



A French société anonyme (limited company) with share capital of €3,521,707.98
Registered office: 74 rue du Faubourg Saint-Antoine, 75012 Paris Paris Trade and Companies Register No. 538 797 655

HALF-YEAR FINANCIAL REPORT

2022

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I - DESCRIPTION OF THE GROUP

The Company

Pixium Vision, a bioelectronics company that specialises in sensorial neuromodulation, was created in December 2011 based on the collaborative work of several scientific teams from prestigious and academic institutions, such as the French Institut de Vision (UPMC, CNRS, INSERM), the Quinze-Vingts National Ophthalmology Medical Centre and Stanford University in California.

Pixium's mission is to create a world of bionic vision for those who have lost their sight, enabling them to regain partial visual perception and greater autonomy. Pixium is an advanced clinical stage company that specialises in neuromodulation to treat vision disorders. Its Prima system is leveraging a cutting edge wireless sub-retinal neurostimulation micro implant with state-of-the-art augmented reality smart glasses driven by proprietary artificial intelligence-ready algorithms.

We are initially focusing our Prima System on the AMD market because we believe that the Prima System has the potential to offer benefits to AMD patients, including restoring functional vision in areas the photoreceptors have degenerated, and allowing patients to combine their remaining natural peripheral vision with the bionic vision from the Prima System. In our feasibility study in France, or the European Feasibility Study, that we started in November 2017, our Prima System achieved successful elicitation of light perception in the central retinal area in all subjects.

After the encouraging results of improvements in visual acuity demonstrated by the European Feasibility Study, in November 2020, we commenced a pivotal registration study in Europe, or the PRIMAVera study, and expect initial 12-month data in late 2023. We expect the PRIMAVera study will be the basis for the CE marking of our device in Europe under the MDR as early as late 2024. The European Feasibility Study, which we commenced in November 2017 and reported 6, 12, 18, 24 and 36-month follow up data in 2021 is still ongoing and we expect to report further results in late 2022. In January 2020 we completed our first implantation of a patient in a feasibility study in the United States, or the United States Feasibility Study, which is intended to support our regulatory filing with the FDA. We expect that the Prima System will be classified as a Class III implantable medical device, and will therefore require submission and approval of a premarket approval, or PMA, application. We intend to discuss with the regulatory authorities in Europe and the United States the structure of our required PMA application and pathway to marketing approval.

The four main causes of impaired vision are cataracts, glaucoma, diabetic retinopathy and diseases involving photoreceptor degeneration such as AMD; retinitis pigmentosa, or RP; and Stargardt disease. Our technologies currently focus on the disorders resulting from degeneration of photoreceptors, specifically nonexudative, or dry, AMD, which is the leading form of blindness among the aging. There is currently no approved retinal implant for dry AMD that is intended to restore vision. Based on third party research as well as primary market research conducted by us, we believe the potential dry AMD market in the European Union and the United States combined is approximately \$19 billion, and may grow an additional 10% by 2030. Many degenerative diseases of the retina, whether of genetic origin or age-related, result from the progressive or acute degeneration of photoreceptor cells: the retina can no longer convert light stimuli into electrical signals. This degeneration of photoreceptor cells leaves the other retinal cells, whether ganglion cells or the inner retina cells, functional. Consequently, when these inner retinal cells are electrically stimulated, a visual signal can still be transmitted through the optic nerve to the brain. Our goal is to restore this visual stimulus through the Prima System, our bionic vision system for the treatment of retinal dystrophies, to allow ganglion cells and/or the inner retina cells to communicate visual information to the brain.

The Prima System uses a wireless sub-retinal neurostimulation micro-implant developed in cooperation with Stanford University. It is injected under the retina using a patented implant placement instrument. The implant has photovoltaic properties, receiving visual information and at the same time is powered by pulsed near infrared light transmitted through a digital projector that is integrated into the smart glasses. A pocket computer, equipped with proprietary algorithms and artificial intelligence, processes and simplifies images captured in the environment to extract useful information that is then projected, using near infrared light generated by an integrated light source, onto the wireless sub-retinal micro-implant. Our wireless sub-retinal neurostimulation micro implant then electrically stimulates the surviving nerve cells of the retina, which transmit visual stimulation to the brain via the optic nerve.

