugen has elected certain practical expedients permitted under the transition guidance within ASC 842 to leases that commenced before January 1, 2019, including the package of practical expedients. The election of the package of practical expedients resulted in Ocugen not reassessing prior conclusions under ASC 840 related to lease identification, lease classification and initial direct costs for expired and existing leases prior to January 1, 2019. Ocugen did not elect the practical expedient to not record short-term leases on its consolidated balance sheet. The adoption of ASU 2016-02 did not have a significant impact on Ocugen's consolidated results of operations or cash flows. Upon adoption, Ocugen recognized a ROU asset and lease liability of $0.4 million and $0.4 million, respectively.

Internal Control Over Financial Reporting

Assessing Ocugen's staffing and training procedures to improve its internal control over financial reporting is an ongoing process. Ocugen is not currently required to comply with Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and are therefore not required to make an assessment of the effectiveness of its internal control over financial reporting. As a result, Ocugen's management did not perform an evaluation of Ocugen's internal control over financial reporting as of December 31, 2018 or June 30, 2019. Further, Ocugen's independent registered public accounting firm has not been engaged to express, nor have they expressed, an opinion on the effectiveness of Ocugen's internal control over financial reporting.

Quantitative and Qualitative Disclosures About Market Risks

Ocugen is exposed to market risks in the ordinary course of its business. These market risks are principally limited to interest rate fluctuations.

As of June 30, 2019, Ocugen had cash and cash equivalents of $0.7 million, consisting primarily of funds in cash and money market accounts. The primary objective of Ocugen's investment activities is to preserve principal and liquidity while maximizing income without significantly increasing risk. Ocugen does not enter into investments for trading or speculative purposes. Due to the short-term nature of Ocugen's investment portfolio, Ocugen does not believe an immediate 10% increase in interest rates would have a material effect on the fair market value of its portfolio, and accordingly Ocugen does not expect its operating results or cash flows to be materially affected by a sudden change in market interest rates.

Proposed Merger with Histogenics

On April 5, 2019, Ocugen and Histogenics entered into the Merger Agreement. Upon the terms and subject to the satisfaction of the conditions described in the Merger Agreement, including approval of the transaction by Ocugen's stockholders and Histogenics' stockholders, a wholly-owned subsidiary of the Histogenics will be merged with and into Ocugen, with Ocugen surviving the merger as a wholly-owned subsidiary of Histogenics. The proposed merger is structured as a stock-for-stock transaction whereby all of Ocugen's outstanding shares of common stock and securities convertible into or exercisable for shares of Ocugen common stock will be converted into the right to receive shares Histogenics common stock and securities convertible into or exercisable for Histogenics common stock. Based on the exchange ratio of 28.7650, the former Ocugen equity holders immediately before the merger are expected to own approximately 86.24% of the outstanding capital stock of Histogenics, and the stockholders and warrant holders of Histogenics immediately before the merger are expected to own approximately 13.76% of the outstanding capital stock of Histogenics, including the Initial Shares but excluding the Additional Shares issued in the Financing SPA (as such terms are defined in the section entitled "Agreements Related to the Merger—Securities

Purchased Agreement" above). If the proposed merger is not completed and the Merger Agreement is terminated under certain circumstances, Histogenics or Ocugen may be required to pay the other party a termination fee of up to $600,000 or $700,000, respectively. Even if a termination fee is not payable in connection with a termination of the Merger Agreement, each of Histogenics and Ocugen will have incurred significant fees and expenses, which must be paid whether or not the merger is completed.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Histogenics is a smaller reporting company, as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and is not required to provide the information required under this item.

Exhibit 99.2

OCUGEN, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2019 (Unaudited)	December 31, 2018
Assets		
Current Assets		
Cash and cash equivalents	$ 678,492	$ 1,628,136
Deferred transaction cost	2,067,199	—
Prepaid expenses and other current assets	498,642	313,499
Total Current Assets	3,244,333	1,941,635
Property and equipment, net	228,596	245,788
Restricted cash	150,776	150,477
Other assets	495,868	116,333
Total Assets	$ 4,119,573	$ 2,454,233
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable	$ 5,255,972	$ 3,277,525
Accrued expenses	1,162,798	1,402,750
Short term debt, net	2,062,249	7,483,847
Derivative liabilities	42,073	1,741,222
Operating lease obligation	162,756	—
Financing lease obligation	19,421	20,442
Deferred grant proceeds	183,800	183,800
Total Current Liabilities	8,889,069	14,109,586
Non-Current Liabilities		
Deferred rent	—	3,739
Operating lease obligations, less current portion	267,188	—
Financing lease obligation, less current portion	22,903	33,720
Long term debt, net	1,046,136	1,016,727
Total Non-Current Liabilities	1,336,227	1,054,186
Total Liabilities	10,225,296	15,163,772
Stockholders' Deficit		
Common stock, $0.001 par value, 20,000,000 authorized at June 30, 2019 and December 31, 2018, 13,024,138 and 10,347,418 issued and outstanding at June 30, 2019 and December 31, 2018, respectively	13,024	10,347
Accumulated other comprehensive income	—	451
Additional paid-in capital	34,969,863	18,516,857
Accumulated deficit	(41,088,610)	(31,237,194)
Total Stockholders' Deficit	(6,105,723)	(12,709,539)
Total Liabilities and Stockholders' Deficit	$ 4,119,573	$ 2,454,233

See accompanying notes to condensed consolidated financial statements.

OCUGEN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Operating Expenses				
Research and development	$ 1,240,047	$ 2,831,797	$ 5,033,069	$ 5,844,186
General and administrative	1,088,477	1,220,351	2,136,497	2,202,397
Total Operating Expenses	2,328,524	4,052,148	7,169,566	8,046,583
Loss from Operations	(2,328,524)	(4,052,148)	(7,169,566)	(8,046,583)
Other Income (Expense)				
Change in fair value of derivative liabilities	(608,149)	(8,245)	(1,384,422)	(253,347)
Loss on debt conversion	(341,136)	—	(341,136)	—
Interest income	377	6,200	971	13,631
Interest expense	(261,562)	(1,235,291)	(957,031)	(2,033,805)
Other income (expense)	184	(1,762)	(232)	(10,168)
Total Other Expense	(1,210,286)	(1,239,098)	(2,681,850)	(2,283,689)
Net Loss	(3,538,810)	(5,291,246)	(9,851,416)	(10,330,272)
Other Comprehensive Income (Loss)				
Foreign currency translation adjustment	(169)	558	(451)	524
Comprehensive Loss	$ (3,538,979)	$ (5,290,688)	$ (9,851,867)	$ (10,329,748)
Net loss per share of common stock, basic and diluted	$ (0.28)	$ (0.51)	$ (0.86)	$ (1.00)
Weighted average shares outstanding — basic and diluted	12,656,240	10,347,418	11,392,524	10,347,418

See accompanying notes to condensed consolidated financial statements.

OCUGEN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

(Unaudited)

	Common Stock		Additional Paid in	Other Comprehensive	Accumulated	
	Shares	Amount	Capital	Income	Deficit	Total
Balance at December 31, 2018	**10,347,418**	**$ 10,347**	**$ 18,516,857**	**$ 451**	**$ (31,237,194)**	**$ (12,709,539)**
Stock-based compensation expense	—	—	415,202	—	—	415,202
Foreign currency translation adjustment	—	—	—	(282)	—	(282)
Net Loss				—	(6,312,606)	(6,312,606)
Balance at March 31, 2019	**10,347,418**	**$ 10,347**	**$ 18,932,059**	**$ 169**	**$ (37,549,800)**	**$ (18,607,225)**
Stock-based compensation expense	—	—	111,807	—	—	111,807
Foreign currency translation adjustment	—	—	—	(169)	—	(169)
Net Loss	—	—	—	—	(3,538,810)	(3,538,810)
Conversion of debt	2,347,678	2,348	13,968,531	—	—	13,970,879
Equity transactions	329,042	329	1,957,466	—	—	1,957,795
Balance at June 30, 2019	**13,024,138**	**$ 13,024**	**$ 34,969,863**	**$ —**	**$ (41,088,610)**	**$ (6,105,723)**

	Common Stock		Additional Paid in	Other Comprehensive	Accumulated	
	Shares	Amount	Capital	Income	Deficit	Total
Balance at December 31, 2017	**10,347,418**	**$ 10,347**	**$ 17,442,170**	—	**$ (13,017,530)**	**$ 4,434,987**
Stock-based compensation expense	—	—	258,682	—	—	258,682
Foreign currency translation adjustment	—	—	—	(34)	—	(34)
Net Loss	—	—	—	—	(5,039,026)	(5,039,026)
Balance at March 31, 2018	**10,347,418**	**$ 10,347**	**$ 17,700,852**	**$ (34)**	**$ (18,308,775)**	**$ (345,391)**
Stock-based compensation expense	—	—	261,185	—	—	**261,185**
Foreign currency translation adjustment	—	—	—	558	—	558
Net Loss	—	—	—	—	(5,291,246)	(5,291,246)
Balance at June 30, 2018	**10,347,418**	**$ 10,347**	**$ 17,962,037**	**$ 524**	**$ (23,347,802)**	**$ (5,374,894)**

See accompanying notes to condensed consolidated financial statements.

