

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA

AUSTIN PATTERSON, Individually and on  
behalf of all others similarly situated,

Plaintiff,

v.

OCUGEN, INC., SHANKAR MUSUNURI,  
SANJAY SUBRAMANIAN, JESSICA  
CRESPO, QUAN VU, and MICHAEL  
BREININGER,

Defendants.

**Case No:**

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

JURY TRIAL DEMANDED

Plaintiff Austin Patterson (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, among other things, the investigation conducted by and through his attorneys, which included, among other things, a review of the Defendants’ public documents, public filings, wire and press releases published by and regarding Ocugen Inc. (“Ocugen” or the “Company”), and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

**NATURE OF THE ACTION**

1. This is a class action on behalf of persons or entities who purchased or otherwise acquired publicly traded Ocugen securities between May 8, 2020 and April 1, 2024, inclusive (the “Class Period”). Plaintiff seeks to recover compensable damages caused by Defendant’s

violations of the federal securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”)

### **JURISDICTION AND VENUE**

2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged misstatements entered and the subsequent damages took place in this judicial district.

5. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

### **PARTIES**

6. Plaintiff Austin Patterson, as set forth in the accompanying certification, incorporated by reference herein, purchased Ocugen securities during the Class Period and was economically damaged thereby.

7. Defendant Ocugen is a biotechnology company.

8. Ocugen is incorporated in Delaware and its head office is located at 11 Great Valley Parkway, Malvern, Pennsylvania 19355. Ocugen’ common stock trades on the NASDAQ Global Market (“NASDAQ”) under the ticker symbol “OCGN.”

9. Defendant Shankar Musunuri (“Musunuri”) served as the Company’s Chief Executive Officer (“CEO”) throughout the Class Period, as well as the interim principal financial officer at times specified below. He co-founded Ocugen in 2013. He also serves as Chairman of the Board of Directors (the “Board”).

10. Defendant Sanjay Subramanian (“Subramanian”) served as the Company’s Chief Financial Officer from the beginning of the Class Period until March 18, 2022.

11. Defendant Jessica Crespo (“Crespo”) has served as the Company’s CFO from March 18, 2022 until March 10, 2023.

12. Defendant Quan Vu (“Vu”) served as the Company’s CFO and Chief Business Officer from March 6, 2023 until August 14, 2023.

13. Defendant Michael Breininger (“Breininger”) served as the Corporate Controller, interim Chief Accounting Officer, and Principal Financial Officer from September 15, 2023 to the present.

14. Defendants Musunuri, Subramanian, Crespo, Vu and Breininger are collectively referred to herein as the “Individual Defendants.”

15. Each of the Individual Defendants:

- (a) directly participated in the management of the Company;
- (b) was directly involved in the day-to-day operations of the Company at the highest levels;
- (c) was privy to confidential proprietary information concerning the Company and its business and operations;

- (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;
- (e) was directly or indirectly involved in the oversight or implementation of the Company's internal controls;
- (f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or
- (g) approved or ratified these statements in violation of the federal securities laws.

16. Ocugen is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

17. The scienter of the Individual Defendants and other employees and agents of the Company is similarly imputed to the Company under *respondeat superior* and agency principles.

18. Ocugen and the Individual Defendants are collectively referred to herein as "Defendants."

### **SUBSTANTIVE ALLEGATIONS**

#### **Materially False and Misleading Statements Issued During the Class Period**

19. On May 8, 2020, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ending March 31, 2020 (the "1Q20 Report"). Attached to the 1Q20 Report were certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX") signed by Defendants Musunuri and Subramanian attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company's internal control over financial reporting and the disclosure of

all fraud.

20. The 1Q20 Report contained the following statement regarding the Company's internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) (the "Exchange Act"), as of March 31, 2020. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, **our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms,** and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

21. The statement in ¶ 20 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

22. The 1Q20 Report contained the following financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	March 31, 2020	December 31, 2019
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 3,193,188	\$ 7,444,052
Prepaid expenses and other current assets	1,169,297	1,322,167
Asset held for sale	7,000,000	7,000,000
Total current assets	11,362,485	15,766,219
Property and equipment, net	248,997	222,464
Restricted cash	151,100	151,016
Other assets	551,163	667,747
<b>Total assets</b>	<b>\$ 12,313,745</b>	<b>\$ 16,807,446</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 1,548,309	\$ 1,895,613
Accrued expenses	1,383,658	2,270,045
Operating lease obligation	176,616	172,310
Other current liabilities	206,415	205,991
Total current liabilities	3,314,998	4,543,959
Non-current liabilities		
Operating lease obligation, less current portion	117,142	163,198
Long term debt, net	1,580,560	1,072,123
Other non-current liabilities	3,940	9,755
Total non-current liabilities	1,701,642	1,245,076
<b>Total liabilities</b>	<b>5,016,640</b>	<b>5,789,035</b>
Commitments and contingencies (Note 8)		
Stockholders' equity		
Convertible preferred stock, \$0.01 par value, 10,000,000 shares authorized, seven issued and outstanding at March 31, 2020 and December 31, 2019	—	—
Common stock, \$0.01 par value, 200,000,000 authorized, 52,746,728 shares issued and 52,625,228 shares outstanding at March 31, 2020 and December 31, 2019	527,467	527,467
Treasury Stock, at cost, 121,500 shares at March 31, 2020 and December 31, 2019	(47,864)	(47,864)
Additional paid-in capital	62,241,145	62,018,632
Accumulated deficit	(55,423,643)	(51,479,824)
Total stockholders' equity	7,297,105	11,018,411
<b>Total liabilities and stockholders' equity</b>	<b>\$ 12,313,745</b>	<b>\$ 16,807,446</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(Unaudited)

	Three months ended March 31,	
	2020	2019
Operating expenses		
Research and development	\$ 1,652,318	\$ 3,793,022
General and administrative	2,276,784	1,048,020
Total operating expenses	3,929,102	4,841,042
Loss from operations	(3,929,102)	(4,841,042)
Other income (expense)		
Change in fair value of derivative liabilities	—	(776,273)
Interest income	119	594
Interest expense	(14,749)	(695,469)
Other income (expense)	(87)	(416)
Total other income (expense)	(14,717)	(1,471,564)
Net loss	\$ (3,943,819)	\$ (6,312,606)
Net loss per share of common stock — basic and diluted	\$ (0.07)	\$ (1.27)
Weighted average common shares outstanding — basic and diluted	52,627,228	4,960,552
Other comprehensive income (loss)		
Foreign currency translation adjustment	—	(282)
Comprehensive loss	\$ (3,943,819)	\$ (6,312,888)

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Three months ended March 31,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net loss	\$ (3,943,819)	\$ (6,312,606)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	18,283	14,604
Non-cash interest expense	14,749	695,469
Non-cash lease expense	47,696	73,273
Change in fair value of derivative liability	—	776,273
Stock-based compensation expense	222,513	415,202
Changes in assets and liabilities:		
Prepaid expenses and other assets	227,870	49,555
Accounts payable and accrued expenses	(1,225,853)	1,723,507
Lease obligations	(47,862)	(102,488)
<b>Net cash used in operating activities</b>	<b>(4,686,423)</b>	<b>(2,667,211)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(52,653)	(10,581)
<b>Net cash used in investing activities</b>	<b>(52,653)</b>	<b>(10,581)</b>
<b>Cash flows from financing activities</b>		
Financing lease principal payments	(5,964)	(5,964)
Payment of debt issuance costs	(5,740)	(85,233)
Proceeds from issuance of debt	500,000	1,450,000
<b>Net cash provided by financing activities</b>	<b>488,296</b>	<b>1,358,803</b>
Effect of changes in exchange rate on cash	—	(282)
<b>Net decrease in cash, cash equivalents and restricted cash</b>	<b>(4,250,780)</b>	<b>(1,319,271)</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>7,595,068</b>	<b>1,778,613</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 3,344,288</b>	<b>\$ 459,342</b>
<b>Supplemental disclosure of non-cash transactions:</b>		
Right-of-use asset related to operating leases (Note 8)	\$ —	\$ 427,751

23. The financial statements provided in ¶ 22 were materially false and misleading, as the Company later admitted that they could not be relied on.

24. On August 14, 2020, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ending June 30, 2020 (the “2Q20 Report”). Attached to the 2Q20 Report were certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

25. The 2Q20 Report contained the following statement regarding the Company’s



internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) (the “Exchange Act”), as of June 30, 2020. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, **our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.***

(Emphasis added).

26. The statement in ¶ 25 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

27. The 2Q20 Report contained the following financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	<u>June 30, 2020</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 14,968,161
Prepaid expenses and other current assets	924,500
Asset held for sale	7,000,000
Total current assets	22,892,661
Property and equipment, net	232,354
Restricted cash	151,157
Other assets	482,711
<b>Total assets</b>	<u>\$ 23,758,883</u>
<b>Liabilities and stockholders' equity</b>	
Current liabilities	
Accounts payable	\$ 507,864
Accrued expenses	2,084,915
Short-term debt, net	4,068,176
Operating lease obligation	175,538
Other current liabilities	204,860
Total current liabilities	7,041,353
Non-current liabilities	
Operating lease obligation, less current portion	75,577
Long term debt, net	2,018,926
Other non-current liabilities	—
Total non-current liabilities	2,094,503
<b>Total liabilities</b>	<u>9,135,856</u>
<b>Commitments and contingencies (Note 11)</b>	
<b>Stockholders' equity</b>	
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized; seven issued and outstanding at June 30, 2020 and December 31, 2019	—
Common stock; \$0.01 par value; 200,000,000 authorized; 135,128,144 and 52,746,728 shares issued at June 30, 2020 and December 31, 2019, respectively; 135,006,644 and 52,625,228 shares outstanding at June 30, 2020 and December 31, 2019, respectively	1,351,281
Treasury Stock, at cost, 121,500 shares at June 30, 2020 and December 31, 2019	(47,864)
Additional paid-in capital	72,357,228
Accumulated deficit	(59,037,618)
<b>Total stockholders' equity</b>	<u>14,623,027</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 23,758,883</u>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
<b>Revenues</b>				
Collaboration revenue	\$ 42,620	\$ —	\$ 42,620	\$ —
<b>Total revenues</b>	<b>42,620</b>	<b>—</b>	<b>42,620</b>	<b>—</b>
<b>Operating expenses</b>				
Research and development	1,629,869	1,240,047	3,282,187	5,033,069
General and administrative	1,779,016	1,088,477	4,055,800	2,136,497
<b>Total operating expenses</b>	<b>3,408,885</b>	<b>2,328,524</b>	<b>7,337,987</b>	<b>7,169,566</b>
Loss from operations	(3,366,265)	(2,328,524)	(7,295,367)	(7,169,566)
<b>Other income (expense)</b>				
Change in fair value of derivative liabilities	—	(608,149)	—	(1,384,422)
Loss on debt conversion	—	(341,136)	—	(341,136)
Interest income	433	377	552	971
Interest expense	(248,143)	(261,562)	(262,892)	(957,031)
Other income (expense)	—	184	(87)	(232)
<b>Total other income (expense)</b>	<b>(247,710)</b>	<b>(1,210,286)</b>	<b>(262,427)</b>	<b>(2,681,850)</b>
Net loss	\$ (3,613,975)	\$ (3,538,810)	\$ (7,557,794)	\$ (9,851,416)
Deemed dividend related to Warrant Exchange	(12,546,340)	—	(12,546,340)	—
<b>Net loss to common stockholders</b>	<b>\$ (16,160,315)</b>	<b>\$ (3,538,810)</b>	<b>\$ (20,104,134)</b>	<b>\$ (9,851,416)</b>
<b>Shares used in calculating net loss per common share — basic and diluted</b>				
	83,537,463	6,067,401	68,082,346	5,461,576
<b>Net loss per share of common stock — basic and diluted</b>	<b>\$ (0.19)</b>	<b>\$ (0.58)</b>	<b>\$ (0.30)</b>	<b>\$ (1.80)</b>
<b>Other comprehensive income (loss)</b>				
Foreign currency translation adjustment	—	(169)	—	(451)
<b>Comprehensive loss</b>	<b>\$ (3,613,975)</b>	<b>\$ (3,538,979)</b>	<b>\$ (7,557,794)</b>	<b>\$ (9,851,867)</b>

See accompanying notes to condensed consolidated financial statements.