In our European Feasibility Study of five patients with advanced dry AMD, as recently reported in Nature Communications,

the Prima System exceeded its primary endpoint in all subjects. The primary efficacy endpoint was improvement in visual perception in the central visual field, measured using the OCTOPUS visual field measurement with the Prima System on as compared to when the Prima System was turned off. Patients have experienced a marked improvement in their vision, gaining on average 0.7 logMAR (an improvement of seven lines on a standard visual acuity chart), and all patients improving from a low of 0.5 logMAR (corresponding to five lines) to a high of 0.9 logMAR (corresponding to nine lines). The primary safety endpoint was the number and severity of device and procedure related serious adverse events at 18 and 36 months follow-up. Patients in this study have been monitored for 36 months and the Prima System was generally well tolerated in this study. Two patients experienced procedure related serious adverse events, with one instance of ocular hypertension and one instance of superior-temporal retinal detachment, and both have resolved. We expect to report further results on this study in late 2022.

In November 2020, we commenced our PRIMAVera pivotal study to confirm the safety and the efficacy of the Prima System and to support the CE marking of our device in Europe. In the PRIMAVera study we are actively enrolling patients in 14 leading hospitals in France, Germany and the United Kingdom, with the intention to expand to additional hospitals in Spain, Italy and the Netherlands (in these three countries, the PRIMAVera study has started but patients have not been implanted with the Prima System yet). We expect to enroll 38 patients in the PRIMAVera study, an open-label, baseline-controlled, non-randomized, multi-center, prospective, single-arm pivotal trial. The primary efficacy endpoint is at least 72% of patients achieving proportion of subjects with an improvement of visual acuity of logMAR 0.2 or more from baseline to 12 months, and the primary safety endpoint is the number and severity of device and procedure related serious adverse events at 12 months follow-up. As there is no comparative product with similar performance or mechanism of action to the Prima System, the PRIMAVera study does not have a pre-defined threshold for the safety endpoints. Instead, the safety data collected during the trial will be discussed with the trial's independent data safety monitoring board and assessed in relation to the measured visual improvement. Secondary endpoints include quality of life outcomes. The study includes three years of follow-up, with an evaluation of the primary endpoints at 12 months post-implantation. We expect to report initial 12-month data from this study in late 2023. If successful, we intend the PRIMAVera study to serve as the basis for the CE mark of our Prima System in Europe.

We conduct our studies through several leading research and vision institutions, including Stanford University, UPMC Eye Center and Bascom Palmer Eye Institute, providing us with access to top-tier research groups, high-quality facilities for preclinical tests of our devices and easier access to patients to conduct clinical trials. We have signed exclusive license agreements with Stanford University and CRNS and the Université de Bordeaux, granting us access to several patents for our Prima System.

Major events during the first half of 2022

Major events in the first half of 2022 include:

On **27 January 2022**, Pixium Vision announced the publication in *Nature Communications* of peer-reviewed clinical data demonstrating the clinical benefit of the Prima System in Dry AMD patients

On **29 March 2022**, Pixium Vision announced FDA approval of clinical trial expansion of Prima System US feasibility study to Stanford University.

On **24 June 2022**, Pixium Vision expands its Board of Directors with the appointment of Anja Krammer and August Moretti.

II - RISK FACTORS

The risk factors to which the Company is exposed are described in Appendix 1 to the 2021 Universal Registration Document that was filed on 30 April 2022 with the French Financial Markets Authority (AMF). Management's assessment of the nature and level of risks has not changed during the last half-year.