OCUGEN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Six months ended June 30,	
	2019	**2018**
Cash Flows from Operating Activities		
Net loss	$ (9,851,416)	$ (10,330,272)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	19,259	20,647
Non-cash interest expense	937,772	2,033,805
Change in fair value of derivative liability	1,384,422	253,347
Stock-based compensation expense	527,009	519,867
Loss on debt conversion	341,136	—
Changes in assets and liabilities:		
Prepaid expenses and other current assets	(32,986)	(15,868)
Other assets	(25,000)	(5,333)
Accounts payable and accrued expenses	668,879	1,759,952
Deferred rent	—	880
Net Cash Used in Operating Activities	(6,030,925)	(5,762,975)
Cash Flows from Investing Activities		
Purchase of property and equipment	(2,067)	(76,621)
Payment for equity transaction	(130,000)	—
Net Cash Used in Investing Activities	(132,067)	(76,621)
Cash Flows from Financing Activities		
Financing lease principal payments	(1,021)	—
Deferred financing costs	(85,233)	(38,969)
Proceeds from issuance of convertible debt	4,300,000	6,000,000
Proceeds from stock subscription	1,000,000	—
Net Cash Provided by Financing Activities	5,213,746	5,961,031
Effect of changes in exchange rate on cash	(99)	524
Net (Decrease) / Increase in Cash, Cash Equivalents and Restricted Cash	(949,345)	121,959
Cash, cash equivalents and restricted cash at beginning of period	1,778,613	6,301,572
Cash, cash equivalents and restricted cash at end of period	$ 829,268	$ 6,423,531
Supplemental disclosure of cash and non-cash transactions:		
Purchase of fixed assets by entering into capital lease	—	$ 63,855
Conversion of debt	$ 13,061,029	—
Conversion of promissory note	$ 907,502	—
Deferred transaction cost	$ 1,937,100	—
Right of use asset related to the operating leases	$ 363,093	—
Deferred equity issuance cost	$ 152,157	—

See accompanying notes to condensed consolidated financial statements.

OCUGEN, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Unaudited)

NOTE 1—NATURE OF BUSINESS

Ocugen, Inc. (the "Company"or "Ocugen"), located in Malvern Pennsylvania, is a clinical stage biopharmaceutical company focused on discovering, developing and commercializing a pipeline of innovative therapies to address rare and underserved eye diseases.

The Company is developing a modifier gene therapy platform for unmet medical needs in the area of retinal diseases, including inherited retinal diseases ("IRDs"). The Company's modifier gene therapy platform is novel in that it targets nuclear hormone receptor ("NHR") genes that have the potential to restore homeostasis to the retina and may target multiple genes that are associated with a range of IRDs. Unlike single-gene replacement therapies, which only target one genetic mutation, the Company believes that its gene therapy platform, through its use of NHRs, may impact multiple genes that are associated with a range of genetically diverse diseases. The Company's first gene therapy candidate, OCU400, received Orphan Drug Designation ("ODD") from the Food and Drug Administration ("FDA"), for the treatment of *NR2E3* mutation-associated retinal degenerative diseases. OCU400 uses an adeno-associated virus vector. The Company has a late-stage, Phase 3 program, OCU300, that has also received ODD from the FDA. OCU300 is a small molecule therapeutic currently in Phase 3 clinical development for patients with ocular graft-versus-host disease ("oGVHD"). OCU300 is the first and only product candidate to receive ODD for the treatment of oGVHD. OCU300 is formulated using the Company's proprietary nanoemulsion technology, OcuNanoE — Ocugen's ONE Platform™ ("OcuNanoE™").

The Company is also developing OCU200, a novel fusion protein for the treatment of wet age-related macular degeneration, or wet AMD and OCU100 for the treatment of RP, as well as its first gene therapy candidate.

In January 2018, the Company formed Ocugen Limited, an Irish subsidiary, and purchased one share of common stock, representing 100% ownership, for €1 (Euro). Ocugen Limited will be used as the designated company for future European regulatory filings.

GOING CONCERN

The Company has incurred recurring losses and negative cash flows from operations since inception and has funded its operating losses through the sale of common stock, warrants to purchase common stock, the issuance of convertible notes, and debt. The Company incurred net losses of approximately $9.9 million and $10.3 million for the six months ended June 30, 2019 and 2018, respectively, and had an accumulated deficit of $41.1 million as of June 30, 2019. As of June 30, 2019, the Company had cash and cash equivalents of $0.7 million and a working capital deficit of $5.6 million.

The Company has a limited operating history and its prospects are subject to risks, expenses and uncertainties frequently encountered by companies in its industry. The Company intends to continue its research and development efforts for its product candidates, which will require significant funding. If the Company is unable to obtain additional financing in the future or research and development efforts require higher than anticipated capital, there may be a negative impact on the financial viability of the Company. The Company plans to increase working capital by raising additional capital through either private or public equity or debt financing. Such financing may not be available at all, or on terms which are favorable to the Company. While management of the Company believes that it has a plan to fund ongoing operations, its plan may not be successfully implemented. Failure to generate sufficient cash flows from operations, raise additional capital through one or more financings, or reduce certain discretionary spending could have a material adverse effect on the Company's ability to achieve its intended business objectives.

As a result of these factors, together with the anticipated increase in spending that will be necessary to continue to develop the Company's products, there is substantial doubt about the Company's ability to continue as a going concern within one year after the date that these unaudited condensed consolidated financial statements are issued. The unaudited condensed consolidated financial statements do not contain any adjustments that might result from the resolution of any of the above uncertainties. The Company plans to continue raising additional funds to meet its operational goals until profitable.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements included herein have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") and under the rules and regulations of the United States Securities and Exchange Commission ("SEC") for interim reporting. The accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments, which are necessary to present fairly the Company's financial position, results of operations, and cash flows. The unaudited condensed consolidated results of operations are not necessarily indicative of the results that may occur for the full fiscal year. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted under the SEC's rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and accompanying notes thereto for the years ended December 31, 2018. The balance sheet data as of December 31, 2018 was derived from the Company's audited financial statements for the year ended December 31, 2018.

The Company's significant accounting policies have not changed substantially from those previously described in the consolidated financial statements for the year ended December 31, 2018, except for the adoption of ASU 2016-02, *Leases (Topic 842)*. The following are updates to certain policies described in Note 2 to the Company's consolidated financial statements for the year ended December 31, 2018.

All percentages have been calculated using unrounded amounts.

PRINCIPALS OF CONSOLIDATION

The unaudited condensed consolidated financial statements include the accounts of Ocugen, Inc. and its wholly owned subsidiary. All intercompany balances and transactions have been eliminated in consolidation.

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

The assets and liabilities of the Company's foreign subsidiary are translated into U.S. dollars based on exchange rates in effect at the end of each period. Revenues and expenses are translated at average exchange rates during the periods. Currency transaction gains or losses are included in Other expenses. Gains or losses from balance sheet translation are included in Accumulated other comprehensive income.

USE OF ESTIMATES

In preparing unaudited condensed consolidated financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of expenses during the reporting period. Due to inherent uncertainty involved in making estimates, actual results reported in future periods may be affected by changes in these estimates. On an ongoing basis, the Company evaluates its estimates and assumptions. These estimates and assumptions include valuing equity securities in share-based payment arrangements and valuation of the embedded conversion feature on the convertible notes.

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The Company considers all highly-liquid investments that have maturities of three months or less when acquired to be cash equivalents. Cash and cash equivalents include bank demand deposits, marketable securities with maturities of three months or less at purchase, and money market funds that invest primarily in certificates of deposit, commercial paper and United States government and United States government agency obligations. The Company's restricted cash balance consists of cash held to collateralize a corporate credit card account.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash in the consolidated balance sheets to the total amount shown in the condensed consolidated statements of cash flows:

	As of June 30,	
	2019	2018
Cash, cash equivalents and restricted cash reconciliation:		
Cash and cash equivalents	$ 678,492	$ 6,273,335
Restricted cash	150,776	150,196
Total cash, cash equivalents and restricted cash	$ 829,268	$ 6,423,531

NOTE 3—RECENT ACCOUNTING PRONOUNCEMENTS

RECENTLY ADOPTED ACCOUNTING STANDARDS

In February 2016, the FASB issued ASU No. 2016-02 Leases (ASC 842). In July 2018, the FASB issued ASU No. 2018-10, "Codification Improvements to Topic 842, Leases" (ASU 2018-10), which provides narrow amendments to clarify how to apply certain aspects of the new lease standard, and ASU No. 2018-11, "Leases (Topic 842)—Targeted Improvements" (ASU 2018-11), which addressed implementation issues related to the new lease standard. These and certain other lease-related ASUs have generally been codified in ASC 842. ASC 842 supersedes the lease accounting requirements in Accounting Standards Codification Topic 840, Leases (ASC 840). ASC 842 establishes a right-of-use model that requires a lessee to record a right-of-use ("ROU") asset and a lease liability on the balance sheet for all leases. Under ASC 842, leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The standard also requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018 and interim periods within that reporting period. Nonpublic entities are required to apply the guidance in annual periods beginning after December 15, 2019 and in interim periods beginning after December 15, 2020. The Company adopted ASC 842 on January 1, 2019 using the effective date transition method. Prior period results continue to be presented under ASC 840 based on the accounting standards originally in effect for such periods.

The Company has elected certain practical expedients permitted under the transition guidance within ASC 842 to leases that commenced before January 1, 2019, including the package of practical expedients. The election of the package of practical expedients resulted in the Company not reassessing prior conclusions under ASC 840 related to lease identification, lease classification and initial direct costs for expired and existing leases prior to January 1, 2019. The Company did not elect the practical expedient to not record short-term leases on its consolidated balance sheet. The adoption of ASU 2016-02 did not have a significant impact on the Company's consolidated results of operations or cash flows. Upon adoption, the Company recognized a ROU asset and lease liability of $0.4 million and $0.4 million, respectively. See Note 9.