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Six months ended June 30,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net loss	\$ (7,557,794)	\$ (9,851,416)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	37,760	19,259
Non-cash interest expense	262,892	937,772
Non-cash lease expense	95,392	154,969
Change in fair value of derivative liability	—	1,384,422
Stock-based compensation expense	371,722	527,009
Loss on debt conversion	—	341,136
Other non-cash	(165,609)	—
Changes in assets and liabilities:		
Prepaid expenses and other assets	498,836	(32,986)
Other assets	—	(25,000)
Accounts payable and accrued expenses	(1,219,887)	653,767
Lease obligations	(95,918)	(139,857)
<b>Net cash used in operating activities</b>	<b>(7,772,606)</b>	<b>(6,030,925)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(34,458)	(2,067)
Payment of reverse asset acquisition costs	—	(130,000)
<b>Net cash used in investing activities</b>	<b>(34,458)</b>	<b>(132,067)</b>
<b>Cash flows from financing activities</b>		
Financing lease principal payments	(11,928)	(1,021)
Proceeds from issuance of common stock	16,160,239	1,000,000
Payment of equity issuance costs	(592,952)	—
Proceeds from issuance of debt	921,415	4,300,000
Payments of debt issuance costs	(5,740)	(85,233)
Repayments of debt	(1,139,720)	—
<b>Net cash provided by financing activities</b>	<b>15,331,314</b>	<b>5,213,746</b>
<b>Effect of changes in exchange rate on cash</b>	<b>—</b>	<b>(99)</b>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>7,524,250</b>	<b>(949,345)</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>7,595,068</b>	<b>1,778,613</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 15,119,318</b>	<b>\$ 829,268</b>
<b>Supplemental disclosure of non-cash transactions:</b>		
Issuance of Warrant Exchange Promissory Notes	\$ 5,625,000	\$ —
Obligation settled with common stock	\$ 331,218	\$ —
Conversion of convertible notes	\$ —	\$ 13,979,788
Deferred transaction costs	\$ —	\$ 1,937,100
Right-of-use asset related to operating leases	\$ —	\$ 470,356
Deferred equity issuance costs	\$ 130,074	\$ 152,157

28. The financial statements provided in ¶ 27 were materially false and misleading, as the Company later admitted that they could not be relied on.

29. On November 6, 2020, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ending September 30, 2020 (the “3Q20 Report”). Attached to the 3Q20 Report were certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

30. The 3Q20 Report contained the following statement regarding the Company’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of September 30, 2020. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

31. The statement in ¶ 30 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

32. The 3Q20 Report contained the following financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	<u>September 30,</u> <u>2020</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 19,105,830
Prepaid expenses and other current assets	652,893
Asset held for sale	—
Total current assets	19,758,723
Property and equipment, net	214,100
Restricted cash	151,196
Other assets	415,555
<b>Total assets</b>	<b>\$ 20,539,574</b>
<b>Liabilities and stockholders' equity</b>	
Current liabilities	
Accounts payable	\$ 222,340
Accrued expenses	2,333,733
Short-term debt, net	1,210,645
Operating lease obligation	164,808
Other current liabilities	199,261
Total current liabilities	4,130,787
Non-current liabilities	
Operating lease obligation, less current portion	42,746
Long term debt, net	1,944,396
Other non-current liabilities	—
Total non-current liabilities	1,987,142
<b>Total liabilities</b>	<b>6,117,929</b>
Commitments and contingencies (Note 11)	
Stockholders' equity	
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized; seven issued and outstanding at September 30, 2020 and December 31, 2019	—
Common stock; \$0.01 par value; 200,000,000 authorized; 162,147,973 and 52,746,728 shares issued at September 30, 2020 and December 31, 2019, respectively; 162,026,473 and 52,625,228 shares outstanding at September 30, 2020 and December 31, 2019, respectively	1,621,480
Treasury Stock, at cost, 121,500 shares at September 30, 2020 and December 31, 2019	(47,864)
Additional paid-in capital	82,359,494
Accumulated deficit	(69,511,465)
Total stockholders' equity	14,421,645
<b>Total liabilities and stockholders' equity</b>	<b>\$ 20,539,574</b>

See accompanying notes to condensed consolidated financial statements.

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
<b>Revenues</b>				
Collaboration revenue	\$ —	\$ —	\$ 42,620	\$ —
Total revenues	—	—	42,620	—
<b>Operating expenses</b>				
Research and development	1,477,382	1,305,461	4,759,569	6,338,530
In-process research and development	7,000,000	—	7,000,000	—
General and administrative	1,704,598	1,408,350	5,760,398	3,544,847
Total operating expenses	10,181,980	2,713,811	17,519,967	9,883,377
Loss from operations	(10,181,980)	(2,713,811)	(17,477,347)	(9,883,377)
<b>Other income (expense)</b>				
Change in fair value of derivative liabilities	—	(18,512,204)	—	(19,896,626)
Loss on debt conversion	—	—	—	(341,136)
Interest income	42	136	594	1,107
Interest expense	(291,909)	(796,141)	(554,801)	(1,753,172)
Other income (expense)	—	(751,261)	(87)	(751,493)
Total other income (expense)	(291,867)	(20,059,470)	(554,294)	(22,741,320)
Net loss	<u>\$ (10,473,847)</u>	<u>\$ (22,773,281)</u>	<u>\$ (18,031,641)</u>	<u>\$ (32,624,697)</u>
Deemed dividend related to Warrant Exchange	—	—	(12,546,340)	—
Net loss to common stockholders	<u>\$ (10,473,847)</u>	<u>\$ (22,773,281)</u>	<u>\$ (30,577,981)</u>	<u>\$ (32,624,697)</u>
<b>Shares used in calculating net loss per common share — basic and diluted</b>				
	<u>141,591,218</u>	<u>6,411,308</u>	<u>92,764,157</u>	<u>5,839,840</u>
Net loss per share of common stock — basic and diluted	<u>\$ (0.07)</u>	<u>\$ (3.55)</u>	<u>\$ (0.33)</u>	<u>\$ (5.59)</u>
<b>Net loss</b>				
	\$ (10,473,847)	\$ (22,773,281)	\$ (18,031,641)	\$ (32,624,697)
<b>Other comprehensive income (loss)</b>				
Foreign currency translation adjustment	—	—	—	(451)
Comprehensive loss	<u>\$ (10,473,847)</u>	<u>\$ (22,773,281)</u>	<u>\$ (18,031,641)</u>	<u>\$ (32,625,148)</u>

See accompanying notes to condensed consolidated financial statements.



**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Nine months ended September 30,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net loss	\$ (18,031,641)	\$ (32,624,697)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	57,565	34,626
Non-cash interest expense	554,801	1,718,546
Non-cash lease expense	142,947	202,665
In-process research and development expense	7,000,000	—
Change in fair value of derivative liability	—	19,896,626
Stock-based compensation expense	498,012	720,014
Loss on debt conversion	—	341,136
Other non-cash	(165,609)	—
Changes in assets and liabilities:		
Prepaid expenses and other assets	794,398	(280,838)
Accounts payable and accrued expenses	(1,133,092)	2,044,901
Lease obligations	(143,834)	(202,338)
<b>Net cash used in operating activities</b>	<b>(10,426,453)</b>	<b>(8,149,359)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(55,488)	(2,067)
Payment of reverse asset acquisition costs	—	(2,334,063)
<b>Net cash used in investing activities</b>	<b>(55,488)</b>	<b>(2,336,130)</b>
<b>Cash flows from financing activities</b>		
Financing lease principal payments	(17,892)	(16,985)
Proceeds from issuance of common stock	26,692,377	999,832
Payment of equity issuance costs	(1,083,990)	(649,254)
Proceeds from issuance of debt	921,415	6,800,000
Payments of debt issuance costs	(5,740)	(122,262)
Repayments of debt	(4,362,271)	(5,290,000)
Proceeds from Pre-Merger Financing	—	22,437,537
<b>Net cash provided by financing activities</b>	<b>22,143,899</b>	<b>24,158,868</b>
<b>Effect of changes in exchange rate on cash</b>	<b>—</b>	<b>—</b>
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>11,661,958</b>	<b>13,673,379</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>7,595,068</b>	<b>1,778,613</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 19,257,026</b>	<b>\$ 15,451,992</b>
<b>Supplemental disclosure of non-cash transactions:</b>		
Issuance of Warrant Exchange Promissory Notes	\$ 5,625,000	\$ —
Obligation settled with common stock	\$ 331,218	\$ —
Conversion of convertible notes	\$ —	\$ 13,979,788
Right-of-use asset related to operating leases	\$ —	\$ 470,356
Equity issuance costs	\$ 25,000	\$ 1,150,000
Reverse asset acquisition costs	\$ —	\$ 2,711,431



33. The financial statements provided in ¶ 32 were materially false and misleading, as the Company later admitted that they could not be relied on.

34. On March 19, 2021, Ocugen filed with the SEC its 2020 Annual Report on Form 10-K for the year ended December 31, 2020 (the “2020 Annual Report”). Attached to the 2020 Annual Report were certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

35. The 2020 Annual Report contained the following statement regarding the Company’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2020. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, **our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.***

(Emphasis added).