The 2021 annual report is available on the Group's website:

<https://www.pixium-vision.com/fr/2022/04/rapport-annuel-2021/>

**III – CONSOLIDATED FINANCIAL STATEMENTS FIRST
HALF 2022**

STATEMENT OF FINANCIAL POSITION

BALANCE SHEET

<i>(in thousands of euros)</i>	Note	30/06/2022	31/12/2021
ASSETS			
Non-current assets			
Intangible assets	4	1,162	1,341
Property, plant and equipment	5	261	300
Use rights	6	837	989
Non-current financial assets	7	84	54
Deferred tax assets		–	–
Total non-current assets		2,344	2,684
Current assets			
Inventories and work in progress	8	–	–
Research Tax Credit	9	2,599	1,615
Other current assets	10	1,055	825
Cash and cash equivalents	11	7,221	14,505
Total current assets		10,874	16,945
TOTAL ASSETS		13,218	19,629
LIABILITIES			
Shareholders' equity	12		
Share capital		3,522	3,521
Additional paid-in capital		4,048	24,063
Reserves*		(1,429)	(10,799)
Currency translation differences		(95)	(41)
Profit/(loss)*		(5,614)	(10,930)
Total shareholders' equity		431	5,814
Non-current liabilities			
Non-current financial liabilities	13	6,110	6,500
Non-current lease liabilities	17	580	730
Non-current provisions*	15	94	102
Total non-current liabilities		6,784	7,333
Current liabilities			
Current financial liabilities	13	2,274	1,588
Current provisions	16	0	8
Trade payables, related accounts and other current liabilities	18	3,121	3,398
Current lease liabilities	17	320	315
Derivative financial instruments	14	287	1,174
Total current liabilities		6,002	6,482
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		13,218	19,629

Statement of Profit and Loss

<i>(in thousands of euros)</i>	Note	At 30 June	
		2022	2021
Operating revenue	19		
Net sales		–	–
Research Tax Credit		983	851
Grants		61	105
Other revenues		0	844
Total revenues		1,044	1,801
Operating expenses	20		
Research and development*		(4,086)	(3,687)
General and administrative expenses		(3,062)	(2,944)
Total expenses		(7,149)	(6,631)
Operating income		(6,105)	(4,830)
Financial revenue		829	–
Financial expenses*		(339)	(715)
Financial income	22	490	(715)
Pre-tax current income		(5,614)	(5,546)
Corporate income tax		–	–
Net income		(5,614)	(5,546)
Net earnings per share	24	(0.12)	(0.12)
Diluted earnings per share	24	(0.12)	(0.12)
Other non-transferable comprehensive income			
Actuarial gains/(losses) on pension plans**		17	7
Change in fair value valuation		31	(26)
Total profit/(loss) for the period		(5,566)	(5,564)

* Interest expense for the year ended 30 June 2021 has been restated in accordance with the IFRIC decision on IAS 19, as described in Note 2

** Actuarial gains/(losses) on pension assets for the year ended 30 June 2021 have been restated in accordance with the IFRIC decision on IAS 19, as described in Note 2.

Statement of Cash Flows

	At 30 June		
<i>(in thousands of euros)</i>	Note	2022	2021
Cash flows from operating activities			
Net income for the period*		(5,614)	(5,446)
Reconciliation of net profit to cash flows used in operating activities			
Amortization and depreciation of intangible and tangible assets		215	260
Increase in provisions, net of reversals*		(16)	(42)
Expenses on share-based payments	21	196	139
Retirement benefit obligations*	15	17	7
Unwinding of conditional advances		301	298
Leases		176	161
Other items		(892)	315
Operating cash flows before change in working capital requirements		(5,617)	(4,408)
Inventories		–	–
Other receivables		(1,213)	(1,091)
Trade payables		(294)	(355)
Other current liabilities		(60)	(260)
Net cash flows from operating activities		(7,064)	(6,115)
Acquisitions/Disposals of property, plant and equipment		(25)	(33)
Acquisitions of intangible assets		–	–
Acquisitions (decrease) of financial assets		(1)	0
Net cash flows from investment activities		(27)	(32)
Capital increase	12	–	6,250
Costs paid in relation to equity transactions (BSA share warrant subscription)		(10)	(406)
Exercise of share warrants (BSA) and founders' warrants (BSPCE)		–	20
Increase/(Decrease) in repayable advances		–	–
Increase/(Decrease) in financial debt		(17)	1
Payment of lease liabilities		(169)	(152)
Net cash flows from financing activities		(196)	5,713
Effect of exchange rate changes/ variations on cash		4	–
Opening cash and cash equivalents		14,505	10,566
Closing cash and cash equivalents		7,221	10,131
(Decrease)/Increase in cash position		(7,284)	(435)

* Net income, provision allowances net of reversals and pension obligations for the year ended 30 June 2021 have been restated in accordance with the IFRIC decision on IAS 19, as described in Note 2.