NOTE 4—NET LOSS PER SHARE OF COMMON STOCK

The following table sets forth the computation of basic and diluted earnings per share for the three and six months ended June 30, 2019 and 2018:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Basic net loss per share of common stock:				
Net loss	$ (3,538,810)	$ (5,291,246)	$ (9,851,416)	$ (10,330,272)
Weighted average shares of common stock outstanding	12,656,240	10,347,418	11,392,524	10,347,418
Net loss per shares of common stock—basic and diluted	$ (0.28)	$ (0.51)	$ (0.86)	$ (1.00)

The following potentially dilutive securities outstanding at June 30, 2019 and 2018 have been excluded from the computation of diluted weighted average shares outstanding, as they would be antidilutive:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Stock options	290,500	988,000	287,667	988,000
Warrants	1,814,811	1,814,811	1,814,811	1,814,811
Total	2,105,311	2,082,811	2,102,478	2,802,811

NOTE 5—LICENSE AGREEMENTS

LICENSE AGREEMENT WITH UNIVERSITY OF COLORADO

In March 2014, the Company entered into a patent license agreement with the University of Colorado ("University"), which granted the Company an exclusive license to develop and commercialize, and continue to secure patents for OCU100 and OCU200, including the ability to enforce any rights against infringement. Under the agreement, the Company assumed primary responsibility for preparing, filing and prosecuting broad patent claims for OCU100 and OCU200 for the University's benefit. Further, the Company assumed primary responsibility for all patent activities, including all costs associated with the perfection and maintenance of the patents for OCU100 and OCU200.

In exchange for the licensed patents, the Company issued the University 180,000 shares of the Company's common stock. The license agreement included an anti-dilution provision, requiring the issuance of additional shares to maintain a specified ownership interest until such time as the Company achieved a specified level of financing. Between the effective date of the agreement and December 31, 2016, the Company issued the University an additional 67,000 shares of the Company's common stock. The anti-dilution provision was no longer effective per the terms of the agreement, as amended, after the Company's Series A financing round closed in December 2016. The Company also reimbursed the University for $26,179 of fees and costs previously incurred by the University.

The agreement with the University, as amended in January 2017, obligates the Company to pay certain development and regulatory milestone fees of up to $1.5 million, royalties in the low single digits on net sales and royalties ranging from the mid-teens to forty percent on sublicense income of OCU100 and OCU200.

The agreement with the University calls for minimum annual royalty payments of $20,000, starting on the third anniversary of the agreement and on each annual anniversary thereafter, and after sales commence, increasing to a percentage rate in the mid-twenties of the previous year's royalty payment paid to the University, through the term of the agreement. The Company paid $20,000 during 2018 and will pay $20,000 in 2019 as the minimum royalty is due annually beginning in 2017 and recognized such amount as research and development expense. No additional royalties were paid or incurred during 2018 or the six months ended June 30, 2019 as the Company has not achieved any milestones, net sales or sublicensing for OCU100 or OCU200. Future annual royalties will be recognized in the years they are earned, per the license agreement. The Company may cancel the license agreement at any time with 60 days' written notice.

LICENSE AGREEMENT WITH UNIVERSITY OF ILLINOIS

In February 2016, the Company entered into a license agreement with the University of Illinois, Chicago ("UIC"), which granted the Company an exclusive license to develop, commercialize and continue to secure patents for OCU300 and OCU310. In connection with acquiring the license for OCU300 and OCU310, the Company was required to pay a signing fee of $15,000, which was recognized as research and development expense.

The Company is required to pay royalties ranging from the low single digits to low teens to UIC based on net sales and sublicense revenues generated by OCU300 and OCU310. The Company is also required to pay minimum annual royalties to UIC, beginning with an annual payment of $20,000 on the third anniversary of the

effective date of the agreement, and increasing gradually to $50,000 by the sixth anniversary and continuing through the term of the agreement. These minimum royalties will be recognized over the annual period to which they relate. The Company is also obligated to pay UIC up to $1.25 million upon the achievement of certain development and regulatory milestones.

The Company recognized $6,250 and $5,000 of royalty expense related to this agreement during the three months ended June 30, 2019 and 2018, respectively, and $12,083 and $8,333 during the six months ended June 30, 2019 and 2018, respectively. Additionally, during 2018, the Company incurred $250,000 in milestone payments due to achieving a milestone associated with dosing the first patient in a Phase 3 clinical trial. The Company has not achieved any other milestones, net sales or sublicensing for OCU300 or OCU310. The Company may cancel the license agreement at any time with 90 days' written notice.

LICENSE AGREEMENT WITH THE SCHEPENS EYE RESEARCH INSTITUTE

In December 2017, the Company entered into a license agreement with The Schepens Eye Research Institute, ("SERI"), which granted the Company an exclusive license to develop, commercialize, and continue to secure patents for OCU400. This agreement is accounted for as a Collaborative Arrangement. In connection with acquiring the license, the Company was required to pay a license fee of $125,000, which was recognized in 2017. In addition, a licensing fee of $75,000 was incurred in June 2019

The Company was also required to reimburse SERI for all patent costs incurred prior to the effective date of the agreement, totaling $39,681, and will be required to reimburse SERI for all future patent costs related to this licensed technology.

These license and patent fees were recognized as research and development expense.

The Company is obligated to pay SERI up to $6.0 million upon the achievement of certain development and regulatory milestones. The Company is also obligated to pay SERI up to $10.5 million upon the achievement of certain commercial milestones. The Company will also pay SERI royalties in the low single digits based on net sales, which will be credited against the annual license maintenance fees. The license agreement dictates that the Company will pay an annual license maintenance fee of $25,000 for the first two years following expiration or termination of the Sponsored Research Agreement, and $50,000 for each year thereafter. No license maintenance fees were paid during the three and six months ended June 30, 2019 or in 2018. No milestones or royalties were paid or incurred through June 30, 2019, as the Company has not achieved any milestones, net sales or sublicensing under this agreement. The Company may cancel the license agreement at any time with 180 days' written notice.

In December 2017, the Company also entered into a Sponsored Research Agreement with SERI which is effective for two years. Pursuant to the terms of the agreement, the Company expects to make payments of approximately $1.1 million for research services for OCU400 over the period beginning December 2017 and ending December 2019. The Company recognized approximately $159,250 and $112,000 as research and development expense in the three months ended June 30, 2019 and 2018, respectively, and approximately $318,500 and $257,600 in the six months ended June 2019 and 2018, respectively for work performed under this agreement.

NOTE 6—BALANCE SHEET DETAIL

Accrued Expenses are as follows:

	June 30, 2019	December 31, 2018
Accrued expenses:		
Research & Development	$ 364,025	$ 705,436
Clinical	215,159	469,473
Consulting	79,833	86,619
Employees	365,768	123,372
Legal	138,013	15,400
Other	—	2,450
Total	$ 1,162,798	$ 1,402,750

NOTE 7—EQUITY TRANSACTIONS

On April 5, 2019, the Company entered into a Stock Subscription Agreement ("Subscription Agreement") with existing investors for the sale of 168,068 shares of common stock for $1,000,000, or $5.95 per share. This capital raise triggered the conversion features on the convertible debt above, see Note 8 for further details.

On December 13, 2018, the Company entered into a service agreement with a financial advisor. Pursuant to this agreement, in June 2019, 160,974 common shares were issued at $5.95 per share for services rendered. These services totaling $0.96 million are related to the merger transaction, therefore, reflected in the supplemental disclosure of the condensed consolidated statements of cash flows. Remaining balance of the total $1.9 million deferred transaction cost consists of unpaid fees as of June 30, 2019.

NOTE 8—DEBT

EB-5 LOAN

In September 2016, pursuant to the U.S. government's Immigrant Investor Program, commonly known as the EB-5 program (the "EB-5 Program"), the Company entered into an arrangement to borrow up to $10.0 million from EB5 Life Sciences, L.P. (the "Lender") in $0.5 million increments. Borrowing may be limited by the amount of funds raised by the Lender and are subject to certain job creation requirements by the Company. Borrowings are at a fixed interest rate of 4.0% and are to be utilized in the clinical development, manufacturing, and commercialization of the Company's products and for the general working capital needs of the Company. Outstanding borrowings pursuant to the EB-5 Program become due upon the seventh anniversary of the final disbursement. Amounts repaid cannot be re-borrowed.

In September 2016, $0.5 million was borrowed by the Company followed by another borrowing of $0.5 million in December 2016. Issuance costs for these borrowings totaled $103,887. At June 30, 2019, there is $1.0 million of principal outstanding which has accrued interest of approximately $10,000 during the three months ended June 30, 2019 and 2018, respectively, and $20,000 during the six months ended June 30, 2019 and 2018. As of June 30, 2019, total accrued interest is approximately $107,000. As of June 30, 2019, and December 31, 2018, the Company believes the fair value of the EB-5 Note approximates its carrying value due to the nature of the loan and the similarity between the interest rate on the Note and prevailing interest rates.

The EB-5 Note is secured by substantially all assets of the Company, except for any patents, patent applications, pending patents, patent license, patent sublicense, trademarks, and other intellectual property rights.

Amortization expense amounted to approximately $3,710 for the three months ended June 30, 2019 and 2018, and approximately $7,421 for the six months ended June 30, 2019 and 2018, and is included in interest expense.

Convertible Notes

During the year ended December 31, 2018, the Company issued convertible notes (the "Notes") to existing stockholders in the Company, including $3.35 million to board members. At issuance, the following amounts were recorded:

Note Issuance Date	Note Principal Amount	Fair Value of Conversion Feature	Fair Value of Change in Control Feature	Debt Issuance Costs	Carrying Amount of the Note	Maturity Date
January 2018	$ 5,000,000	$ (2,579,074)	$ (78,637)	$ (35,969)	$ 2,306,320	July 2019
June 2018	1,000,000	(714,041)	(10,175)	(3,000)	272,784	Dec. 2019
November 2018	1,150,400	—	(21,127)	(50,646)	1,078,627	May 2020
December 2018	150,000	—	(2,857)	(14,310)	132,833	May 2020
Total	$ 7,300,400	$ (3,293,115)	$ (112,796)	$ (103,925)	$ 3,790,564	

During the six months ended June 30, 2019, the Company issued convertible notes (the “Notes”) to existing stockholders in the Company, including $0.1 million to a board member. At issuance, the following amounts were recorded:

Note Issuance Date	Note Principal Amount	Fair Value of Conversion Feature	Fair Value of Change in Control Feature	Debt Issuance Costs	Carrying Amount of the Note	Maturity Date
January 2019	$ 450,000	$ (172,227)	$ (10,655)	$ (29,358)	$ 237,760	May 2020
February 2019	1,000,000	(284,448)	(17,931)	(55,875)	641,746	June 2020
Total	$ 1,450,000	$ (456,675)	$ (28,586)	$ (85,233)	$ 879,506	

All Notes accrued interest at a rate of 5% per annum and have scheduled maturity date on the eighteenth month anniversary of the date of the issuance of the Notes (the Maturity Date”). If prior to the Maturity Date, there is a consummation of the sale of all or substantially all of the assets of the Company, change in control or event of default, the Notes becomes due and payable at an amount equal to 1.5 times the principal amount of the Notes together with all accrued interest (the “Change in Control Feature”).

