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Bionano Genomics enters into debt and equity financing agreements totaling $41.5m in commitments

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Bionano Genomics, a life sciences instrumentation company that develops and markets Saphyr, a platform for ultra-sensitive and ultra-specific structural variation detection in genome analysis has announced it has entered into financing agreements totaling $41.5 million in debt and equity commitments from affiliates of Innovatus Capital Partners, LLC, East West Bank and Aspire Capital Fund, LLC.

The Company has entered into a Loan and Security Agreement with an affiliate of Innovatus Capital Partners and East West Bank. Innovatus has agreed to make term loans in the aggregate of $25.0 million available to the Company, with funding of $20.0 million expected to occur on or about March 22, 2019. The Company will be eligible to draw on a $5.0 million second tranche upon achievement of certain financial milestones. The Company intends to use approximately $11 million of the term loan proceeds to terminate its existing debt with Midcap Financial Services, LLC. In addition, Innovatus will receive 3.75% warrant coverage on each tranche of the term loan. Pursuant to the agreement, East West Bank has agreed to make a revolving line of credit of up to $5.0 million available to the Company.

The Company has entered into a Common Stock Purchase Agreement with affiliates of Innovatus, pursuant to which such affiliates purchased 406,504 shares of the Company's common stock for an aggregate purchase price of $1.5 million. The Company also entered into a Registration Rights Agreement with the purchasers of its common stock to facilitate the sale and distribution of all or a portion of such shares pursuant to a registration statement to be filed with the SEC.

The Company has entered into a Common Stock Purchase Agreement for up to $10.0 million with Aspire Capital. Aspire has made an initial purchase of 272,479 shares of the Company's common stock for an aggregate purchase price of $1.0 million. In addition, Aspire Capital has committed to purchase up to $9.0 million of additional shares of the Company's common stock upon the Company's request from time to time during a 30-month period and at prices based on the market price at the time of each sale. There are no warrants, derivatives or other securities associated with this agreement. As consideration for Aspire Capital's obligations under the Agreement, the Company issued 69,444 shares of its common stock to Aspire Capital as a commitment fee. The Company also entered into a Registration Rights Agreement with Aspire Capital that requires the Company to file a registration statement for the resale of the shares sold to Aspire Capital.

"Bionano's technology for detection of structural variants in patients with genetic disease and cancer has the potential to simplify the current diagnostic odyssey and shorten the search for answers," commented Claes Ekstrom, Managing Director at Innovatus. "We are excited to support Bionano's quest to yield genetic information for patients that has long been unavailable."

"Given management's proven track record, attractive comparable valuations based on recent M&A activity, independent validation of the technology platform through publication in high impact journals, and continued progress in improving both cost and throughput of the system, we are very pleased to establish this long-term financial partnership and to support Bionano's pioneering efforts in the field of digital cytogenetics," said Steven G. Martin, Managing Member of Aspire Capital. "Through our diligence, we've come to recognize the significant limitations conventional technologies have in identifying large structural variants. We believe that Saphyr enables the elucidation of these genomic changes and their potential far-reaching impact on human biology."

"The financing enables us to further develop our global commercialization strategy and enhances our ability to drive the adoption of the Saphyr system," said Erik Holmlin, Ph.D., CEO of Bionano. "We are delighted to be partnering with Innovatus Capital, East West Bank and Aspire Capital. We are also pleased to have lengthened our current cash runway in such a capital-efficient manner."