36. The statement in ¶ 35 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the 2020 fiscal year.

37. The 2020 Annual Report contained the following financial statements:

*Comparison of the Years Ended December 31, 2020 and 2019*

The following table summarizes the results of our operations for the years ended December 31, 2020 and 2019:

(in thousands)	Year ended December 31,		Change
	2020	2019	
<b>Revenues</b>			
Collaboration revenue	\$ 43	\$ —	\$ 43
Total revenues	43	—	43
<b>Operating expenses</b>			
Research and development	\$ 6,353	\$ 8,086	\$ (1,733)
In-process research and development	7,000	—	7,000
General and administrative	7,974	6,077	1,897
Total operating expenses	21,327	14,163	7,164
Loss from operations	(21,284)	(14,163)	(7,121)
<b>Other income (expense)</b>			
Change in fair value of derivative liabilities	—	(3,187)	3,187
Loss on debt conversion	—	(341)	341
Interest income	1	1	—
Interest expense	(721)	(1,768)	1,047
Other income (expense)	183	(785)	968
Total other income (expense)	(537)	(6,080)	5,543
Net loss	\$ (21,821)	\$ (20,243)	\$ (1,578)

**OCUGEN, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	<u>December 31, 2020</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 24,039,325
Prepaid expenses and other current assets	1,838,357
Asset held for sale	—
<b>Total current assets</b>	<b>25,877,682</b>
Property and equipment, net	632,967
Restricted cash	151,226
Other assets	714,477
<b>Total assets</b>	<b>\$ 27,376,352</b>
<b>Liabilities and stockholders' equity</b>	
Current liabilities	
Accounts payable	\$ 395,034
Accrued expenses	2,930,395
Short-term debt, net	234,119
Operating lease obligation	44,248
Other current liabilities	9,755
<b>Total current liabilities</b>	<b>3,613,551</b>
Non-current liabilities	
Operating lease obligation, less current portion	389,317
Long term debt, net	1,823,043
Other non-current liabilities	—
<b>Total non-current liabilities</b>	<b>2,212,360</b>
<b>Total liabilities</b>	<b>5,825,911</b>
Commitments and contingencies (Note 15)	
Stockholders' equity	
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized; seven issued and outstanding shares at December 31, 2020 and 2019	—
Common stock; \$0.01 par value; 200,000,000 authorized; 184,133,384 and 52,746,728 shares issued at December 31, 2020 and 2019, respectively; 184,011,884 and 52,625,228 shares outstanding at December 31, 2020 and 2019, respectively	1,841,334
Treasury Stock, at cost, 121,500 shares at December 31, 2020 and 2019	(47,864)
Additional paid-in capital	93,058,748
Accumulated deficit	(73,301,777)
<b>Total stockholders' equity</b>	<b>21,550,441</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 27,376,352</b>

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Year ended December 31,	
	2020	2019
Revenues		
Collaboration revenue	\$ 42,620	\$ —
Total revenues	42,620	—
Operating expenses		
Research and development	6,353,287	8,085,522
In-process research and development	7,000,000	—
General and administrative	7,974,050	6,077,097
Total operating expenses	21,327,337	14,162,619
Loss from operations	(21,284,717)	(14,162,619)
Other income (expense)		
Change in fair value of derivative liabilities	—	(3,187,380)
Loss on debt conversion	—	(341,136)
Interest income	1,065	1,214
Interest expense	(720,963)	(1,767,836)
Other income (expense)	182,662	(784,873)
Total other income (expense)	(537,236)	(6,080,011)
Net loss	\$ (21,821,953)	\$ (20,242,630)
Deemed dividend related to Warrant Exchange	(12,546,340)	—
Net loss to common stockholders	\$ (34,368,293)	\$ (20,242,630)
Shares used in calculating net loss per common share — basic and diluted	112,236,110	13,893,819
Net loss per share of common stock — basic and diluted	\$ (0.31)	\$ (1.46)
Net loss	\$ (21,821,953)	\$ (20,242,630)
Other comprehensive income (loss)		
Foreign currency translation adjustment	—	(451)
Comprehensive loss	\$ (21,821,953)	\$ (20,243,081)

**OCUGEN, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year ended December 31,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net loss	\$ (21,821,953)	\$ (20,2
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	102,110	
Non-cash interest expense	720,963	1,7
Non-cash lease expense	189,424	2
In-process research and development expense	7,000,000	
Change in fair value of derivative liability	—	3,1
Stock-based compensation expense	660,317	8
Loss on debt conversion	—	3
Other non-cash	(349,409)	
Changes in assets and liabilities:		
Prepaid expenses and other current assets	(369,846)	(1,0
Accounts payable and accrued expenses	(540,847)	(1,6
Other assets	(104,000)	(2
Lease obligations	(195,489)	(2
<b>Net cash used in operating activities</b>	<b>(14,708,730)</b>	<b>(16,8</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(306,825)	(
Payment of reverse asset acquisition costs	—	(2,3
<b>Net cash used in investing activities</b>	<b>(306,825)</b>	<b>(2,3</b>
<b>Cash flows from financing activities</b>		
Financing lease principal payments	(23,856)	(
Proceeds from issuance of common stock	37,822,025	1,1
Payment of equity issuance costs	(1,477,806)	
Proceeds from issuance of debt	921,415	6,8
Payments of debt issuance costs	(5,740)	(
Repayments of debt	(5,625,000)	(5,2
Purchases of treasury stock	—	(
Proceeds from Pre-Merger Financing	—	22,5
<b>Net cash provided by financing activities</b>	<b>31,611,038</b>	<b>25,0</b>
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>16,595,483</b>	<b>5,8</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>7,595,068</b>	<b>1,7</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 24,190,551</b>	<b>\$ 7,5</b>
<b>Supplemental disclosure of non-cash transactions:</b>		
Issuance of Warrant Exchange Promissory Notes	\$ 5,625,000	\$
Obligation settled with common stock	\$ 331,218	\$
Purchase of property and equipment	\$ 213,625	\$
Conversion of convertible notes	\$ —	\$ 13,9
Right-of-use assets related to operating leases	\$ 179,599	\$ 4
Equity issuance costs	\$ 4,029	\$ 1,1
Reverse asset acquisition costs	\$ —	\$ 2,2

38. The financial statements provided in ¶ 37 were materially false and misleading, as the Company later admitted that they could not be relied on.

39. On May 7, 2021 Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ended March 31, 2021 (the "1Q21 Report"). Attached to the 1Q21 Report were certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company's internal control over financial reporting and the disclosure of all fraud.

40. The 1Q21 Report contained the following statement regarding the Company's internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of March 31, 2021. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

41. The statement in ¶ 38 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

42. The 1Q21 Report contained the following financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	March 31, 2021
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 44,792
Advance for COVAXIN supply	4,988
Prepaid expenses and other current assets	1,576
Total current assets	51,356
Property and equipment, net	762
Restricted cash	151
Other assets	1,578
<b>Total assets</b>	<b>\$ 53,847</b>
<b>Liabilities and stockholders' equity</b>	
Current liabilities	
Accounts payable	\$ 1,040
Accrued expenses and other current liabilities	2,703
Short-term debt, net	374
Operating lease obligation	164
Total current liabilities	4,281
Non-current liabilities	
Operating lease obligation, less current portion	1,375
Long term debt, net	1,702
Total non-current liabilities	3,077
<b>Total liabilities</b>	<b>7,358</b>
<b>Commitments and contingencies (Note 11)</b>	
<b>Stockholders' equity</b>	
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at March 31, 2021 and December 31, 2020	
Series A; seven issued and outstanding at March 31, 2021 and December 31, 2020	—
Series B; 54,745 and zero issued and outstanding at March 31, 2021 and December 31, 2020, respectively	1
Common stock; \$0.01 par value; 200,000,000 authorized; 188,277,852 and 184,133,384 shares issued at March 31, 2021 and December 31, 2020, respectively; 188,156,352 and 184,011,884 shares outstanding at March 31, 2021 and December 31, 2020, respectively	1,883
Treasury stock, at cost, 121,500 shares at March 31, 2021 and December 31, 2020	(48)
Additional paid-in capital	125,032
Accumulated deficit	(80,379)
<b>Total stockholders' equity</b>	<b>46,489</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 53,847</b>



**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended March 31,	
	2021	2020
Operating expenses		
Research and development	\$ 2,872	\$ 1,652
General and administrative	4,185	2,277
Total operating expenses	7,057	3,929
Loss from operations	(7,057)	(3,929)
Other income (expense)		
Interest expense	(20)	(15)
Total other income (expense)	(20)	(15)
Net loss and comprehensive loss	\$ (7,077)	\$ (3,944)
Shares used in calculating net loss per common share — basic and diluted	186,298,122	52,627,228
Net loss per share of common stock — basic and diluted	\$ (0.04)	\$ (0.07)



## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(Unaudited)

	Three months ended March 31,	
	2021	2020
<b>Cash flows from operating activities</b>		
Net loss	\$ (7,077)	\$ (3)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	44	
Non-cash interest expense	20	
Non-cash lease expense	68	
Stock-based compensation expense	833	
Changes in assets and liabilities:		
Prepaid expenses and other assets	493	
Accounts payable and accrued expenses	405	(1)
Lease obligations	(69)	
<b>Net cash used in operating activities</b>	<b>(5,283)</b>	<b>(4)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(261)	
<b>Net cash used in investing activities</b>	<b>(261)</b>	
<b>Cash flows from financing activities</b>		
Financing lease principal payments	(6)	
Proceeds from issuance of common stock	28,125	
Payment of equity issuance costs	(1,822)	
Proceeds from issuance of debt	—	
Payments of debt issuance costs	—	
<b>Net cash provided by financing activities</b>	<b>26,297</b>	
<b>Net increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>20,753</b>	<b>(4)</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>24,190</b>	<b>7</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 44,943</b>	<b>\$ 3</b>
<b>Supplemental disclosure of non-cash transactions:</b>		
Series B Convertible Preferred Stock issuance	\$ 4,988	\$
Equity issuance costs	\$ 108	\$
Purchase of property and equipment	\$ 44	\$
Right-of-use asset related to operating leases	\$ 926	\$

43. The financial statements provided in ¶ 42 were materially false and misleading, as the Company later admitted that they could not be relied on.