With regards to the notes issued in January 2018 and June 2018, if the Company receives equity financing from the issuance of stock of the Company from an investor or group of investors in a transaction or series of related transactions resulting in gross proceeds to the Company of at least $15.0 million (the “Financing Transaction”), including the conversion of these Notes, the principal amount and all interest accrued but not paid through the closing date of the equity financing shall automatically convert into the same class of equity securities as those issued in the equity financing at a price per share equal to a 30% discount to the lowest price per share being paid by investors in the equity financing (the “Conversion Feature”).

With regards to the notes issued in November 2018 and December 2018 notes, if the Company receives equity financing from the issuance of stock of the Company from an investor or group of investors in a transaction or series of related transactions resulting in gross proceeds to the Company of at least $4.0 million (the “Financing Transaction”), including the conversion of these Notes, the principal amount and all interest accrued but not paid through the closing date of the equity financing shall automatically convert into the same class of equity securities as those issued in the equity financing at a price per share equal to the lowest price per share being paid by investors in the equity financing.

With regards to the notes issued in January 2019 and February 2019, if the Company receives equity financing from the issuance of stock of the Company from an investor or group of investors in a transaction or series of related transactions resulting in gross proceeds to the Company of at least $10.0 million (the “Financing Transaction”), including the conversion of these Notes, the principal amount and all interest accrued but not paid through the closing date of the equity financing shall automatically convert into the same class of equity securities as those issued in the equity financing at a price per share equal to a 15% discount to the lowest price per share being paid by investors in the equity financing (the “Conversion Feature”).

The Company bifurcated the Conversion Feature for the January 2018, June 2018, January 2019, and February 2019 notes and classified it as a derivative liability because the Conversion Feature does not have a fixed conversion price and conversion will be settled in a variable number of common shares. There is no bifurcated conversion feature for the November 2018 and December 2018 notes as there is no discount to the lowest equity price triggering conversion.

The Company also bifurcated the Change in Control Feature for all of the notes because it was determined to be a redemption feature not clearly and closely related to the debt host. The fair value of both of these embedded

features accounted for as a derivative liability is recorded as a discount on the Notes. The debt discount is accreted into interest expense over the expected time until conversion of the Notes. The accretion amounted to $36,827 and $1,146,217 in the three months ending June 30, 2019 and June 30, 2018, and $502,013 and $1,876,773, in the six months ending June 30, 2019 and June 30, 2018, respectively.

The fair value of the derivative liability for the embedded features was classified as a liability in the Company's Consolidated Balance Sheets at issuance, with subsequent changes in fair value during the three and six months ended June 30, 2019 and June 30, 2018 recorded on the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss as Change in fair value of derivative liabilities.

	Conversion feature	Change in Control feature
Balance at January 1, 2019	$ 1,623,009	$ 118,213
Fair value at issuance — January 2019 notes	172,227	10,655
Fair value at issuance — February 2019 notes	284,448	17,931
Change in fair value of embedded derivatives	1,531,221	(146,799)
Balance at April 5, 2019	$ 3,610,905	$ —

On April 5, 2019, debt related to the derivative liability was converted into equity, therefore, no derivative liabilities related to these notes exist as of June 30, 2019.

For purposes of estimating the fair market value of the embedded features, the Company used a with and without model. The significant assumptions used in the valuation model are level 3 inputs and are as follows:

Conversion feature — Crossover Triggered:

At Issuance	Jan 2018 Notes	Jun 2018 Notes	Nov 2018 Notes	Dec 2018 Notes	Jan 2019 Notes	Feb 2019 Notes
Time until expected conversion (in years)	0.49	0.17	—	—	0.02	0.02
Probability of conversion	80%	75%	—	—	60%	60%

At December 31, 2018	Jan 2018 Notes	Jun 2018 Notes	Nov 2018 Notes	Dec 2018 Notes	Jan 2019 Notes	Feb 2019 Notes
Time until expected conversion (in years)	0.02	0.02	—	—	—	—
Probability of conversion	60%	60%	—	—	—	—

At March 31, 2019	Jan 2018 Notes	Jun 2018 Notes	Nov 2018 Notes	Dec 2018 Notes	Jan 2019 Notes	Feb 2019 Notes
Time until expected conversion (in years)	0.02	0.02	—	—	0.02	0.02
Probability of conversion	0%	0%	—	—	0%	0%

Conversion feature — IPO Triggered / Reverse Merger/Qualified Financing Triggered:

At Issuance	Jan 2018 Notes	Jun 2018 Notes	Nov 2018 Notes	Dec 2018 Notes	Jan 2019 Notes	Feb 2019 Notes
Time until expected conversion (in years)	—	—	—	—	0.25	0.18
Probability of conversion	—	—	—	—	20%	20%

At December 31, 2018	Jan 2018 Notes	Jun 2018 Notes	Nov 2018 Notes	Dec 2018 Notes	Jan 2019 Notes	Feb 2019 Notes
Time until expected conversion (in years)	0.33	0.33	—	—	—	—
Probability of conversion	20%	20%	—	—	—	—

At March 31, 2019	Jan 2018 Notes	Jun 2018 Notes	Nov 2018 Notes	Dec 2018 Notes	Jan 2019 Notes	Feb 2019 Notes
Time until expected conversion (in years)	0.08	0.08	—	—	0.08	0.08
Probability of conversion	80%	80%	—	—	80%	80%

Change in Control feature:

At Issuance	Jan 2018 Notes	Jun 2018 Notes	Nov 2018 Notes	Dec 2018 Notes	Jan 2019 Notes	Feb 2019 Notes
Time until expected conversion (in years)	1.24	0.83	0.47	0.38	0.33	0.33
Probability of conversion	3%	3%	3%	3%	3%	3%

At December 31, 2018	Jan 2018 Notes	Jun 2018 Notes	Nov 2018 Notes	Dec 2018 Notes	Jan 2019 Notes	Feb 2019 Notes
Time until expected conversion (in years)	0.41	0.41	0.41	0.41	—	—
Probability of conversion	3%	3%	3%	3%	—	—

At March 31, 2019	Jan 2018 Notes	Jun 2018 Notes	Nov 2018 Notes	Dec 2018 Notes	Jan 2019 Notes	Feb 2019 Notes
Time until expected conversion (in years)	0.17	0.17	0.17	0.17	0.17	0.17
Probability of conversion	3%	3%	3%	3%	3%	3%

The Company considered several possible outcomes in the likelihood and timing of a qualified financing and/or a change in control occurring that would trigger conversion or redemption and believes the amounts disclosed above and utilized in the valuation are the best estimates of such amounts at each valuation date. The possible outcomes are impacted by the Company's current capital raising plans and its need for additional funding to continue its development efforts. These assumptions are updated each reporting period.

Debt issuance costs incurred related to the issuance of the January 2019 and February 2019 notes were $85,233 and accounted for as debt discount and amortized over the period until expected conversion. This accretion amounted to $1,354 and $14,084 in the three months ending June 30, 2019 and June 30, 2018, and $115,744 and $26,083, in the six months ending June 30, 2019 and June 30, 2018, respectively.

As a result of the Subscription Agreement transaction (Note 7), with regards to the January 2018, June 2018, January 2019, and February 2019 notes, the triggers for conversion met were an equity financing and $10.0 million of gross proceeds from an investor or group of investors. With regards to the November 2018 and December 2018 notes, the triggers met were an equity financing and $4.0 million of gross proceeds from an investor or group of investors.

Subsequently, on April 5, 2019, the notes converted with a discount of 30%, which is consistent with the notes issued in January 2018 and June 2018, however, differs from the 0% discount on the November 2018 and December 2018 notes and the 15% on the January 2019 and February 2019 notes. This modification to change the discount on common stock from 15% to 30% occurred at the time of conversion. To account for this transaction, the Company issued 2,195,157 shares of common stock at 30% discount at $4.165 per share on the date of conversion to extinguish the debt and resulted in a loss of $0.3 million. This non-cash transaction resulted in an increase of $13.0

million in Additional paid-in capital and the conversion was based on the principal balance outstanding and the unpaid interest

Senior Secured Convertible Notes

On May 21, 2019, the Company issued senior secured convertible notes (the "Senior Notes") to unrelated third parties for $2.415 million of the $25.0 million (see note 11) at an original issue discount of $465,000. The Senior Notes are securitized against the intellectual property of the Company. If the proposed Merger (Note 11) is completed, immediately prior to the Effective Time, the Company will offset $2.4 million from the remaining amount to be received from the investors under the Financing SPA (defined in Note 11) and the Senior Notes will be deemed to have been repaid and cancelled. If the proposed Merger is not completed, the Company may be required to pay the note holders $2.4 million.

The holders of the notes also have an option to convert Senior Notes into common shares at a price per share equal to $10.8 per share at any time after the issuance date. The conversion amount includes unpaid principal, interest, and any late fees. The Company has assessed this conversion feature and determined that the related value associated with the conversion feature is not material for further considerations.

The Company bifurcated the redemption feature upon default and classified it as a derivative liability because of the redemption upon default at 1.35 times principal and unpaid interest.

