

Open Orphan PLC

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Open Orphan and hVIVO to merge

Two of AIM's pharmaceutical services providers - Open Orphan PLC (LON:ORPH) and hVIVO PLC (LON:HVO) - are planning to merge.

The boards of the two companies have agreed on a merger whereby hVIVO shareholders will receive 2.47 Open Orphan shares for every hVIVO share they hold.

WATCH: Open Orphan PLC's Cathal Friel details merger with 'sleeping giant' hVIVO

Based on Friday's closing price for Open Orphan shares, the terms value each hVIVO share at 15.56p and hVIVO in its entirety at around £12.96mln.

On Friday, hVIVO shares closed at 11.62p.

Assuming the merger goes through, hVIVO shareholders will end up owning around 44.7% of the combined entity.

The directors of Open Orphan and hVIVO believe that the combination of the businesses will result in synergies across the enlarged group.

The businesses are complementary to each other with limited overlap in existing capabilities and customers.

The combination of the two companies will allow the commercialisation of the hVIVO database through the Open Orphan platform.

Open Orphan intends to maintain the existing research and development activities of hVIVO, relative to supporting hVIVO's clinical development services offering.

As the merger is defined as a reverse takeover under AIM's rules Open Orphan will need to seek the approval of its shareholders for the offer to proceed.

It is envisaged that shares of the merged company will be listed on AIM and the Euronext Growth market.

"The merger of Open Orphan and hVIVO is a key milestone in the execution of our strategy to become a larger-scale specialist pharma services business and in complementary segments where specialist skills and know-how command higher margins," declared Cathal Friel, the chief executive officer (CEO) of Open Orphan.

"The leadership team has the skills, experience and commitment to deliver the enlarged group's potential. The merger allows the combined business to maximise shareholder value through delivering cost and revenue synergies across the businesses and one that is better positioned to consistently capture greater market share as part of a properly profitable business with losses confined to the past," Friel added.

Dr Trevor Philips, the executive chairman of hVIVO, said the hVIVO merger offered hVIVO shareholders to participate

Price: 15

Market Cap: £82.36 m

1 Year Share Price Graph



June 2019 December 2019 May 2020

Share Information

Code: ORPH

Listing: AIM

52 week	High	Low
	16.4999	4.64

Sector: Pharma & Biotech

Website: www.openorphan.com

Company Synopsis:

Open Orphan is a rapidly growing specialist CRO pharmaceutical services company which has a focus on orphan drugs and is a world leader in the provision of virology and vaccine challenge study services and viral laboratory services. It has Europe's only 24-bedroom quarantine clinic with onsite virology lab in Queen Mary's Hospital London.

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in a larger business with greater growth potential.

"Together, we share a similar vision for the future of European CROs [contract research organisations] and an entrepreneurial approach to developing further the enlarged group through a focus on operational efficiency, organic growth and targeted acquisitions to expand geographic and service capabilities," Phillips said.

Following the completion of the offer, it is intended that Phillips will become CEO of the enlarged group and Friel the executive chairman.

They will be joined on the enlarged group's board by Brendan Buckley, Mark Warne and Michael Meade as non-executive directors.

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