44. On August 6, 2021, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ended June 30, 2021 (the “2Q21 Report”). Attached to the 2Q21 Report were certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

45. The 2Q21 Report contained the following statement regarding the Company’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of June 30, 2021.* Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added)

46. The statement in ¶ 45 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

47. The 2Q21 Report contained the following financial statements:

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except share and per share amounts)

(Unaudited)

	June 30, 2021
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 115,642
Advance for COVAXIN supply	4,988
Prepaid expenses and other current assets	996
Total current assets	121,626
Property and equipment, net	944
Restricted cash	151
Other assets	1,530
<b>Total assets</b>	<b>\$ 124,251</b>
<b>Liabilities and stockholders' equity</b>	
Current liabilities	
Accounts payable	\$ 802
Accrued expenses and other current liabilities	3,870
Short-term debt, net	—
Operating lease obligation	168
Total current liabilities	4,840
Non-current liabilities	
Operating lease obligation, less current portion	1,328
Long term debt, net	1,674
Total non-current liabilities	3,002
Total liabilities	7,842
Commitments and contingencies (Note 13)	
Stockholders' equity	
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at June 30, 2021 and December 31, 2020	
Series A; seven issued and outstanding at June 30, 2021 and December 31, 2020	—
Series B; 54,745 and zero issued and outstanding at June 30, 2021 and December 31, 2020, respectively	1
Common stock; \$0.01 par value; 295,000,000 and 200,000,000 shares authorized, 198,816,745 and 184,133,384 shares issued, and 198,695,245 and 184,011,884 shares outstanding at June 30, 2021 and December 31, 2020, respectively	
	1,988
Treasury stock, at cost, 121,500 shares at June 30, 2021 and December 31, 2020	(48)
Additional paid-in capital	220,799
Accumulated deficit	(106,331)
Total stockholders' equity	116,409
<b>Total liabilities and stockholders' equity</b>	<b>\$ 124,251</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
<b>Revenues</b>				
Collaboration revenue	\$ —	\$ 43	\$ —	\$ 43
<b>Total revenues</b>	<b>—</b>	<b>43</b>	<b>—</b>	<b>43</b>
<b>Operating expenses</b>				
Research and development	18,853	1,630	21,725	3,282
General and administrative	6,757	1,779	10,942	4,056
<b>Total operating expenses</b>	<b>25,610</b>	<b>3,409</b>	<b>32,667</b>	<b>7,338</b>
Loss from operations	(25,610)	(3,366)	(32,667)	(7,295)
<b>Other income (expense)</b>				
Interest income	10	—	10	—
Interest expense	(20)	(248)	(40)	(263)
Other income (expense)	(332)	—	(332)	—
<b>Total other income (expense)</b>	<b>(342)</b>	<b>(248)</b>	<b>(362)</b>	<b>(263)</b>
<b>Net loss and comprehensive loss</b>	<b>\$ (25,952)</b>	<b>\$ (3,614)</b>	<b>\$ (33,029)</b>	<b>\$ (7,558)</b>
Deemed dividend related to Warrant Exchange	—	(12,546)	—	(12,546)
<b>Net loss to common stockholders</b>	<b>\$ (25,952)</b>	<b>\$ (16,160)</b>	<b>\$ (33,029)</b>	<b>\$ (20,104)</b>
<b>Shares used in calculating net loss per common share — basic and diluted</b>				
	195,572,189	83,537,463	190,960,775	68,082,346
<b>Net loss per share of common stock — basic and diluted</b>	<b>\$ (0.13)</b>	<b>\$ (0.19)</b>	<b>\$ (0.17)</b>	<b>\$ (0.30)</b>

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(Unaudited)

	Six months ended June 30,	
	2021	2020
<b>Cash flows from operating activities</b>		
Net loss	\$ (33,029)	\$
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	93	
Non-cash interest expense	40	
Non-cash lease expense	134	
Stock-based compensation expense	2,928	
Gain on forgiveness of PPP Note	(426)	
Impairment on note receivable	758	
Other non-cash	—	
Changes in assets and liabilities:		
Prepaid expenses and other assets	965	
Accounts payable and accrued expenses	1,483	
Other assets	100	
Lease obligations	(130)	
<b>Net cash used in operating activities</b>	<b>(27,084)</b>	
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(524)	
Issuance of note receivable	(750)	
<b>Net cash used in investing activities</b>	<b>(1,274)</b>	
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	128,496	
Payment of equity issuance costs	(8,525)	
Proceeds from issuance of debt	—	
Payments of debt issuance costs	—	
Repayments of debt	—	
Financing lease principal payments	(10)	
<b>Net cash provided by financing activities</b>	<b>119,961</b>	
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>91,603</b>	
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>24,190</b>	
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 115,793</b>	<b>\$</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Series B Convertible Preferred Stock issuance	\$ 4,988	\$
Exercise of Warrants	\$ 603	\$
Forgiveness of PPP Note	\$ 426	\$
Issuance of Warrant Exchange Promissory Notes	\$ —	\$
Obligation settled with common stock	\$ —	\$
Equity issuance costs	\$ —	\$
Purchase of property and equipment	\$ 78	\$
Right-of-use asset related to operating leases	\$ 926	\$

See accompanying notes to condensed consolidated financial statements.

48. The financial statements provided in ¶ 47 were materially false and misleading, as the Company later admitted that they could not be relied on.

49. On November 9, 2021, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ended September 30, 2021 (the “3Q21 Report”). Attached to the 3Q21 Report were certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting

to the accuracy of financial reporting, the disclosure of any material changes to the Company's internal control over financial reporting and the disclosure of all fraud.

50. The 3Q21 Report contained the following statement regarding the Company's internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of June 30, 2021. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

51. The statement in ¶ 50 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

52. The 3Q21 Report contained the following financial statements:

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	<u>June 30, 2021</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 115,642
Advance for COVAXIN supply	4,988
Prepaid expenses and other current assets	996
Total current assets	121,626
Property and equipment, net	944
Restricted cash	151
Other assets	1,530
<b>Total assets</b>	<b>\$ 124,251</b>
<b>Liabilities and stockholders' equity</b>	
Current liabilities	
Accounts payable	\$ 802
Accrued expenses and other current liabilities	3,870
Short-term debt, net	—
Operating lease obligation	168
Total current liabilities	4,840
Non-current liabilities	
Operating lease obligation, less current portion	1,328
Long term debt, net	1,674
Total non-current liabilities	3,002
<b>Total liabilities</b>	<b>7,842</b>
Commitments and contingencies (Note 13)	
Stockholders' equity	
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at June 30, 2021 and December 31, 2020	
Series A; seven issued and outstanding at June 30, 2021 and December 31, 2020	—
Series B; 54,745 and zero issued and outstanding at June 30, 2021 and December 31, 2020, respectively	1
Common stock; \$0.01 par value; 295,000,000 and 200,000,000 shares authorized, 198,816,745 and 184,133,384 shares issued, and 198,695,245 and 184,011,884 shares outstanding at June 30, 2021 and December 31, 2020, respectively	1,988
Treasury stock, at cost, 121,500 shares at June 30, 2021 and December 31, 2020	(48)
Additional paid-in capital	220,799
Accumulated deficit	(106,331)
<b>Total stockholders' equity</b>	<b>116,409</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 124,251</b>



**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
<b>Revenues</b>				
Collaboration revenue	\$ —	\$ 43	\$ —	\$ 43
<b>Total revenues</b>	<b>—</b>	<b>43</b>	<b>—</b>	<b>43</b>
<b>Operating expenses</b>				
Research and development	18,853	1,630	21,725	3,282
General and administrative	6,757	1,779	10,942	4,056
<b>Total operating expenses</b>	<b>25,610</b>	<b>3,409</b>	<b>32,667</b>	<b>7,338</b>
Loss from operations	(25,610)	(3,366)	(32,667)	(7,295)
<b>Other income (expense)</b>				
Interest income	10	—	10	—
Interest expense	(20)	(248)	(40)	(263)
Other income (expense)	(332)	—	(332)	—
<b>Total other income (expense)</b>	<b>(342)</b>	<b>(248)</b>	<b>(362)</b>	<b>(263)</b>
Net loss and comprehensive loss	\$ (25,952)	\$ (3,614)	\$ (33,029)	\$ (7,558)
Deemed dividend related to Warrant Exchange	—	(12,546)	—	(12,546)
<b>Net loss to common stockholders</b>	<b>\$ (25,952)</b>	<b>\$ (16,160)</b>	<b>\$ (33,029)</b>	<b>\$ (20,104)</b>
<b>Shares used in calculating net loss per common share — basic and diluted</b>				
	195,572,189	83,537,463	190,960,775	68,082,346
<b>Net loss per share of common stock — basic and diluted</b>	<b>\$ (0.13)</b>	<b>\$ (0.19)</b>	<b>\$ (0.17)</b>	<b>\$ (0.30)</b>



**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Six months ended June 30,	
	2021	2020
<b>Cash flows from operating activities</b>		
Net loss	\$ (33,029)	\$ (7,558)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	93	38
Non-cash interest expense	40	263
Non-cash lease expense	134	95
Stock-based compensation expense	2,928	371
Gain on forgiveness of PPP Note	(426)	—
Impairment on note receivable	758	—
Other non-cash	—	(166)
Changes in assets and liabilities:		
Prepaid expenses and other assets	965	500
Accounts payable and accrued expenses	1,483	(1,220)
Other assets	100	—
Lease obligations	(130)	(96)
<b>Net cash used in operating activities</b>	<b>(27,084)</b>	<b>(7,773)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(524)	(34)
Issuance of note receivable	(750)	—
<b>Net cash used in investing activities</b>	<b>(1,274)</b>	<b>(34)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	128,496	16,161
Payment of equity issuance costs	(8,525)	(593)
Proceeds from issuance of debt	—	921
Payments of debt issuance costs	—	(6)
Repayments of debt	—	(1,140)
Financing lease principal payments	(10)	(12)
<b>Net cash provided by financing activities</b>	<b>119,961</b>	<b>15,331</b>
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>91,603</b>	<b>7,524</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>24,190</b>	<b>7,595</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 115,793</b>	<b>\$ 15,119</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Series B Convertible Preferred Stock issuance	\$ 4,988	\$ —
Exercise of Warrants	\$ 603	\$ —
Forgiveness of PPP Note	\$ 426	\$ —
Issuance of Warrant Exchange Promissory Notes	\$ —	\$ 5,625
Obligation settled with common stock	\$ —	\$ 331
Equity issuance costs	\$ —	\$ 130
Purchase of property and equipment	\$ 78	\$ —
Right-of-use asset related to operating leases	\$ 926	\$ —

53. The financial statements provided in ¶ 52 were materially false and misleading, as the Company later admitted that they could not be relied on.

54. On February 28, 2022, Ocugen filed with the SEC its annual report on Form 10-K for the year ending December 31, 2021 (the 2021 Annual Report”). Attached to the 2021 Annual Report were certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

55. The 2021 Annual Report contained the following statement regarding the Company's internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2021. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, **our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.***

(Emphasis added).