For purposes of estimating the fair market value of the embedded redemption feature, the Company used a with and without model. The fair value of the embedded derivative was $41,398 and $42,073, as of May 21, 2019 and June 30, 2019, respectively. At issuance, the following amounts were recorded:

Note Issuance Date	Note Principal Amount	Fair Value of Redemption Feature	Original Issue Discount	Debt Issuance Costs	Carrying Amount of the Note	Maturity Date
May 2019	$ 2,415,000	$ (41,398)	(465,000)	(13,969)	$ 1,894,633	September 2019

The Company considered several possible outcomes in the likelihood and timing of a qualified financing and/or a default occurring that would trigger redemption and believes the amounts utilized in the valuation are the best estimates of such amounts at each valuation date. The possible outcomes are impacted by the Company's current capital raising plans and its need for additional funding to continue its development efforts. These assumptions are updated each reporting period.

The accretion of the original issue discount amounted to $152,459 during the six months ending June 30, 2019.

Convertible Promissory Notes

On April 4, 2019, the Company issued the convertible promissory note (the "Promissory Note") to existing stockholder for $900,000 at 5% interest rate per annum. The Promissory note matures at earlier of (a) sale of substantially off of the assets of the Company, (b) the consummation of a reorganization, merger, or consolidation of

the Company with another entity or a person, (c) upon a change in control, or (d) July 30, 2019. The agreement also provides holder an option to convert the Promissory Note into common stock at a price per share equal to $5.95.

The Company bifurcated the redemption feature and classified it as a derivative liability because of the redemption upon a change in control at 1.5 times principal and unpaid interest. The Company bifurcated the change in control feature because it was determined to be a redemption feature not clearly and closely related to the debt host.

For purposes of estimating the fair market value of the embedded feature, the Company used a with and without model. The fair value of the embedded derivative was $18,053 and $9,111, as of April 4, 2019 and May 16, 2019 respectively. At issuance, the following amounts were recorded:

Note Issuance Date	Note Principal Amount	Fair Value of Redemption Feature	Carrying Amount of the Note	Conversion Date
April 2019	$ 900,000	$ (18,053)	$ 881,947	May 2019

The Company considered several possible outcomes in the likelihood and timing of and/or a change in control occurring that would trigger redemption and believes the amounts utilized in the valuation are the best estimates of such amounts at each valuation date. The possible outcomes are impacted by the Company's current capital raising plans and its need for additional funding to continue its development efforts. These assumptions are updated each reporting period.

Subsequently, on May 16, 2019, the Promissory Note was converted into equity. The Company issued 152,521 shares of common stock at the conversion date to extinguish the debt at $5.95 per share. This non-cash transaction resulted in an increase of $0.9 million in Additional paid-in capital and the conversion was based on the principal balance outstanding and the unpaid interest.

NOTE 9—COMMITMENTS

OPERATING LEASES

The Company determines if an arrangement is a lease at inception. This determination generally depends on whether the arrangement conveys to the Company the right to control the use of an explicitly or implicitly identified fixed asset for a period of time in exchange for consideration. Control of an underlying asset is conveyed to the Company if the Company obtains the rights to direct the use of and to obtain substantially all of the economic benefits from using the underlying asset. The Company has lease agreements which include lease and non-lease components, which the Company has elected to account for as a single lease component for all classes of underlying assets. Lease expense for variable lease components are recognized when the obligation is probable.

Operating leases are included in Other assets and Lease obligations on the Company's consolidated balance sheets. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Operating lease payments are recognized as lease expense on a straight-line basis over the lease term. The Company primarily leases buildings (real estate) which are classified as operating

leases. ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. As an implicit interest rate is not readily determinable in the Company's leases, the incremental borrowing rate is used based on the information available at commencement date in determining the present value of lease payments.

The lease term for all of the Company's leases includes the non-cancellable period of the lease plus any additional periods covered by either a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor. Options for lease renewals have been excluded from the lease term (and lease liability) for the majority of the Company's leases as the reasonably certain threshold is not met.

Lease payments included in the measurement of the lease liability are comprised of fixed payments, variable payments that depend on index or rate, and amounts probable to be payable under the exercise of the Company option to purchase the underlying asset if reasonably certain.

Variable lease payments not dependent on a rate or index associated with the Company's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed as probable. Variable lease payments are presented as operating expenses in the Company's income statement in the same line item as expense arising from fixed lease payments.

The Company has commitments under operating leases for certain facilities used in its operations. The Company's leases have initial lease terms ranging from one to five years. Certain lease agreements contain provisions for future rent increases.

The components of lease expense were as follows:

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating lease cost	$ 81,696	$ 154,969
Variable lease cost	21,031	36,879
Total lease cost	$ 102,727	$ 191,848

Supplemental balance sheet information related to leases was as follows:

	June 30, 2019
Right of use assets, net	$ 424,868
Current Lease obligations	162,756
Non-current Lease obligations	267,188
Total lease liabilities	$ 429,944

Supplemental cash flow information and other information related to leases was as follows:

	Six Months Ended June 30, 2019
Cash paid for amounts included in measurement of liabilities:	
Operating cash flows from operating leases	$ 191,848
Right-of-use assets obtained in exchange for new operating liabilities	$ 245,974
Weighted-average remaining lease terms—operating leases (years)	2.5
Weighted-average discount rate—operating leases	7.6%

Future minimum operating minimum lease payments for all leases, exclusive of taxes and other carrying charges, are approximately as follows:

For the Years Ending December 31,		Amount
Remaining 2019		94,103
2020		191,555
2021		165,574
2022		22,708
Total	**$**	**473,940**

The Company does not have any leases that have not yet commenced which are significant.

FINANCING LEASES

In June 2018, the Company leased a specialized research equipment under a lease classified as a financing lease. The leased equipment is amortized on a straight-line basis over 5 years. Total accumulated amortization related to the leased equipment is $12,763 at June 30, 2019, of which $3,191 and $6,382 were recognized in the three and six months ended June 30, 2019. The following is a schedule showing the future minimum lease payments under financing leases by years and the present value of the minimum lease payments as of June 30, 2019. The interest rate related to the lease obligation is 7.6 percent and the maturity date is July 2021.

Future minimum lease payments for all financing leases, exclusive of taxes and other carrying charges, are approximately as follows:

For the Years Ending December 31,		Amount
Remaining 2019		11,928
2020		23,856
2021		11,929
Total	**$**	**47,713**
Less: Amount representing interest	$	3,579
Present Value of Minimum Lease Payments	**$**	**44,134**

NOTE 10—RESTRICTED CASH

In May 2017, the Company opened a corporate credit card account for use by employees for travel and other business-related expenses. To secure this credit account, the Company placed $100,000 into a collateral savings account with its financial institution and recorded the $100,000 as Restricted Cash on its Balance Sheet. The account earns 0.05% interest, which is deposited monthly into the collateral account and increases the Restricted Cash asset accordingly. The collateral account will remain restricted until the Company either closes the credit account or meets other revenue and/or cash balance criteria, as defined by the financial institution.

In January 2018, the Company opened a new corporate credit card account for use by employees for travel and other business-related expenses. To secure this credit account, the Company placed $150,000 into a collateral savings account with its financial institution and recorded the $150,000 as Restricted Cash on its Balance Sheet. The account earns 0.25% interest, which is deposited monthly into the collateral account and increases the Restricted Cash asset accordingly. The collateral account will remain restricted until the Company either closes the credit account or meets other revenue and/or cash balance criteria, as defined by the financial institution.

In February 2018, the Company closed the corporate credit card account which had been opened in May 2017. As a result, the collateral savings account related to the credit account was closed and the $100,000 balance plus accrued interest was released to cash.

NOTE 11—PROPOSED MERGER

In April 2019, the Company and Histogenics Corporation (“Histogenics”) entered into a Merger Agreement. Upon the terms and subject to the satisfaction of the conditions described in the Merger Agreement, including approval of the transaction by the Company’s stockholders and Histogenics’ stockholders, a wholly-owned subsidiary of Histogenics will be merged with and into Ocugen, with Ocugen surviving the Merger as a wholly-owned subsidiary of Histogenics. The proposed Merger is structured as a stock-for-stock transaction whereby all of Ocugen’s outstanding shares of common stock and securities convertible into or exercisable for Ocugen’s common stock will be converted into the right to receive Histogenics’ common stock and securities convertible into or exercisable for Histogenics’ common stock. Under the exchange ratio formula in the Merger Agreement, as amended on June 13, 2019, the former Ocugen equity holders immediately before the Merger are expected to own approximately 86.24% of the outstanding capital stock of Histogenics, and the stockholders of Histogenics immediately before the Merger are expected to own approximately 13.76% of the outstanding capital stock of Histogenics, including the Initial Shares but excluding the Additional Shares issued in the Financing SPA (as such terms are defined below). If the proposed Merger is not completed and the Merger Agreement is terminated under certain circumstances, Histogenics or Ocugen may be required to pay the other party a termination fee of up to $600,000 or $700,000, respectively. Even if a termination fee is not payable in connection with a termination of the Merger Agreement, each of Histogenics and Ocugen will have incurred significant fees and expenses, which must be paid whether or not the Merger is completed.

In June 2019, the Company and Histogenics entered into a Securities Purchase Agreement with several investors (the “Financing SPA”), pursuant to which, among other things, the Company agreed to issue immediately prior to the Merger 4,574,272 common shares to the investors (Initial Share), and 4,574,272 common shares into escrow (Additional Shares) on behalf of the investors, and Histogenics agreed to issue after the Merger, warrants to purchase common shares of Histogenics, in exchange for $25.0 million. As a result of the proposed financing transaction, the Company has recognized $152,157 in deferred equity issuance cost as of June 30, 2019. These fees have not been paid and therefore reflected in the supplemental disclosure of the condensed consolidated statement of cash flows.

The Company has also elected a policy to classify prepaid merger considerations as current asset. Upon approval of the merger prepaid merger considerations will be reclassified to additional paid in capital.