Statement of Changes in Equity

<i>(in thousands of euros)</i>	Share capital		Additional paid-in capital	Reserves	Currency translation differences	Profit/(loss)	Total equity
	Number of shares	Amount					
at 31 December 2020*	43,967,034	2,638	13,415	(2,356)	-	(9,134)	4,563
Appropriation of prior result				(9,134)		9,134	-
Capital increase	14,719,599	883	7,130	(13)			8,000
Net income						(10,930)	(10,930)
Fees recorded in diminution of issuance premium			(1,115)				(1,115)
Issue of warrants			71				71
Neutralisation of treasury shares				(36)			(36)
ORNAN 2019			5,797				5,797
BSA 2021			(1,235)				(1,235)
Change in fair value valuation				31			31
Actuarial gains/(losses)				6			6
Share-based payments				486			486
Change in repayable advances**				216			216
Impact of change					(41)		(41)
At 31 December 2021	58,686,633	3,521	24,063	(10,799)	(41)	(10,930)	5,814
Appropriation of prior result				(10,930)		10,930	-
Capital increase	8,500	0		(0)			-
Allocation of issue premium to regulated reserves			(20,000)	20,000			-
Net income						(5,614)	(5,614)
Fees recorded in diminution of issuance premium			(10)				(10)
Neutralisation of treasury shares				29			29
ORNAN 2019			(5)				(5)
Change in fair value valuation				57			57
Actuarial gains/(losses)				17			17
Share-based payments				196			196
Impact of change					(54)		(54)
At 30 June 2022	58,695,133	3,521	4,048	(1,429)	(95)	(5,614)	431

*The balance at 1 January 2021 has been restated in accordance with the IFRIC decision on IAS 19, as described in greater detail in Note 3 of the consolidated financial statements at December 31, 2021.

**Impact of the correction to conditional advances (see Note 3.10 of the consolidated financial statements at December 31, 2021)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: THE COMPANY

The Company is described in Chapter I of this document along with the major events of the first half of 2022. Subsequent events are described in Note 28 of this chapter.

NOTE 2: GENERAL PRINCIPLES AND STATEMENT OF COMPLIANCE

Consolidation

As at 30 June 2022, the scope consolidation comprises two entities, the parent company, Pixium Vision SA, a French *société anonyme* (limited company) whose registered office is at 74 rue du Faubourg Saint Antoine, 75012 Paris, and a subsidiary, Pixium Vision LLC, which was incorporated on 16 November 2017 and is domiciled in the State of Delaware, USA.

Pixium Vision SA owns 100% of the share capital of the subsidiary, which is fully consolidated in the consolidated financial statements.

General principles

The condensed consolidated financial statements present the operations of the Pixium Vision Group (the “Group”) as at 30 June 2022.

The condensed consolidated financial statements as at 30 June 2022 have been prepared under the responsibility of the management of Pixium Vision. The condensed consolidated financial statements were approved by the Company’s Board of Directors at its meeting on 20 July 2022.

The Company’s condensed consolidated financial statements are presented in thousands of euros, unless stated otherwise.

Statement of compliance

International standards include the International Financial Reporting Standards (IFRS), the *International Accounting Standards* (IAS) and the interpretations of the *Standing Interpretations Committee* (SIC) and the *International Financial Reporting Interpretations Committee* (IFRIC).

The IFRS standards as adopted by the European Union differ in certain respects from the IFRS standards published by the IASB. However, the Group has ensured that the financial information for the periods presented would not have been materially different if the IFRS standards as published by the IASB had been applied.

All standards adopted by the European Union are available on the following website:

<https://www.efrag.org/Endorsement>

The condensed consolidated financial statements as at 30 June 2020 are prepared in accordance with *IAS 34 – Interim Financial Reporting*, as adopted by the European Union, which permits presenting a selection of explanatory notes.