56. The statement in ¶ 55 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the 2021 fiscal year.

57. The 2021 Annual Report contained the following statements:

**OCUGEN, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)

	As of December 31,	
	2021	2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 94,958	\$ 24,039
Advance for COVAXIN supply	4,988	—
Prepaid expenses and other current assets	2,700	1,839
Total current assets	102,646	25,878
Property and equipment, net	1,164	633
Restricted cash	151	151
Other assets	1,800	714
<b>Total assets</b>	<b>\$ 105,761</b>	<b>\$ 27,376</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 2,312	\$ 395
Accrued expenses and other current liabilities	4,325	2,941
Short-term debt, net	—	234
Operating lease obligations	363	44
Total current liabilities	7,000	3,614
Non-current liabilities		
Operating lease obligations, less current portion	1,231	389
Long term debt, net	1,712	1,823
Total non-current liabilities	2,943	2,212
Total liabilities	9,943	5,826
Commitments and contingencies (Note 14)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at December 31, 2021 and 2020		
Series A; seven issued and outstanding at December 31, 2021 and 2020	—	—
Series B; 54,745 and zero issued and outstanding at December 31, 2021 and 2020, respectively	1	—
Common stock; \$0.01 par value; 295,000,000 and 200,000,000 authorized; 199,502,183 and 184,133,384 shares issued, and 199,380,683 and 184,011,884 shares outstanding at December 31, 2021 and 2020, respectively	1,995	1,841
Treasury Stock, at cost, 121,500 shares at December 31, 2021 and 2020	(48)	(48)
Additional paid-in capital	225,537	93,059
Accumulated deficit	(131,667)	(73,302)
Total stockholders' equity	95,818	21,550
<b>Total liabilities and stockholders' equity</b>	<b>\$ 105,761</b>	<b>\$ 27,376</b>

**OCUGEN, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)

	Year ended December 31,		
	2021	2020	2019
Revenues			
Collaboration revenue	\$ —	\$ 43	\$ —
Total revenues	—	43	—
Operating expenses			
Research and development	35,108	6,354	8,086
In-process research and development	—	7,000	—
General and administrative	22,920	7,974	6,077
Total operating expenses	58,028	21,328	14,163
Loss from operations	(58,028)	(21,285)	(14,163)
Other income (expense)			
Change in fair value of derivative liabilities	—	—	(3,187)
Loss on debt conversion	—	—	(341)
Interest expense	(79)	(721)	(1,768)
Other income (expense)	(310)	184	(784)
Total other income (expense)	(389)	(537)	(6,080)
Loss before income taxes	(58,417)	(21,822)	(20,243)
Income tax benefit	(52)	—	—
Net loss and comprehensive income	\$ (58,365)	\$ (21,822)	\$ (20,243)
Deemed dividend related to Warrant Exchange	—	(12,546)	—
Net loss to common stockholders	\$ (58,365)	\$ (34,368)	\$ (20,243)
Shares used in calculating net loss per share attributable to common stockholders — basic and diluted	195,013,043	112,236,110	13,893,819
Net loss per share attributable to common stockholders — basic and diluted	\$ (0.30)	\$ (0.31)	\$ (1.46)

**OCUGEN, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Year ended December 31	
	2021	2020
<b>Cash flows from operating activities</b>		
Net loss	\$ (58,365)	\$ (21,822)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	229	102
Non-cash interest expense	78	721
Non-cash lease expense	360	189
In-process research and development expense	—	7,000
Change in fair value of derivative liability	—	—
Stock-based compensation expense	6,958	660
Loss on debt conversion	—	—
Income tax benefit	(52)	—
Gain on forgiveness of PPP Note	(426)	—
Impairment on note receivable	761	—
Other non-cash	26	(349)
Changes in assets and liabilities:		
Prepaid expenses and other current assets	(742)	(370)
Accounts payable and accrued expenses	3,498	(541)
Other assets	100	(104)
Lease obligations	(366)	(195)
<b>Net cash used in operating activities</b>	<b>(47,941)</b>	<b>(14,709)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(939)	(307)
Payments for asset acquisitions	(127)	—
Issuance of note receivable	(750)	—
<b>Net cash used in investing activities</b>	<b>(1,816)</b>	<b>(307)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	129,211	37,822
Payment of equity issuance costs	(8,525)	(1,477)
Purchases of treasury stock	—	—
Proceeds from Pre-Merger Financing	—	—
Proceeds from issuance of debt	—	921
Payments of debt issuance costs	—	(6)
Repayments of debt	—	(5,625)
Financing lease principal payments	(10)	(24)
<b>Net cash provided by financing activities</b>	<b>120,676</b>	<b>31,611</b>
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>70,919</b>	<b>16,595</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>24,190</b>	<b>7,595</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 95,109</b>	<b>\$ 24,190</b>

58. The financial statements provided in ¶ 57 were materially false and misleading, as the Company later admitted that they could not be relied on.

59. On May 6, 2022, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ending March 31, 2022 (the “1Q22 Report”). Attached to the 1Q22 Report were certifications pursuant to SOX signed by Defendants Musunuri and Crespo attesting to the

accuracy of financial reporting, the disclosure of any material changes to the Company's internal control over financial reporting and the disclosure of all fraud.

60. The 1Q22 Report contained the following statement regarding the Company's internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of March 31, 2022. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

61. The statement in ¶ 60 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

62. The 1Q22 Report contained the following financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	March 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 129,771	\$ 94,958
Prepaid expenses and other current assets	8,256	7,688
Total current assets	138,027	102,646
Property and equipment, net	1,921	1,164
Restricted cash	151	151
Other assets	1,628	1,800
<b>Total assets</b>	<b>\$ 141,727</b>	<b>\$ 105,761</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 3,896	\$ 2,312
Accrued expenses	3,537	4,325
Operating lease obligations	254	363
Total current liabilities	7,687	7,000
Non-current liabilities		
Operating lease obligations, less current portion	1,180	1,231
Long term debt, net	1,731	1,712
Total non-current liabilities	2,911	2,943
Total liabilities	10,598	9,943
Commitments and contingencies (Note 12)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at March 31, 2022 and December 31, 2021		
Series A; seven issued and outstanding at March 31, 2022 and December 31, 2021	—	—
Series B; 54,745 issued and outstanding at March 31, 2022 and December 31, 2021	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 215,752,926 and 199,502,183 shares issued, and 215,631,426 and 199,380,683 shares outstanding at March 31, 2022 and December 31, 2021, respectively		
	2,158	1,995
Treasury stock, at cost, 121,500 shares at March 31, 2022 and December 31, 2021	(48)	(48)
Additional paid-in capital	278,704	225,537
Accumulated deficit	(149,686)	(131,667)
Total stockholders' equity	131,129	95,818
<b>Total liabilities and stockholders' equity</b>	<b>\$ 141,727</b>	<b>\$ 105,761</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended March 31,	
	2022	2021
Operating expenses		
Research and development	\$ 7,915	\$ 2,872
General and administrative	10,119	4,185
Total operating expenses	18,034	7,057
Loss from operations	(18,034)	(7,057)
Other income (expense), net	15	(20)
Net loss and comprehensive loss	\$ (18,019)	\$ (7,077)
Shares used in calculating net loss per common share — basic and diluted		
	205,693,498	186,298,122
Net loss per share of common stock — basic and diluted	\$ (0.09)	\$ (0.04)



## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(Unaudited)

	Three months ended March 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (18,019)	\$ (7,077)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	76	44
Non-cash interest expense	19	20
Non-cash lease expense	179	68
Stock-based compensation expense	3,299	833
Changes in assets and liabilities:		
Prepaid expenses and other assets	(575)	493
Accounts payable and accrued expenses	131	405
Lease obligations	(176)	(69)
<b>Net cash used in operating activities</b>	<b>(15,066)</b>	<b>(5,283)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(223)	(261)
<b>Net cash used in investing activities</b>	<b>(223)</b>	<b>(261)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	50,177	28,125
Payment of equity issuance costs	(75)	(1,822)
Financing lease principal payments	—	(6)
<b>Net cash provided by financing activities</b>	<b>50,102</b>	<b>26,297</b>
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>34,813</b>	<b>20,753</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>95,109</b>	<b>24,190</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 129,922</b>	<b>\$ 44,943</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Series B Convertible Preferred Stock issuance	\$ —	\$ 4,988
Purchase of property and equipment	\$ 611	\$ 44
Right-of-use asset related to operating leases	\$ —	\$ 926
Equity issuance costs	\$ 71	\$ 108

63. The financial statements provided in ¶ 62 were materially false and misleading, as the Company later admitted that they could not be relied on.

64. On August 5, 2022, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ending June 30, 2022 (the “2Q22 Report”). Attached to the 2Q22 Report were certifications pursuant to SOX) signed by Defendants Musunuri and Crespo attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

65. The 2Q22 Report contained the following statement regarding the Company’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of June 30, 2022. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information*



*required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms*, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(Emphasis added).

66. The statement in ¶ 65 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

67. The 2Q22 Report contained the following financial statements:

OCUGEN, INC.

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	June 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 115,005	\$ 94,958
Prepaid expenses and other current assets	7,564	7,688
Total current assets	122,569	102,646
Property and equipment, net	3,153	1,164
Restricted cash	—	151
Other assets	4,366	1,800
<b>Total assets</b>	<b>\$ 130,088</b>	<b>\$ 105,761</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 5,921	\$ 2,312
Accrued expenses	4,103	4,325
Operating lease obligations	314	363
Total current liabilities	10,338	7,000
Non-current liabilities		
Operating lease obligations, less current portion	3,892	1,231
Long term debt, net	1,750	1,712
Total non-current liabilities	5,642	2,943
Total liabilities	15,980	9,943
Commitments and contingencies (Note 12)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at June 30, 2022 and December 31, 2021		
Series A; zero and seven shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	—	—
Series B; 54,745 shares issued and outstanding at June 30, 2022 and December 31, 2021	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 216,271,262 and 199,502,183 shares issued, and 216,149,762 and 199,380,683 shares outstanding at June 30, 2022 and December 31, 2021, respectively		
	2,163	1,995
Treasury stock, at cost, 121,500 shares at June 30, 2022 and December 31, 2021	(48)	(48)
Additional paid-in capital	281,139	225,537
Accumulated other comprehensive income	10	—

OCUGEN, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
<b>Operating expenses</b>				
Research and development	\$ 9,007	\$ 18,853	\$ 16,922	\$ 21,725
General and administrative	10,558	6,757	20,677	10,942
Total operating expenses	19,565	25,610	37,599	32,667
Loss from operations	(19,565)	(25,610)	(37,599)	(32,667)
Other income (expense), net	94	(342)	109	(362)
Net loss	\$ (19,471)	\$ (25,952)	\$ (37,490)	\$ (33,029)
Other comprehensive income (loss)				
Foreign currency translation adjustment	10	—	10	—
Comprehensive loss	\$ (19,461)	\$ (25,952)	\$ (37,480)	\$ (33,029)
Shares used in calculating net loss per common share — basic and diluted				
	215,862,977	195,572,189	210,806,330	190,960,775
Net loss per share of common stock — basic and diluted	\$ (0.09)	\$ (0.13)	\$ (0.18)	\$ (0.17)