NOTE 12—SUBSEQUENT EVENTS

Securities Purchase Agreement and Bridge Loan

On June 28, 2019, the Company entered into a senior secured convertible note ("July Bridge Loan") agreements with certain of the investors to advance up-to $2.5 million of the $25.0 million at an original issue discount of $375,000. The July Bridge Loan is securitized against the intellectual property of the Company. If the proposed Merger is completed, immediately prior to the Effective Time, the Company will offset $2.875 million from the remaining amount to be received from the investors under the Financing SPA and the July Bridge Loan will be deemed to have been repaid and cancelled. If the proposed Merger is not completed, the Company may be required to pay the note holders $2.875 million. The amounts borrowed under the July Bridge Loan were not received by the Company until July 2019, therefore, the amounts borrowed are not reflected in the balance sheet as of June 30, 2019.

Proposed Merger

On September 27, 2019, Histogenics completed its business combination with the Delaware corporation that was previously known as Ocugen in accordance with the terms of the Agreement and Plan of Merger and Reorganization, dated as of April 5, 2019, by and among Histogenics, Ocugen, a Delaware corporation, and Restore Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Histogenics ("Merger Sub"), as amended (the "Merger Agreement"), pursuant to which Merger Sub merged with and into Ocugen, with Ocugen surviving as a wholly owned subsidiary of Histogenics (the "Merger"). Immediately after completion of the Merger, Histogenics changed its name to "Ocugen, Inc." and the business conducted by Histogenics became the business conducted by "Ocugen, Inc.".

Immediately prior to the Merger, Ocugen issued 4,574,272 common shares to the investors (Initial Share) and deposited 4,574,272 common shares into escrow (Additional Shares) on behalf of the investors. Subsequent to the Merger, on October 4, 2019 and pursuant to Securities Purchase Agreement. "Ocugen, Inc." issued the Series A Warrants representing the right to acquire shares of "Ocugen, Inc." common stock ("Common Shares") up to the amount issuable in exchange for 200% of the converted Initial Shares plus the converted Additional Shares, additional Series B warrants to purchase Common Shares, and Series C warrants to purchase 50 million Common Shares.

On May 8, 2019, Histogenics entered into an asset purchase agreement with Medavate Corp., a Colorado corporation (the "Asset Purchase Agreement"), pursuant to which Histogenics agreed to sell substantially all of its assets relating to its NeoCart program, including, without limitation, intellectual property, business and license agreements and clinical trial data (the "Assets") in return for a cash payment of $6.5 million. The closing of the sale of the Assets was subject to and conditioned upon the consummation of the Merger. "Ocugen, Inc." is currently negotiating the terms of the Asset Purchase Agreement with Medavate Corp. and have extended the completion date of the Asset Purchase Agreement.

Collaboration Agreement

On September 27, 2019, "Ocugen, Inc." entered into a co-development and commercialization agreement (the "Agreement") with CanSino Biologics Inc. ("CanSinoBio") with respect to the development and commercialization of the gene therapy product candidate, OCU400, for the treatment of NR2E3 Mutation-Associated Retinal Degeneration, Leber Congenital Amaurosis, Bardet-Biedl Syndrome and Rhodopsin Mutation-Associated Retinal Degeneration.

CanSinoBIO will be solely responsible for all costs and expenses of its development activities in the CanSinoBIO territory (Greater China, Hong Kong, Macao, and Taiwan), which, among other activities, include CMC development and manufacture of clinical supplies of OCU400, and "Ocugen, Inc." will be responsible for all of the costs and expenses of its development activities in "Ocugen, Inc." territory (outside of CanSonaBio territory). CanSinoBIO will pay to "Ocugen, Inc." an annual royalty between mid to high single digits based on net sales of products in the CanSinoBIO territory, and "Ocugen, Inc." will pay to CanSinoBIO an annual royalty between low to mid-single digits based on net sales of products in "Ocugen. Inc." territory.

Unless terminated earlier, the Agreement will continue in force on a country-by-country and product-by-product basis until the later of (a) the expiration of the last valid claim of patent rights of "Ocugen, Inc." covering such product and (b) the tenth (10^{th}) anniversary of the first commercial sale of such product in such country. The Agreement will also terminate upon the termination of the Exclusive License Agreement (the "SERI Agreement"), dated December 19, 2017, between "Ocugen, Inc." and Schepens Eye Research Institute, Inc. ("SERI"). The Agreement may be terminated by either party in its entirety upon (a) a material breach of the Agreement by the other party, (b) a challenge by the other party or any of its affiliates of any intellectual property controlled by the terminating party or (c) bankruptcy or insolvency of the other party.

Management has evaluated subsequent events through October 7, 2019, the date the financial statements were available to be issued. Adjustments or additional disclosures, if any, have been included in these financial statements

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Explanatory Note:

On September 27, 2019, Histogenics Corporation ("Histogenics" or the "Company") completed its business combination with the Delaware corporation that was previously known as "Ocugen, Inc." in accordance with the terms of the Agreement and Plan of Merger and Reorganization, dated as of April 5, 2019, by and among the Company, Ocugen, Inc., a Delaware corporation ("Ocugen"), and Restore Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of the Company ("Merger Sub"), as amended (the "Merger Agreement"), pursuant to which Merger Sub merged with and into Ocugen, with Ocugen surviving as a wholly owned subsidiary of the Company (the "Merger"). Immediately after completion of the Merger, the Company changed its name to "Ocugen, Inc." and the business conducted by the Company became the business conducted by Ocugen.

You should read the following unaudited pro forma condensed combined financial information with the Company's Registration Statement on Form S-4 (Reg. No. 333-232417), as amended (the "Registration Statement"), filed with the Securities and Exchange Commission.

Introduction

The unaudited pro forma net loss per common share does not give effect to the Histogenics Reverse Stock Split described in Proposal No. 2 in the proxy Statement/prospectus/information statement.

The following unaudited pro forma condensed combined financial information has been prepared to reflect the adjustments to the financial condition and results of operations of Ocugen, Inc. ("Ocugen") to give the estimated effects of the reverse merger transaction with Histogenics Corporation ("Histogenics"). For accounting purposes, Ocugen is considered to be acquiring Histogenics and the merger (as defined in Note 1 below) is expected to be accounted for as an equity transaction. Ocugen is considered the accounting acquirer even though Histogenics will be the issuer of the common stock in the merger.

To determine the accounting for this transaction under U.S. Generally Accepted Accounting Principles ("GAAP"), a company must assess whether an integrated set of assets and activities should be accounted for as an acquisition of a business, an asset acquisition or equity transaction. The transaction between Ocugen and Histogenics represents an equity transaction rather than a business combination under Accounting Standards Codification 805, Business Combinations ("ASC 805"). Therefore, no goodwill or intangible assets will be recognized as a result of the transaction. The transaction is considered an equity transaction where in substance Ocugen is exchanging equity for the net monetary assets of Histogenics.

The unaudited pro forma condensed combined balance sheet data assume that the merger took place on June 30, 2019 and combines the historical balance sheets of Histogenics and Ocugen as of such date. The unaudited pro forma condensed combined statements of operations data assume that the merger took place as of January 1, 2018, and for the six months ended June 30, 2019 and the year ended December 31, 2018. The unaudited pro forma condensed combined financial information was prepared in accordance with GAAP and pursuant to the rules and regulations of Article 11 of Regulation S-X promulgated by the Securities and Exchange Commission (the "SEC"). The historical financial statements of Histogenics and Ocugen have been adjusted to give pro forma effect to events that are (i) directly attributable to the transaction, (ii) factually supportable, and (iii) with respect to the unaudited pro forma condensed combined statements of operations, expected to have a continuing impact on the combined company's results.

In addition to the reverse merger, the unaudited combined pro forma financial statements give effect to the following related adjustment:

· Financing transaction to raise $25.0 million in funds, offset by $5.29 million due under senior secured convertible notes, and the issuance of warrants to purchase common stock of the combined entity.

The merger will be accounted for as an equity transaction. This assessment was based on the determination that in substance the transaction is an exchange of equity for the net monetary assets of Histogenics and there are no significant non-monetary assets. The financial statements of the combined entity represent a continuation of the financial statements of the accounting acquirer. As such, the assets and liabilities of Ocugen are recognized at their historic carrying value. For accounting purposes, Histogenics is considered the "acquired" company and Ocugen is considered the "acquirer." Histogenics

assets, liabilities and results of operations will be consolidated with Ocugen as of the closing date of the reverse merger. For periods prior to the transaction, stockholders' equity of the combined company is presented based on the historical equity.

The unaudited pro forma condensed combined financial information is based on the assumptions and adjustments that are described in the accompanying notes. These pro forma adjustments are preliminary, subject to further revision as additional information becomes available and additional analyses are performed and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information. Differences between these preliminary estimates and the final accounting, expected to be completed after the closing of the merger, will occur and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial information and the combined company's future results of operations and financial position.

The unaudited pro forma condensed combined financial information does not give effect to the potential impact of current financial conditions, regulatory matters, operating efficiencies (if any) or other savings or expenses that may be associated with the integration of the two companies. The unaudited pro forma condensed combined financial information is preliminary and has been prepared for illustrative purposes only and is not necessarily indicative of the financial position or results of operations in future periods or the results that actually would have been realized had Histogenics and Ocugen been a combined company during the specified periods. The actual results reported in periods following the merger may differ significantly from those reflected in the unaudited pro forma condensed combined financial information presented herein for a number of reasons, including, but not limited to, differences in the assumptions used to prepare this pro forma financial information.

The unaudited pro forma condensed combined financial information, including the notes thereto, should be read in conjunction with the separate historical financial statements of Histogenics and Ocugen, and their respective management's discussion and analysis of financial condition and results of operations included elsewhere in this proxy statement/prospectus/information statement. The unaudited pro forma condensed combined financial statements should be read together with Histogenics' historical financial statements, which are included in Histogenics' Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on March 22, 2019 and the March 31, 2019 and June 30, 2019 results included in Histogenics' Quarterly Reports on Form 10-Q, filed with the SEC on May 15, 2019 and August 9, 2019, and Ocugen's historical information included herein.