The accompanying notes do not contain all information required for complete annual financial statements and should be read in conjunction with the 2021 consolidated financial statements.

These financial statements are a set of financial statements in addition to the Company’s historical financial statements, which are prepared in accordance with French accounting principles.

The Group’s business is not subject to significant seasonal variations.

NOTE 3: ACCOUNTING PRINCIPLES AND POLICIES ADOPTED AS AT 30 JUNE 2022

Basis of Preparation

The condensed consolidated financial statements are prepared in accordance with the accounting principles and policies applied by the Group to the 2021 financial statements (described in Note 3 to the consolidated financial statements as at 31 December 2021) and in accordance with the standards and interpretations in force on 1 January 2022.

The European Union has adopted the following standards, which are of mandatory application for the Company for its financial year beginning on 1 January 2022 and which have no material impact on the Company's consolidated financial statements:

Amendments to IFRS 3 – Reference to the Conceptual Framework

These amendments apply prospectively and are mandatory for accounting periods beginning on or after 1 January 2022. They update a reference to the Conceptual Framework without changing the accounting requirements for business combinations. This amendment does not apply to the Company.

Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use

These amendments apply retrospectively as from 1 January 2022. They delete the exception to the general principle in paragraph 17(e) of IAS 16, which prohibits an entity from deducting from the cost of an item of property, plant and equipment the net proceeds generated during the operational testing of the asset. The proceeds from the sale of such assets must be recognised in the income statement. This amendment does not apply to the Company.

Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

These amendments apply retrospectively as from 1 January 2022. They clarify the costs that a company should include in determining whether a contract is onerous and, in particular, that the costs of fulfilling a contract include both incremental costs, such as the costs of direct labour and materials, and the allocation of other costs that relate directly to the contract, such as the allocation of depreciation expense for an item of property, plant and equipment used *inter alia* in fulfilling the contract. This amendment does not apply to the Company.

Annual improvements of IFRS– 2018-2020 cycle

The main standards concerned are:

- IFRS 9: these amendments clarify that fees should be included in the 10% test for derecognition of financial liabilities;
- IFRS 16: these amendments modify illustrative example 13 to remove the illustration of payments from the lessor in connection with leasehold improvements;
- IFRS 1 and IAS 41, to which minor amendments not applicable to the Company have been made.

IFRS IC decision on the costs of implementing, configuring and customising software used in Software as a Service (SaaS) mode (cloud computing arrangements)

In April 2021, the IFRS IC issued a decision on accounting for the costs of configuring or customising software used in Software as a Service (SaaS) mode.

The Company has identified its various SaaS contracts and completed an analysis of the various types of costs incurred in order to identify costs whose initial treatment has been impacted by this decision. Based on its analysis, the Company has concluded that the customisation and configuration costs do not meet the IAS 38 criteria for capitalisation (i.e. the Company does not control the SaaS solution). Therefore, these costs are expensed as they are incurred.

IFRIC May 2021 – IAS 19 Retirement Benefits

At the end of the first half of 2021, the IAS Board endorsed the IFRIC's interpretation of IAS 19 on attributing employee benefits to periods of service. In particular, it clarifies the attribution periods to be taken into account in determining the cost of the benefits.

In France, the IFRIC's clarifications have resulted in a change in the method for measuring obligations to pay end-of-career bonuses under collective agreements that cap these bonus rights and/or define them by length of service brackets.

The national collective agreement for the metallurgy industry, which applies to the Group's French employees, caps these rights and includes length of service brackets.

The Group has restated the comparable information presented, which therefore differs from previously published information. The retrospective impact of the change of policy at the beginning of the first period presented has been recognised in equity in accordance with the provisions of IAS 8. A breakdown of the full impact is provided below.