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(Unaudited)

	Six months ended June 30,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (37,490)	\$ (33,029)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	166	93
Non-cash interest expense	38	40
Non-cash lease expense	334	134
Stock-based compensation expense	5,378	2,928
Gain on forgiveness of Paycheck Protection Program note	—	(426)
Impairment on note receivable	—	758
Changes in assets and liabilities:		
Prepaid expenses and other assets	132	965
Accounts payable and accrued expenses	2,844	1,483
Lease obligations	(265)	(130)
Other assets	—	100
<b>Net cash used in operating activities</b>	<b>(28,863)</b>	<b>(27,084)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,589)	(524)
Issuance of note receivable	—	(750)
<b>Net cash used in investing activities</b>	<b>(1,589)</b>	<b>(1,274)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	50,586	128,496
Tax payments for net share settlement of restricted stock units	(48)	—
Payment of equity issuance costs	(200)	(8,525)
Financing lease principal payments	—	(10)
<b>Net cash provided by financing activities</b>	<b>50,338</b>	<b>119,961</b>
Effect of changes in exchange rate on cash, cash equivalents, and restricted cash	10	—
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>19,896</b>	<b>91,603</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>95,109</b>	<b>24,190</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 115,005</b>	<b>\$ 115,793</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Series B Convertible Preferred Stock issuance	\$ —	\$ 4,988
Exercise of warrants	\$ —	\$ 603
Forgiveness of Paycheck Protection Program note	\$ —	\$ 426
Equity issuance costs	\$ 69	\$ —
Purchase of property and equipment	\$ 491	\$ 78
Right-of-use asset related to operating leases	\$ 2,918	\$ 926

68. The financial statements provided in ¶ 67 were materially false and misleading, as the Company later admitted that they could not be relied on.

69. On November 8, 2022, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ending September 30, 2022 (the “3Q22 Report”). Attached to the 3Q22 Report were certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”) signed by Defendants Musunuri and Crespo attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

70. The 3Q22 Report contained the following statement regarding the Company’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of September 30, 2022. Based upon this evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

71. The statement in ¶ 70 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

72. The 3Q22 Report contained the following financial statements:

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

(Unaudited)

	September 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 101,602	\$ 94,958
Prepaid expenses and other current assets	5,895	7,688
Total current assets	107,497	102,646
Property and equipment, net	4,517	1,164
Restricted cash	—	151
Other assets	4,225	1,800
<b>Total assets</b>	<b>\$ 116,239</b>	<b>\$ 105,761</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 6,460	\$ 2,312
Accrued expenses	8,004	4,325
Operating lease obligations	443	363
Total current liabilities	14,907	7,000
Non-current liabilities		
Operating lease obligations, less current portion	3,764	1,231
Long term debt, net	2,265	1,712
Total non-current liabilities	6,029	2,943
Total liabilities	20,936	9,943
Commitments and contingencies (Note 12)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at September 30, 2022 and December 31, 2021		
Series A; zero and seven shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	—	—
Series B; 54,745 shares issued and outstanding at September 30, 2022 and December 31, 2021	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 216,809,937 and 199,502,183 shares issued, and 216,688,437 and 199,380,683 shares outstanding at September 30, 2022 and December 31, 2021, respectively	2,168	1,995
Treasury stock, at cost, 121,500 shares at September 30, 2022 and December 31, 2021	(48)	(48)
Additional paid-in capital	284,231	225,537
Accumulated other comprehensive income	30	—
Accumulated deficit	(191,079)	(131,667)
Total stockholders' equity	95,303	95,818
<b>Total liabilities and stockholders' equity</b>	<b>\$ 116,239</b>	<b>\$ 105,761</b>

(in thousands, except share and per share amounts)  
 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Operating expenses				
Research and development	\$ 15,622	\$ 6,281	\$ 32,544	\$ 28,006
General and administrative	7,497	4,508	28,174	15,450
Total operating expenses	23,119	10,789	60,718	43,456
Loss from operations	(23,119)	(10,789)	(60,718)	(43,456)
Other income (expense), net	1,197	(18)	1,306	(380)
Loss before income taxes	(21,922)	(10,807)	(59,412)	(43,836)
Income tax benefit	—	(52)	—	(52)
Net loss	\$ (21,922)	\$ (10,755)	\$ (59,412)	\$ (43,784)
Other comprehensive income (loss)				
Foreign currency translation adjustment	20	—	30	—
Comprehensive loss	\$ (21,902)	\$ (10,755)	\$ (59,382)	\$ (43,784)

OCUGEN, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (in thousands)  
 (Unaudited)

	Nine months ended September 30,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (59,412)	\$ (43,784)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	307	151
Non-cash interest expense	58	59
Non-cash lease expense	463	200
Stock-based compensation expense	7,873	4,275
Income tax benefit	—	(52)
Gain on forgiveness of Paycheck Protection Program note	—	(426)
Impairment on note receivable	—	761
Other	(673)	—
Changes in assets and liabilities:		
Prepaid expenses and other assets	1,888	845
Accounts payable and accrued expenses	6,592	2,925
Lease obligations	(261)	(191)
Other assets	—	100
<b>Net cash used in operating activities</b>	<b>(43,165)</b>	<b>(35,137)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(2,433)	(747)
Asset acquisition	—	(127)
Issuance of note receivable	—	(750)
Repayment of note receivable	761	—
<b>Net cash used in investing activities</b>	<b>(1,672)</b>	<b>(1,624)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	51,198	128,606
Tax payments for net share settlement of restricted stock units	(57)	—
Payment of equity issuance costs	(298)	(8,525)
Proceeds from issuance of debt	500	—
Payment of debt issuance costs	(43)	—
Financing lease principal payments	—	(10)
<b>Net cash provided by financing activities</b>	<b>51,300</b>	<b>120,071</b>
<b>Effect of changes in exchange rate on cash, cash equivalents, and restricted cash</b>	<b>30</b>	<b>—</b>
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>6,493</b>	<b>83,310</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>95,109</b>	<b>24,190</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 101,602</b>	<b>\$ 107,500</b>



73. The financial statements provided in ¶ 72 were materially false and misleading, as the Company later admitted that they could not be relied on.

74. On February 28, 2023, Ocugen filed with the SEC its annual report on Form 10-K for the year ending December 31, 2022 (the “2022 Annual Report”). Attached to the 2022 Annual Report were certifications pursuant to SOX signed by Defendants Musunuri and Crespo attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

75. The 2022 Annual Report contained the following statement regarding the Company’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2022.* Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this Annual Report on Form 10-K, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

76. The statement in ¶ 75 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the fiscal year.

77. The 2022 Annual Report contained the following financial statements:



## OCUGEN, INC.

## CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

	As of December 31,	
	2022	2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 77,563	\$ 94,958
Marketable securities	13,371	—
Prepaid expenses and other current assets	7,558	7,688
Total current assets	98,492	102,646
Property and equipment, net	6,053	1,164
Restricted cash	—	151
Other assets	4,087	1,800
<b>Total assets</b>	<b>\$ 108,632</b>	<b>\$ 105,761</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 8,062	\$ 2,312
Accrued expenses and other current liabilities	9,900	4,325
Operating lease obligations	498	363
Total current liabilities	18,460	7,000
Non-current liabilities		
Operating lease obligations, less current portion	3,587	1,231
Long term debt, net	2,289	1,712
Other non-current liabilities	244	—
Total non-current liabilities	6,120	2,943
Total liabilities	24,580	9,943
Commitments and contingencies (Note 15)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at December 31, 2022 and 2021		
Series A; zero and seven issued and outstanding at December 31, 2022 and 2021, respectively	—	—
Series B; 54,745 issued and outstanding at December 31, 2022 and 2021	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized; 221,721,182 and 199,502,183 shares issued, and 221,599,682 and 199,380,683 shares outstanding at December 31, 2022 and 2021, respectively	2,217	1,995
Treasury stock, at cost, 121,500 shares at December 31, 2022 and 2021	(48)	(48)
Additional paid-in capital	294,874	225,537
Accumulated other comprehensive income	26	—
Accumulated deficit	(213,018)	(131,667)
Total stockholders' equity	84,052	95,818
<b>Total liabilities and stockholders' equity</b>	<b>\$ 108,632</b>	<b>\$ 105,761</b>

**OCUGEN, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)

	Year ended December 31,	
	2022	2021
Operating expenses		
Research and development	\$ 49,757	\$ 35,108
General and administrative	35,111	22,920
Total operating expenses	84,868	58,028
Loss from operations	(84,868)	(58,028)
Other income (expense), net	3,517	(389)
Loss before income taxes	(81,351)	(58,417)
Income tax benefit	—	(52)
Net loss	<u>\$ (81,351)</u>	<u>\$ (58,365)</u>
Other comprehensive income (loss)		
Foreign currency translation adjustment	25	—
Unrealized gain (loss) on marketable securities	1	—
Comprehensive loss	<u>\$ (81,325)</u>	<u>\$ (58,365)</u>

**OCUGEN, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Year ended December 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (81,351)	\$ (58,365)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	480	229
Amortization (accretion) on marketable securities	(99)	—
Non-cash interest expense	83	78
Non-cash lease expense	593	360
Stock-based compensation expense	10,541	6,958
Income tax benefit	—	(52)
Gain on forgiveness of Paycheck Protection Program note	—	(426)
Impairment on note receivable	—	761
Other	479	26
Changes in assets and liabilities:		
Prepaid expenses and other current assets	91	(742)
Accounts payable and accrued expenses	9,487	3,498
Lease obligations	(383)	(366)
Other assets	—	100
<b>Net cash used in operating activities</b>	<u>(60,079)</u>	<u>(47,941)</u>
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(13,271)	—
Purchases of property and equipment	(4,457)	(939)
Asset acquisition	—	(127)
Issuance of note receivable	—	(750)
Repayment of note receivable	761	—
<b>Net cash used in investing activities</b>	<u>(16,967)</u>	<u>(1,816)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net	59,567	129,211
Payment of equity issuance costs	(549)	(8,525)
Proceeds from issuance of debt	500	—
Payments of debt issuance costs	(43)	—
Financing lease principal payments	—	(10)
<b>Net cash provided by financing activities</b>	<u>59,475</u>	<u>120,676</u>
<b>Effect of changes in exchange rate on cash, cash equivalents, and restricted cash</b>	<u>25</u>	<u>—</u>
<b>Net (decrease) increase in cash, cash equivalents, and restricted cash</b>	<u>(17,546)</u>	<u>70,919</u>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<u>95,109</u>	<u>24,190</u>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<u>\$ 77,563</u>	<u>\$ 95,109</u>

78. The financial statements provided in ¶ 77 were materially false and misleading, as the Company later admitted that they could not be relied on.