Accounting rules require evaluation of certain assumptions, estimates, or determination of financial statement classifications which are completed during the measurement period as defined in current accounting standards. The accounting policies of Histogenics may materially vary from those of Ocugen. During preparation of the unaudited pro forma condensed combined financial information, Ocugen management has performed a preliminary analysis and is not aware of any material differences, and accordingly, the unaudited pro forma condensed combined financial information assumes no material differences in accounting policies. Following the acquisition, Ocugen management will conduct a final review of Histogenics' accounting policies in order to determine if differences in accounting policies require adjustment or reclassification of Histogenics' results of operations or reclassification of assets or liabilities to conform to Ocugen's accounting policies and classifications. As a result of this review, management may identify differences that, when conformed, could have a material impact on these unaudited pro forma condensed combined financial statements.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of June 30, 2019
(In thousands)

	Historical Histogenics Corporation	Historical Ocugen, Inc.	Histogenics Pro Forma Adjustments	Ocugen Pro Forma Adjustments	Pro Forma Ocugen, Inc. Combined
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 2,786	$ 678	$ 6,500**(a)**	22,500**(f)** 2,500**(g)** (2,875)**(g)** —	$ 32,089
Deferred transaction cost		2,067			2,067
Prepaid expenses and other current assets	414	499	(414)**(b)**	—	499
Total current assets	3,200	3,244	6,086	22,125	34,655
Property and equipment, net	—	229	—	—	229
Restricted cash	—	151	—	—	151
Other assets, long-term	—	496	—	—	496
Total assets	$ 3,200	$ 4,120	$ 6,086	$ 22,125	$ 35,531
LIABILITIES AND STOCKHOLDERS' DEFICIT					
Current liabilities					
Accounts payable	$ 538	$ 5,256	$ —	$ —	$ 5,794
Accrued expenses	253	1,163	1,400**(c)**	**(g),** 1,300**(h)**	4,116
Short term debt, net	—	2,062	—	—	2,062
Derivative liabilities	—	42	—	—	42
Operating lease obligation — current portion	—	163	—	—	163
Financing lease obligation — current portion	—	19	—	—	19
Deferred grant proceeds	—	184	—	—	184
Total current liabilities	791	8,889	1,400	1,300	12,380
Non-Current Liabilities					
Accrued expenses due to Intrexon Corporation	1,125	—	(1,125)**(b)**	—	—
Operating lease obligations, less current portion	—	267	—	—	267
Financing lease obligation, less current portion		23	—	—	23
Deferred revenue	10,000	—	(10,000)**(d)**	—	—
Deferred rent	—	—	—	—	—
Long Term Debt	—	1,046	—	—	1,046
Warrant liability	15	—	—	6,200**(f)**	6,215
Total Non-Current Liabilities	11,140	1,336	(11,125)	6,200	7,551
Total liabilities	11,931	10,225	(9,725)	7,500	19,931
Common stock	839	13	4,724	1,319**(j)**	6,895**(i)**
Accumulated other comprehensive income	—	—	—	—	—
Additional paid-in capital	219,911	34,971	(216,994)**(e)**	13,681**(j)**	51,569
Accumulated deficit	(229,481)	(41,089)	**(c),** 228,081**(e)**	(375)**(g)**	(42,864)
Total stockholders' equity	(8,731)	(6,105)	15,811	14,625	15,600
Total liabilities and stockholders' equity	3,200	4,120	6,086	22,125	35,531

Unaudited Pro Forma Condensed Statements of Operations
For the year ended December 31, 2018
(In thousands)

	Historical Histogenics Corporation	Historical Ocugen, Inc.	Histogenics Pro Forma Adjustments	Ocugen, Inc. Pro Forma Adjustments	Pro Forma Ocugen, Inc. Combined
Revenue	$ —	$ —			$ —
Operating expenses:					
Research and development	15,634	10,321	(15,634)**(a)**		10,321
General and administrative	10,204	5,819	(1,194)**(a)**		14,829
Loss due to asset impairment	4,270	—			4,270
Total operating expenses	30,108	16,140	(16,828)	—	29,420
Loss from operations	(30,108)	(16,140)	16,828		(29,420)
Other income (expense):					
Interest income (expense), net	163	(3,732)		(690)**(g)**	(4,259)
Other income (expense), net	(106)	(12)			(118)
Gain due to extinguishment of liability	1,540	—			1,540
Warrant expense	(733)	—			(733)
Change in fair value of derivative liabilities	20,601	1,665**(k)**			22,266
Total other income (expense), net	21,465	(2,079)	—	(690)	18,696
Net (loss) Income	$ (8,643)	$ (18,219)	$ 16,828	$ (690)	$ (10,724)
Net loss per Common Share - Basic	$ (0.23)	$ (1.76)			$ (0.02)
Net loss per Common Share - Diluted	$ (0.79)	$ (1.76)			$ (0.02)
Weighted Average Common Shares Outstanding - Basic	36,398,450	10,347,418			689,460,759**(i)**
Weighted Average Common Shares Outstanding - Diluted	37,090,197	10,347,418			689,460,759**(i)**

Unaudited Pro Forma Condensed Statements of Operations
For the six months period ended June 30, 2019
(In thousands)

	Historical Histogenics Corporation	Historical Ocugen, Inc.	Histogenics Pro Forma Adjustments	Ocugen, Inc. Pro Forma Adjustments	Pro Forma Ocugen, Inc. Combined
Revenue	$ —	$ —			$ —
Operating expenses:					
Research and development	2,029	5,033	(1,583)**(a)**		5,479
General and administrative	5,543	2,137	(1,750)**(l)**		5,930
Restructuring	2,789				2,789
Loss due to asset impairment	750				750
Total operating expenses	11,111	7,170	(3,333)	—	14,948
Loss from operations	(11,111)	(7,170)	3,333	—	(14,948)
Other income (expense):					
Interest income (expense), net	55	1			56
Loss on debt conversion		(341)			(341)
Loss on extinguishment of lease liability	(270)				(270)
Other income (expense), net	87	(957)			(870)
Change in fair value of derivative liabilities	(1,412)	(1,385)**(k)**			(2,797)
Total other income (expense), net	(1,540)	(2,682)	—	—	(4,222)
Net loss	$ (12,651)	$ (9,852)	$ 3,333	$ —	$ (19,170)
Net loss per Common Share - Basic and Diluted	$ (0.03)	$ (0.86)			$ (0.03)
Weighted Average Common Shares Outstanding - Basic and Diluted	87,580,850	11,392,524			689,460,759**(i)**

Note 1 — Description of Transaction

On April 5, 2019, Histogenics and Ocugen entered into an Agreement and Plan of Merger and Reorganization, as amended on June 13, 2019 (the "Merger Agreement"), pursuant to which a wholly-owned subsidiary of Histogenics will merge with and into Ocugen, with Ocugen surviving as a wholly-owned subsidiary of Histogenics (the "merger"). Ocugen and Histogenics believe that the merger will result in a clinical-stage biopharmaceutical company focused on developing innovative therapies to address rare and underserved eye diseases.

At the effective time of the merger (the "Effective Time"), each share of common stock of Ocugen, $0.001 par value ("Ocugen common stock"), will be converted into the right to receive 28.7650 shares of common stock of Histogenics, $0.01 par value ("Histogenics common stock"), subject to adjustment for the reverse stock split of Histogenics common stock to be implemented prior to the consummation of the merger as discussed elsewhere in this proxy statement/prospectus/information statement. Histogenics will assume outstanding and unexercised warrants and options to purchase shares of Ocugen capital stock, and in connection with the merger they will be converted into warrants and options, as applicable, to purchase shares of Histogenics common stock. At the Effective Time, Histogenics' stockholders will continue to own and hold their existing shares of Histogenics common stock, and all outstanding and unexercised warrants to purchase shares of Histogenics common stock will remain in effect pursuant to their terms. As of immediately prior to the Effective Time, all outstanding and unexercised options to purchase shares of Histogenics common stock will be cancelled and have no further force and effect. In connection with the merger, on June 13, 2019, Ocugen and Histogenics entered into a securities purchase agreement, as amended (the "Securities Purchase Agreement"), with certain accredited investors (the "Investors") pursuant to which, among other things, Ocugen agreed to issue to the Investors shares of Ocugen common stock immediately prior to the merger and Histogenics agreed to issue to the Investors warrants to purchase shares of Histogenics common stock on the fifth trading day following the consummation of the merger (the "Investor Warrants") in a private placement transaction for an aggregate purchase price of approximately $25.0 million (subject to setoff for amounts outstanding of approximately $5.29 million under certain senior secured notes previously issued or to be issued prior to consummation of the merger to certain of the Investors by Ocugen) (the "Pre-Merger Financing"). Immediately after the merger, after giving effect to the Pre-Merger Financing and based on the exchange ratio of 28.7650, current holders of Ocugen's capital stock and options and warrants to purchase shares of Ocugen common stock, are expected to own, or hold rights to acquire, in the aggregate approximately 86.24% of the fully-diluted common stock of Histogenics, which for these purposes is defined as the outstanding common stock of Histogenics plus Series A Convertible Preferred Stock and outstanding warrants of Histogenics excluding the Investor Warrants (the "Fully-Diluted Common Stock of Histogenics"), and Histogenics' current stockholders and warrantholders are expected to own, or hold rights to acquire, in the aggregate approximately 13.76% of the Fully-Diluted Common Stock of Histogenics.

The closing of the merger is subject to satisfaction or waiver of certain conditions including, among other things, (i) the required approvals by the parties' stockholders, (ii) the accuracy of the representations and warranties, subject to certain materiality qualifications, (iii) compliance by the

parties with their respective covenants, (iv) no law or order preventing the merger and related transactions, and (v) the listing of the shares to be issued in the merger on The Nasdaq Capital Market.