Impact on the statement of comprehensive income in thousands of €

	Note	At 30 June 2021	IFRIC IAS 19 impact	At 30 June 2021*
Research and development.....		(3,692)	4.8	(3,687)
<i>of which Wages and salaries</i>		(1,775)	4.8	(1,770)
General and administrative expenses		(2,945)	0.5	(2,944)
<i>of which Wages and salaries</i>		(668)	0.5	(668)
Total expenses	20	(6,637)	5.3	(6,631)
Operating income		(4,836)	5.3	(4,830)
Financial expenses	22	(716)	0.2	(715)
<i>of which Other financial expenses</i>		(0.3)	0.2	(0.2)
Pre-tax current income		(5,551)	5.5	(5,546)
Net income		(5,551)	5.5	(5,546)
Earnings per share	24			
— Net earnings per share		(0.12)	-	(0.12)
— Diluted earnings per share		(0.12)	-	(0.12)

Impact on other non-recyclable items of comprehensive income

<u>in thousands of €</u>	Note	At 30 June 2021	IFRIC IAS 19 impact	At 30 June 2021*
Net income		(5,551)	5.5	(5,546)
Actuarial gains/(losses) on pension plans.....		7	(0.5)	7.5
Other non-transferable comprehensive income		(19.2)	(0.5)	(18.6)
Total profit/(loss) for the period		(5,570)	6	(5,564)

Impact on the balance sheet at 30 June 2021

<u>in thousands of €</u>	Note	At 30 June 2021	IFRIC IAS 19 impact	At 30 June 2021*
LIABILITIES				
Shareholders' equity				
Reserves.....		(11,477)	80	(11,398)
Profit/(loss).....		(5,551)	5.5	(5,546)
Total shareholders' equity	12	3,383	85	3,468
Non-current liabilities				
Non-current provisions	15	180	(85)	95.3
Total non-current liabilities		8,108	(85)	8,023
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		16,437	-	16,437

Impact on the cash flow statement

<u>in thousands of €</u>	Note	At 30 June 2021	IFRIC IAS 19 impact	At 30 June 2021*
Cash flows from operating activities				
Net income for the period		(5,551)	5.5	(5,546)
Retirement benefit obligations		7	(0.5)	7.5
Operating cash flows before change in working capital requirements		(4,408)	-	(4,408)

Going concern

Since inception, our operation has been financed primarily through the sales of our ordinary shares and warrants, from the issuance of convertible notes, and the receipt of research as well as clinical grants. Our consolidated financial statements have been presented on the basis that our business is a going concern, which contemplates the realization of assets and the satisfaction of liabilities within the normal course of business. We are subject to the risks and uncertainties associated with a business with no revenues and that is developing a novel medical device, including limitations on our operating resources. We have incurred recurring operating losses and negative operating cash flows since inception and expect to continue to do so in the near future.

The company's financial statements have been prepared on a going concern basis, taking into account the following elements:

- The Company's shareholder's equity is positive and stood at €0,4 million as of June 30, 2022,
- Cash and cash equivalents as of June 30, 2022 is €7.2 million.
- Based on the research and development plan, the cash flow projection, the company has estimated that the cash position at June 30, 2022 will enable it to finance its activities until the end of January 2023.
- As subsequent event, the company expects to continue to operate as a going concern through a financing agreement signed on July 13, 2022 in the form of convertible notes (ORNAN 2022) up to a maximum nominal value of 30 million euros, available in tranches, with the European Select Growth Opportunity Fund (ESGO), for which a first drawdown of the nominal value of 5.5 million euros has already been received. Until the end of this year, the company expects to benefit from at least 2 further Tranches of 2 million euros each. The Company's call option to draw those Tranches are subject to certain conditions precedent (notably a minimum share price on Euronext) and based on current pricing conditions, the Company expects to draw 4 million by the end of the year.

If the conditions precedent are not met, the company may not be able to realize its assets and liabilities and pay its debts in the normal course of business. As a result, this situation gives rise to a significant going concern uncertainty.

3.18 Material accounting estimates and judgments

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revised estimates are applied prospectively.