79. On May 5, 2023, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ending March 31, 2023 (the “1Q23 Report”). Attached to the 1Q23 Report were certifications pursuant to SOX signed by Defendants Musunuri and Vu attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

80. The 1Q23 Report contained the following statement regarding the Company’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of March 31, 2023. Based upon this evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

81. The statement in ¶ 80 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

82. The 1Q23 Report contained the following financial statements:

## CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

(Unaudited)

	March 31, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 68,259	\$ 77,563
Marketable securities	8,462	13,371
Prepaid expenses and other current assets	7,680	7,558
Total current assets	84,401	98,492
Property and equipment, net	7,952	6,053
Other assets	3,946	4,087
<b>Total assets</b>	<b>\$ 96,299</b>	<b>\$ 108,632</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 8,092	\$ 8,062
Accrued expenses and other current liabilities	5,823	9,900
Operating lease obligations	512	498
Current portion of long term debt	1,256	—
Total current liabilities	15,683	18,460
Non-current liabilities		
Operating lease obligations, less current portion	3,449	3,587
Long term debt, net	1,058	2,289
Other non-current liabilities	309	244
Total non-current liabilities	4,816	6,120
Total liabilities	20,499	24,580
Commitments and contingencies (Note 13)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at March 31, 2023 and December 31, 2022		
Series A; zero shares issued and outstanding at March 31, 2023 and December 31, 2022	—	—
Series B; 54,745 shares issued and outstanding at March 31, 2023 and December 31, 2022	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 226,548,693 and 221,721,182 shares issued, and 226,427,193 and 221,599,682 shares outstanding at March 31, 2023 and December 31, 2022, respectively	2,265	2,217
Treasury stock, at cost, 121,500 shares at March 31, 2023 and December 31, 2022	(48)	(48)
Additional paid-in capital	303,073	294,874
Accumulated other comprehensive income	25	26
Accumulated deficit	(229,516)	(213,018)
Total stockholders' equity	75,800	84,052
<b>Total liabilities and stockholders' equity</b>	<b>\$ 96,299</b>	<b>\$ 108,632</b>

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except share and per share amounts)

(Unaudited)

	Three months ended March 31,	
	2023	2022
Operating expenses		
Research and development	\$ 9,558	\$ 7,915
General and administrative	8,193	10,119
Total operating expenses	17,751	18,034
Loss from operations	(17,751)	(18,034)
Other income (expense), net	1,253	15
Net loss	\$ (16,498)	\$ (18,019)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(1)	—
Comprehensive loss	\$ (16,499)	\$ (18,019)
Shares used in calculating net loss per common share — basic and diluted	225,523,627	205,693,498
Net loss per share of common stock — basic and diluted	\$ (0.07)	\$ (0.09)

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(Unaudited)

	Three months ended March 31,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss	\$ (16,498)	\$ (18,019)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	174	76
Amortization (accretion) on marketable securities	(143)	—
Non-cash interest expense	24	19
Non-cash lease expense	131	179
Stock-based compensation expense	2,689	3,299
Other	352	—
Changes in assets and liabilities:		
Prepaid expenses and other current assets	(60)	(575)
Accounts payable and accrued expenses	(4,784)	131
Lease obligations	(125)	(176)
<b>Net cash used in operating activities</b>	<b>(18,240)</b>	<b>(15,066)</b>
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(3,947)	—
Proceeds from the maturities of marketable securities	9,000	—
Purchases of property and equipment	(1,612)	(223)
<b>Net cash provided by (used in) investing activities</b>	<b>3,441</b>	<b>(223)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net	5,731	50,177
Payment of equity issuance costs	(173)	(75)
Payment of debt issuance costs	(62)	—
<b>Net cash provided by financing activities</b>	<b>5,496</b>	<b>50,102</b>
<b>Effect of changes in exchange rate on cash, cash equivalents, and restricted cash</b>	<b>(1)</b>	<b>—</b>
<b>Net (decrease) increase in cash, cash equivalents, and restricted cash</b>	<b>(9,304)</b>	<b>34,813</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>77,563</b>	<b>95,109</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 68,259</b>	<b>\$ 129,922</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Purchases of property and equipment	\$ 1,119	\$ 611
Equity issuance costs	\$ —	\$ 71

83. The financial statements provided in ¶ 82 were materially false and misleading, as the Company later admitted that they could not be relied on.

84. On August 21, 2023, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ending June 30, 2023 (the “2Q23 Report”). Attached to the 2Q23 Report were certifications pursuant to SOX signed by Defendant Musunuri (in the capacity of CEO as well as interim principal financial officer) attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

85. The 2Q23 Report contained the following statement regarding the Company’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer who is also our interim*

*principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of June 30, 2023.* Based upon this evaluation, our principal executive officer/interim principal financial officer concluded that, as of the end of the period covered by this report, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer/interim principal financial officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

86. The statement in ¶ 85 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

87. The 2Q23 Report contained the following financial statements:



OCUGEN, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands, except share and per share amounts)  
(Unaudited)

	June 30, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 70,578	\$ 77,563
Marketable securities	—	13,371
Prepaid expenses and other current assets	2,874	7,558
Total current assets	73,452	98,492
Property and equipment, net	11,720	6,053
Other assets	3,804	4,087
<b>Total assets</b>	<b>\$ 88,976</b>	<b>\$ 108,632</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 3,881	\$ 8,062
Accrued expenses and other current liabilities	7,787	9,900
Operating lease obligations	526	498
Current portion of long term debt	1,266	—
Total current liabilities	13,460	18,460
Non-current liabilities		
Operating lease obligations, less current portion	3,308	3,587
Long term debt, net	1,472	2,289
Other non-current liabilities	455	244
Total non-current liabilities	5,235	6,120
Total liabilities	18,695	24,580
Commitments and contingencies (Note 13)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at June 30, 2023 and December 31, 2022		
Series A; zero shares issued and outstanding at June 30, 2023 and December 31, 2022	—	—
Series B; 54,745 shares issued and outstanding at June 30, 2023 and December 31, 2022	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 256,608,552 and 221,721,182 shares issued, and 256,487,052 and 221,599,682 shares outstanding at June 30, 2023 and December 31, 2022, respectively	2,566	2,217
Treasury stock, at cost, 121,500 shares at June 30, 2023 and December 31, 2022	(48)	(48)
Additional paid-in capital	320,181	294,874
Accumulated other comprehensive income	22	26
Accumulated deficit	(252,441)	(213,018)
Total stockholders' equity	70,281	84,052
<b>Total liabilities and stockholders' equity</b>	<b>\$ 88,976</b>	<b>\$ 108,632</b>

OCUGEN, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except share and per share amounts)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Operating expenses				
Research and development	\$ 14,169	\$ 9,007	\$ 23,727	\$ 16,922
General and administrative	9,564	10,558	17,757	20,677
Total operating expenses	23,733	19,565	41,484	37,599
Loss from operations	(23,733)	(19,565)	(41,484)	(37,599)
Other income (expense), net	808	94	2,061	109
Net loss	\$ (22,925)	\$ (19,471)	\$ (39,423)	\$ (37,490)
Other comprehensive income (loss)				
Foreign currency translation adjustment	(2)	10	(3)	10
Unrealized gain (loss) on marketable securities	(1)	—	(1)	—
Comprehensive loss	\$ (22,928)	\$ (19,461)	\$ (39,427)	\$ (37,480)
Shares used in calculating net loss per common share — basic and diluted	238,311,498	215,862,977	231,952,888	210,806,330
Net loss per share of common stock — basic and diluted	\$ (0.10)	\$ (0.09)	\$ (0.17)	\$ (0.18)

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Six months ended June 30,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss	\$ (39,423)	\$ (37,490)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	348	166
Amortization (accretion) on marketable securities	(182)	—
Non-cash interest expense	54	38
Non-cash lease expense	265	334
Stock-based compensation expense	5,321	5,378
Impairment of advance for COVAXIN supply	4,074	—
Loss on disposal of fixed assets related to COVAXIN	363	—
Other	439	—
Changes in assets and liabilities:		
Prepaid expenses and other current assets	572	132
Accounts payable and accrued expenses	(8,625)	2,844
Lease obligations	(252)	(265)
<b>Net cash used in operating activities</b>	<b>(37,046)</b>	<b>(28,863)</b>
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(3,947)	—
Proceeds from the maturities of marketable securities	17,500	—
Purchases of property and equipment	(4,389)	(1,589)
<b>Net cash provided by (used in) investing activities</b>	<b>9,164</b>	<b>(1,589)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net	20,690	50,538
Payment of equity issuance costs	(222)	(200)
Proceeds from issuance of debt	500	—
Payment of debt issuance costs	(68)	—
<b>Net cash provided by financing activities</b>	<b>20,900</b>	<b>50,338</b>
Effect of changes in exchange rate on cash and cash equivalents	(3)	10
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(6,985)</b>	<b>19,896</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>77,563</b>	<b>95,109</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 70,578</b>	<b>\$ 115,005</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Equity issuance costs	\$ 133	\$ 69
Purchases of property and equipment	\$ 2,637	\$ 491
Right-of-use asset related to operating leases	\$ —	\$ 2,918

88. The financial statements provided in ¶ 87 were materially false and misleading, as the Company later admitted that they could not be relied on.

89. On November 9, 2023, Ocugen filed with the SEC its quarterly report on Form 10-Q for the period ending September 30, 2023 (the “3Q23 Report”). Attached to the 3Q23 Report were certifications pursuant to SOX signed by Defendant Musunuri and Breininger attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

90. The 3Q23 Report contained the following statement regarding the Company’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of September 30, 2023. Based upon this evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

91. The statement in ¶ 90 was materially false and misleading at the time it was made because the Company lacked adequate internal controls, as the Company had materially misstated its financial results for the quarter.