The Merger Agreement contains certain termination rights for both Histogenics and Ocugen, and further provides that, upon termination of the Merger Agreement under specified circumstances, Histogenics may be required to pay to Ocugen a termination fee of $600,000 or Ocugen may be required to pay to Histogenics a termination fee of $700,000, and in other circumstances each party may be required to reimburse the other party's expenses incurred, up to a maximum of $300,000.

Note 2 — Basis of Presentation

The unaudited pro forma condensed combined financial information was prepared assuming the transaction will be accounted for as an equity transaction. This unaudited pro forma condensed combined financial information gives effect to certain other transactions after June 30, 2019, such as the financing agreements, including senior secured convertible notes, and warrants to purchase common stock.

The merger is expected to be treated as an equity transaction. To determine the accounting for this transaction under U. S. GAAP, a company must assess whether an integrated set of assets and activities should be accounted for as an acquisition of a business, asset acquisition or an equity transaction. The transaction between Ocugen and Histogenics represents an equity transaction rather than a business combination under ASC 805. Therefore, no goodwill or intangible assets will be recognized as a result of the transaction. The transaction has been determined to be an equity transaction where in substance Ocugen is exchanging equity for the net monetary assets of Histogenics.

Note 3 — Pro Forma Adjustments

(a) On May 8, 2019, Histogenics entered into an asset purchase agreement with Medavate Corp., a Colorado corporation (the "Asset Purchase Agreement"), pursuant to which Histogenics agreed to sell substantially all of its assets relating to its NeoCart program, including, without limitation, intellectual property, business and license agreements and clinical trial data (the "Assets") in return for a cash payment of $6.5 million. The closing of the sale of the Assets was subject to and conditioned upon the consummation of the planned merger with Ocugen. "Ocugen, Inc." is currently negotiating the terms of the Asset Purchase Agreement with Medavate Corp. and have extended the completion date of the Asset Purchase Agreement. The expenses related to the NeoCart program are eliminated from the unaudited pro forma condensed combined statement of operations as follows (in thousands):

	Year ended December 31, 2018	Six months ended June 30, 2019
Research and development	$ 15,634	$ 1,583
General and administrative	1,194	—
Total operating expenses	$ 16,828	$ 1,583

(b) Reflects Histogenics purchase price adjustments.

(c) Reflects an increase in accrued expenses of $1.4 million for estimated transaction costs incurred by Histogenics subsequent to June 30, 2019.

(d) In December 2017, Histogenics entered into a License and Commercialization Agreement (the "License Agreement") with MEDINET Co., Ltd. ("MEDINET") to grant MEDINET a license under certain patents, patent applications, know-how, and technology to develop and commercialize certain therapeutic products to replace or repair damaged, worn, or defective cartilage in humans and non-human animals. In exchange for the license, MEDINET agreed to pay Histogenics an upfront cash payment of $10.0 million which Histogenics received in January 2018. As of June 30, 2019, the contract with MEDINET was wholly unperformed and all revenue under the License Agreement has been deferred and has not been recognized. As of June 30, 2019, the aggregate amount of the transaction price allocated to remaining performance obligations was $10.0 million. Because the License Agreement was not terminated as of June 30, 2019, the authoritative accounting literature requires that the $10.0 million of deferred revenue remain a liability on Histogenics' balance sheet. The License Agreement with MEDINET and the related rights and obligations will be included in the sale of the Assets pursuant to the Asset Purchase Agreement upon the closing of the merger with Ocugen and the $10.0 million in deferred revenue will be eliminated as part of the purchase accounting adjustments related to the merger. As described in footnote (a), the associated asset will be sold and the related obligations will be assumed by the purchaser of the asset.

(e) To eliminate historical equity of Histogenics. Also, the Histogenics pro forma adjustment to additional paid-in capital reflects part of the adjustment related to purchase price allocation as follows (in thousands):

Additional paid-in capital	$	(219,911)
Part of equity transaction considerations *		2,917
Pro forma adjustments to Additional paid-in capital	$	(216,944)

* Total transaction consideration of $8.5 million consists of net monetary assets acquired in the equity transaction. A portion of this amount is included in common stock and the remaining amount is included in additional paid-in capital. The transaction consideration of $8.5 million was determined as follows (in thousands):

Cash and cash equivalent	$	9,286
Accounts payable and accrued expenses		(806)
Net identifiable assets acquired	$	8,480

From $8.5 million, $5.6 million was allocated to common stock to arrive at the ending par value of common stock of $6,895 noted in footnote (i) in whole numbers as follows (in thousands):

Historical common stock of Ocugen	$	13
Pro forma adjustments of Ocugen		1,319
Total par value of Ocugen common stock		1,332
Amounts allocated to Histogencis common stock pro form adjustment		5,563
Par value of common shares outstanding	$	6,895

* includes $839 in value related to historical common stock of Histogenics. The amount allocated to Histogenics pro forma common stock adjustment reflects a difference between the par value of Ocugen common stock ($1,332) and par value of the ending common stock expected to be issued upon consummation of the merger ($6,895). The remaining amount of $2,917 is allocated to additional paid-in capital.

(f) Ocugen and Histogenics entered into the Pre-Merger Financing in June 2019 with the Investors for an equity financing of $25.0 million. The Pre-Merger Financing includes shares of Ocugen common stock and Series A, Series B and Series C warrants to purchase Histogenics common stock. The Series A warrants are classified as equity with 5 year terms, the Series B warrants are classified as liability with 45 day terms and an estimated fair value of $6.2 million, and the Series C warrants are classified as equity with 1 year terms. As described in footnote (g), a financial advisor agreed to invest $2.5 million in Ocugen. This financial advisor also provided services to Ocugen for the same amount. Subsequently, Ocugen and the financial advisor reached an agreement to provide an option to the financial advisor to accept the outstanding amount in equity. As such, the outstanding amount will likely not be paid in cash. Consequently, $2.5 million is not included in overall expected equity financing of $25.0 million. It is possible that the financial advisor will elect to provide cash related to its commitment under the equity financing agreement, however, this is not considered likely.

Additional paid-in capital also increased by $14.9 million due to the expected issuance of 131,578,934 ($1,316.0 common stock at par value in thousands) shares of Histogenics common stock as a result of the Pre-Merger Financing based on the merger exchange ratio of 28.7650, subject to adjustment for a reverse stock split of Histogenics to be implemented prior to the consummation of the merger.

(g) Ocugen obtained a bridge loan of $4.6 million from certain investors in the Pre-Merger Financing ($2.1 million in May 2019 and up-to $2.5 million in July 2019), and is obligated to repay as an offset to the proceeds of the Pre-Merger Financing a total of $5.29 million ($2.415 million for May 2019 and $2.875 million for July 2019 loan) of senior secured convertible notes previously issued or to be issued prior to the consummation of the merger. Ocugen is required to repay the notes upon the earliest to occur of: (i) the closing of any fundamental transaction, (ii) the Public Company Date (as defined in the notes), (iii) the date of deemed repayment pursuant to the Pre-Merger Financing, and (iv) September 20, 2019. Note that this loan does not have a stated interest rate, and the notes are issued with an original issue discount of $0.69 million (total amount due under this loan is $5.29 million and proceeds received of $4.6 million). This activity resulted in net impact of $0.375 million on accumulated deficit. Also, the senior secured notes are convertible into equity, however, equity conversion is not reflected as it is not considered likely.

The merger and Pre-Merger Financing also resulted in the issuance to Ocugen’s financial advisor of 160,974 ($1.0 common stock at par value in thousands) shares of Ocugen common stock in June 2019 (valued at $5.95 per share, or $0.96 million) and will result in the payment at the consummation of the merger and Pre-Merger Financing of $3.5 million in fees to Ocugen’s financial advisor, which has agreed to invest $2.5 million ($2.0 common stock at par value of common stock in thousands) in the Pre-Merger Financing. Consequently, the cash amount payable to Ocugen’s financial advisor upon consummation of

the merger is expected to be $1.0 million ($0.5 million each for the merger and the Pre-Merger Financing). These fees resulted in an increase in accrued expenses and decrease in additional paid-in capital totaling $1.0 million.

(h) Reflects an increase in accrued expenses of $0.30 million for estimated transaction costs incurred by Ocugen subsequent to June 30, 2019. These transaction expenses also resulted in a decrease to equity for the same amount.

(i) Calculation of weighted average shares outstanding:

The determination of share detail below assumes the issuance of 83% of the common stock of the combined company to Ocugen equityholders and 17% of the common stock to be held by the pre-merger Histogenics equityholders, in each case prior to the Pre-Merger Financing.

	Number of shares	Par value
Histogenics outstanding shares	94,839,908	$ 948,399
Shares issued to Histogenics shareholders	463,041,904	4,630,417
Shares issued to investors *	131,578,947	1,315,789
	689,460,759	$ 6,894,606

* Based on variable factors, there is a potential issuance of additional shares to the Investors up to an additional 131,578,934 shares within three to four days post closing of the transaction. The issuance of such shares, due to its variable nature, has not been included in the loss per share calculation.

(j) The table below reflects reconciliation of various amounts included in the unaudited pro forma condensed combined balance sheet (in thousands):

Footnote Reference	Additional paid-in capital	Common stock
(g)	$ (1,003)	3
(f)	14,984	1,316
(h)	(300)	—
	$ 13,681	$ 1,319

(k) The mark-to-market adjustments related to the warrant liability of $6.2 million within the Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2019 have not been reflected in the pro forma condensed statement of operations.

(l) Reflects the elimination of a total of $1.75 million in transaction related costs incurred by Histogenics during the six months ended June 30, 2019 as these are non-recurring in nature. Transaction cost incurred by Ocugen is capitalized and reflected as a reduction of APIC.