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The main estimates and judgements made by management relate to:

- The fair value measurement of founders' warrants, warrants, stock options and free shares granted to employees and board members. The assumptions used to value these instruments are disclosed in Note 21.
- The method applied to measure the fair value of the non-convertible bonds with attached warrants issued to KREOS and US investors under the private placement carried out in July 2021 is presented in Note 14.
- The determination of fair value measurement of notes convertible into ordinary shares and/or redeemable in cash.
- The recognition of deferred tax assets and liabilities for which the availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized. The accounting policy used is disclosed in Note 3.5 of the consolidated financial statements at December 31, 2021.
- The application of IAS36 Impairment of assets on patent impairment.

NOTE 4: INTANGIBLE ASSETS

Intangible assets break down as follows:

(Amounts in euros)	30/06/2022	31/12/2021
Patents, licences, trademarks	10,499,989	10,499,989
Software	217,988	217,988
Total historical cost	10,717,977	10,717,977
Accumulated amortisation of patents, licenses, trademarks	4,289,615	4,111,072
Accumulated amortisation of software	217,988	217,988
Impairment losses	5,048,350	5,048,350
Accumulated amortisation	9,555,952	9,377,410
Net total	1,162,024	1,340,567

Amortisation expense totalled to €179,000 at the end of June 2022 and €386,000 for the year ending 31 December 2021. These expenses are recognised as general and administrative expenses.

As part of our annual intangible asset review, the Company hasn't booked additional impairment in 2022.

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

(Amounts in euros)	01/01/2022	Increase	Decrease	30/06/2022
Industrial and laboratory equipment	1,274,075	7,877	-	1,281,952
Building fixtures and fittings	500,693	-	-	500,693
IT equipment	262,552	15,211	-	277,763
Office furniture	307,558	2,342	-	309,899
Non-current assets in progress	-	-	-	-
Other property, plant and equipment	-	-	-	-
Gross total	2,344,877	25,430	-	2,370,307
Accumulated amortisation of industrial and laboratory equipment	1,056,071	16,074	-	1,072,145
Accumulated amortisation of building fixtures and fittings	463,831	29,613	-	493,444
Accumulated amortisation of IT equipment	219,132	12,589	-	231,721
Accumulated amortisation of office furniture	297,741	6,740	-	304,481
Accumulated amortisation of other property, plant and equipment	-	-	-	-
Impairment losses	7,680	-	-	7,680
Total accumulated amortisation	2,044,455	65,015	-	2,109,470
Net total	300,422	(39,584)	-	260,837

Depreciation expense totalled to €65,000 at the end of June 2022 (€134,000 at the end of December 2021), of which €56,000 was charged to research and development expenses (€117,000 in 2021) and €8,000 was charged to general and administrative expenses (€18,000 in 2021).

NOTE 6: USE RIGHTS

The table below breaks down use rights by category:

<i>(Amounts in euros)</i>	Real estate	Other assets	Total
At 30 June 2022			
Contracts ⁽¹⁾	1,580,718	102,268	1,682,986
Contractual amendments	229,551	(10,608)	218,943
Gross total	1,810,269	91,661	1,901,929
Amortisation	1,010,894	54,047	1,064,941
Net total	799,375	37,614	836,989

(1) See Note 3.14 "Leases" of the consolidated financial statements at December 31, 2021

<i>(Amounts in euros)</i>	Real estate	Other assets	Total
At 31 December 2021			
Contracts ⁽¹⁾	1,580,718	102,268	1,682,986
Contractual amendments	221,871	(10,608)	211,263
Gross total	1,802,589	91,661	1,894,249
Amortisation	859,019	46,328	905,347
Net total	943,570	45,333	988,902

(1) See Note 3.14 "Leases" of the consolidated financial statements at December 31, 2021

The components of lease liabilities are presented in Note 17.

Amortisation expense of rights of use totalled to €160,000 at the end of June 2022 (€294,000 at the end of December 2021), of which €126,000 was charged to research and development expenses (€236,000 in 2021) and €24,000 was charged to general and administrative expenses (€58,000 in 2021).