92. The 3Q23 Report contained the following financial statements:

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

(Unaudited)

	September 30, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 53,477	\$ 77,563
Marketable securities	—	13,371
Prepaid expenses and other current assets	3,081	7,558
Total current assets	56,558	98,492
Property and equipment, net	14,469	6,053
Other assets	3,660	4,087
<b>Total assets</b>	<b>\$ 74,687</b>	<b>\$ 108,632</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 2,921	\$ 8,062
Accrued expenses and other current liabilities	6,399	9,900
Operating lease obligations	540	498
Current portion of long term debt	1,276	—
Total current liabilities	11,136	18,460
Non-current liabilities		
Operating lease obligations, less current portion	3,164	3,587
Long term debt, net	1,495	2,289
Other non-current liabilities	497	244
Total non-current liabilities	5,156	6,120
Total liabilities	16,292	24,580
Commitments and contingencies (Note 13)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at September 30, 2023 and December 31, 2022		
Series A; zero shares issued and outstanding at September 30, 2023 and December 31, 2022	—	—
Series B; 54,745 shares issued and outstanding at September 30, 2023 and December 31, 2022	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 256,621,487 and 221,721,182 shares issued, and 256,499,987 and 221,599,682 shares outstanding at September 30, 2023 and December 31, 2022, respectively	2,566	2,217
Treasury stock, at cost, 121,500 shares at September 30, 2023 and December 31, 2022	(48)	(48)
Additional paid-in capital	322,452	294,874
Accumulated other comprehensive income	27	26
Accumulated deficit	(266,603)	(213,018)
Total stockholders' equity	58,395	84,052
<b>Total liabilities and stockholders' equity</b>	<b>\$ 74,687</b>	<b>\$ 108,632</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Operating expenses				
Research and development	\$ 6,342	\$ 15,622	\$ 30,069	\$ 32,544
General and administrative	9,082	7,497	26,839	28,174
Total operating expenses	15,424	23,119	56,908	60,718
Loss from operations	(15,424)	(23,119)	(56,908)	(60,718)
Other income (expense), net	1,262	1,197	3,323	1,306
Net loss	\$ (14,162)	\$ (21,922)	\$ (53,585)	\$ (59,412)
Other comprehensive income (loss)				
Foreign currency translation adjustment	5	20	2	30
Unrealized gain (loss) on marketable securities	—	—	(1)	—
Comprehensive loss	\$ (14,157)	\$ (21,902)	\$ (53,584)	\$ (59,382)
Shares used in calculating net loss per common share — basic and diluted	256,492,558	216,591,011	240,222,667	212,755,746
Net loss per share of common stock — basic and diluted	\$ (0.06)	\$ (0.10)	\$ (0.22)	\$ (0.28)

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Nine months ended September 30,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss	\$ (53,585)	\$ (59,412)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	525	307
Amortization (accretion) on marketable securities	(182)	—
Non-cash interest expense	87	58
Non-cash lease expense	401	463
Stock-based compensation expense	7,495	7,873
Impairment of advance for COVAXIN supply	4,074	—
Loss on disposal of fixed assets related to COVAXIN	363	—
Other	379	(673)
Changes in assets and liabilities:		
Prepaid expenses and other current assets	132	1,888
Accounts payable and accrued expenses	(10,059)	6,592
Lease obligations	(382)	(261)
<b>Net cash used in operating activities</b>	<b>(50,752)</b>	<b>(43,165)</b>
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(3,947)	—
Proceeds from the maturities of marketable securities	17,500	—
Purchases of property and equipment	(7,754)	(2,433)
Repayment of note receivable	—	761
<b>Net cash provided by (used in) investing activities</b>	<b>5,799</b>	<b>(1,672)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net	20,788	51,141
Payment of equity issuance costs	(355)	(298)
Proceeds from issuance of debt	500	500
Payment of debt issuance costs	(68)	(43)
<b>Net cash provided by financing activities</b>	<b>20,865</b>	<b>51,300</b>
Effect of changes in exchange rate on cash and cash equivalents	2	30
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(24,086)</b>	<b>6,493</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>77,563</b>	<b>95,109</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 53,477</b>	<b>\$ 101,602</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Equity issuance costs	\$ —	\$ 2
Purchases of property and equipment	\$ 1,969	\$ 1,231
Right-of-use asset related to operating leases	\$ —	\$ 2,916
Debt issuance costs	\$ —	\$ 19

93. The financial statements provided in ¶ 92 were materially false and misleading, as the Company later admitted that they could not be relied on.

94. The statements contained in ¶¶ 20, 22, 25, 27, 30, 32, 35, 37, 42, 45, 47, 50, 52, 55, 57, 60, 62, 65, 67, 70, 72, 75, 77, 80, 82, 85, 87, 90 and 92 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operations, and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) Ocugen's financial statements from May 8, 2020 to the present were



materially misstated; (2) Ocugen did not have adequate internal controls; and (3) as a result, Defendants' statements about its business, operations, and prospects, were materially false and misleading and/or lacked a reasonable basis at all times.

### **THE TRUTH EMERGES**

95. On April 1, 2024, after the market closed, Ocugen filed with the SEC a current report on Form 8-K (the "Restatement Announcement"). The Restatement Announcement stated the following:

In connection with the preparation of the financial statements of Ocugen, Inc. (the "Company") for the year ended December 31, 2023, the Company, in consultation with its independent registered public accounting firm, Ernst & Young LLP ("EY"), identified certain accounting errors related to the application of U.S. GAAP to certain agreements with one of its business partners related to a collaboration agreement.

On April 1, 2024, the Audit Committee of the Board of Directors (the "Audit Committee"), based on the recommendation of management and after consultation with EY, ***concluded that the Company's previously-issued audited consolidated financial statements for each fiscal year beginning January 1, 2020 and its previously-issued unaudited interim condensed consolidated financial statements for each of the first three quarters in such years, as well as the associated earnings releases and investor presentations or other communications describing such financial statements, were materially misstated and, accordingly, should no longer be relied upon.***

***The Company intends to restate its consolidated financial statements as of and for the year ended December 31, 2022, in connection with the filing of its 2023 Form 10-K. Similarly, the Company will include restated unaudited financial information for each of the first three quarters of 2023 and 2022 in its 2023 Form 10-K (each such annual and quarterly period to be restated, a "Restated Period").***

The identified errors in each of the Restated Periods relate to the Company's accounting for the estimated costs in one of its collaboration arrangements. ***These identified errors will result in a restatement of the following financial statement line item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.***

The Company is currently not in a position to provide a reasonable estimate of the anticipated changes in its results of operations for the year ended December 31, 2023, for any Restated Period. However, the Company does not expect the errors to result in any impact on its cash position, cash runway, or financial projections.

Additionally, the Company has determined that the errors resulted from the existence of a material weakness in its internal control over financial reporting that also existed during the Restated Periods and that its internal control over financial reporting was not effective as of December 31, 2023. As a result, the Company's Chief Executive Officer and Chief Accounting Officer have concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2023.

On April 1, 2024, the Company filed a notification of inability to timely file Form 10-K on Form 12b-25 due to additional time required for the Company to correct the errors described above and prepare restated financial statements. At this time, the Company expects to file the 2023 Form 10-K no later than April 16, 2024. However, there can be no assurance that the Company will be able to prepare restated financial statements and file the 2023 Form 10-K on the timeline anticipated, or that no additional errors will be identified.

(Emphasis added).

96. As mentioned above in the Restatement announcement, after market hours on April 1, 2024, the Company filed with the SEC a Notification of Late Filing on Form 12b-25. It stated, in pertinent part, the following:

In connection with the preparation of the financial statements of the Company for the year ended December 31, 2023, the Company identified certain accounting errors relating to the application of U.S. GAAP to certain agreements with one of its business partners related to a collaboration agreement. As a result, the Company intends to restate its financial statements for the year ended December 31, 2022 and for each of the first three quarters of 2022 and 2023 in the 2023 Form 10-K, the review and preparation of which is currently ongoing. Given the scope of the process to prepare the restatements and related disclosures, the Company requires additional time to prepare and review its financial statements and other disclosures in its 2023 Form 10-K. Therefore, the Company is unable to complete and file the 2023 Form 10-K by the required due date of April 1, 2024.

97. On this news, Ocugen's stock fell \$0.16 per share, or 10.38%, to close at \$1.38 per share on April 2, 2024, damaging investors.

98. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's common shares, Plaintiff and the other Class members have suffered significant losses and damages.

**PLAINTIFF’S CLASS ACTION ALLEGATIONS**

99. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons other than defendants who acquired Ocugen securities publicly traded on the NASDAQ during the Class Period, and who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers and directors of the Company, members of the Individual Defendants’ immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

100. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, the Company’s securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds, if not thousands of members in the proposed Class.

101. Plaintiff’s claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants’ wrongful conduct in violation of federal law that is complained of herein.

102. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

103. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the Exchange Act was violated by Defendants’ acts as alleged herein;

- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business and financial condition of the Company;
- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- whether the Defendants caused the Company to issue false and misleading filings during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false filings;
- whether the prices of the Company's securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

104. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

105. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- the Company's securities met the requirements for listing, and were listed and actively traded on the NASDAQ, an efficient market;

- as a public issuer, the Company filed public reports;
- the Company communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases via major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;
- the Company's securities were liquid and traded with moderate to heavy volume during the Class Period; and
- the Company was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

106. Based on the foregoing, the market for the Company securities promptly digested current information regarding the Company from all publicly available sources and reflected such information in the prices of the common units, and Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

107. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information as detailed above.

**COUNT I**  
**For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder**  
**Against All Defendants**

108. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

109. This Count asserted against Defendants is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

110. During the Class Period, Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

111. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;
- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of the Company's securities during the Class Period.

112. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. These defendants by virtue of their receipt of information reflecting the true facts of the Company, their control over, and/or receipt and/or modification of the Company's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential

proprietary information concerning the Company, participated in the fraudulent scheme alleged herein.

113. Individual Defendants, who are or were senior executives and/or directors of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other Company's personnel to members of the investing public, including Plaintiff and the Class.

114. As a result of the foregoing, the market price of the Company's securities was artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of the Company's securities during the Class Period in purchasing the Company's securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

115. Had Plaintiff and the other members of the Class been aware that the market price of the Company's securities had been artificially and falsely inflated by Defendants' misleading statements and by the material adverse information which Defendants did not disclose, they would not have purchased the Company's securities at the artificially inflated prices that they did, or at all.

116. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

117. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members



of the Class for substantial damages which they suffered in connection with their purchase of the Company's securities during the Class Period.

**COUNT II**  
**Violations of Section 20(a) of the Exchange Act**  
**Against the Individual Defendants**

118. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

119. During the Class Period, the Individual Defendants participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the conduct of the Company's business affairs. Because of their senior positions, they knew the adverse non-public information about the Company's misstatement of revenue and profit and false financial statements.

120. As officers of a public business, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to the Company's financial condition and results of operations, and to correct promptly any public statements issued by the Company which had become materially false or misleading.

121. Because of their positions of control and authority as senior executives and/or directors, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which the Company disseminated in the marketplace during the Class Period concerning the Company's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause the Company to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of the Company within the meaning of Section 20(a) of the Exchange Act.

In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Company securities.

122. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by the Company.

**PRAYER FOR RELIEF**

**WHEREFORE**, plaintiff, on behalf of himself and the Class, prays for judgment and relief as follows:

(a) declaring this action to be a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead Counsel;

(b) awarding damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, together with interest thereon;

(c) awarding plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) awarding plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.