NOTE 7: NON-CURRENT FINANCIAL ASSETS

<i>(Amounts in euros)</i>	01/01/2022	Increase	Decrease	30/06/2022
Deposits and guarantees	80,694	1,344	–	82,038
Financing guarantees	–	–	–	–
Gross total	80,694	1,344	–	82,038

<i>(Amounts in euros)</i>	01/01/2020	Allowances	Reversals	30/06/2022
Provisions, deposits and guarantees	(26,369)	28,295	–	1,926
Total provisions	–	–	–	–
Net total	54,325	28,295	–	83,964

<i>(Amounts in euros)</i>	01/01/2021	Increase	Decrease	31/12/2021
Deposits and guarantees	78,364	2,330	–	80,694
Financing guarantees	–	–	–	–
Gross total	78,364	2,330	–	80,694

<i>(Amounts in euros)</i>	31/12/2021	Allowances	Reversals	31/12/2021
Provisions, deposits and guarantees	–	–	(26,369)	(26,369)
Total provisions	–	–	–	–
Net total	78,364	2,330	(26,369)	54,325

NOTE 8: INVENTORIES AND WORK IN PROGRESS

<i>(Amounts in euros)</i>	30/06/2022	31/12/2021
Raw materials	–	3,215
Finished goods	–	–
Total historical cost	–	3,215
Depreciation of inventories and work in progress	–	(3,215)
Total net value of inventories and work in progress	–	–

In 2022, the Company scrapped all items associated with the IRIS system, which had been fully impaired in previous years, in accordance with IAS 36.

NOTE 9: RESEARCH TAX CREDIT

The Company qualifies for the provisions of Articles 244 quater B and 49 septies F of the French Tax Code on the research tax credit. In accordance with the principles described in Note 3.13 of the notes to the IFRS financial statements prepared at 31 December 2021, the research tax credit is recognised in “Other revenues” in the year to which the qualifying research expenses relate according to IAS 20.

The change in this Research Tax Credit during the last two financial years is shown below:

Change in research tax credit receivable (in euros)	Amount
Receivable at 01/01/2021	1,383,023
Operating revenue	1,615,488
Payment received	(1,400,288)
Receivable at 31/12/2021	1,615,488
Receivable at 01/01/2022	1,615,488
Operating revenue	983,205
Payment received	–
Receivable at 30/06/2022	2,598,693

NOTE 10: OTHER CURRENT ASSETS

Other current assets break down as follows:

<i>(Amounts in euros)</i>	30/06/2022	31/12/2021
Suppliers, advances and deposits	117,656	95,101
State, VAT	441,404	329,025
Liquidity agreement	49,058	57,228
Prepaid expenses	437,115	312,510
Other	8,859	30,759
Net total	1,054,092	824,624

NOTE 11: CASH AND CASH EQUIVALENTS

The cash and cash equivalents item break down as follows:

<i>(Amounts in euros)</i>	30/06/2022	31/12/2021
Cash	7,221,243	14,504,880
Term deposits	–	–
Net total	7,221,243	14,504,880

NOTE 12: SHARE CAPITAL

12.1 Capital issued

As of 31 December 2022, the share capital totalled to €3,521,707.98 (three million five hundred and twenty-one thousand seven hundred and seven euros and ninety-eight cents). It is divided into 58,695,133 fully subscribed and paid-in shares with a nominal value of €0.06 each.

This number excludes free shares (AGAs), authorised and unissued stock options (SOs), share warrants (BSAs) and founders' warrants (BSPCEs) granted to certain investors and individuals who may or may not be Group employees.

All the shares give their owners the right to a proportional share of the net income and net assets of the Company.

- €€	Share capital	Additional paid-in capital	Number of shares
At 31 December 2020	2,638,022	13,414,980	43,967,034
Share warrants (BSA)/Founders' warrants (BSPCE)	-	51,217	337,988
ORNAN 2019	384,339	5,026,690	6,067,670
Free shares (AGA)	13,006	-	216,773
Capital increase (July 2021)	485,830	6,805,657	8,097,168
Warrants (BSA 2021 US)	-	(1,235,312)	-
At 31 December 2021	3,521,198	24,063,232	58,686,633
Stock warrants/Founders' warrants			
ORNAN 2019		(5,250)	
Free shares (AGA)	510		8,500
Expenses deducted from the issue premium		(10,000)	
Allocation of retained earnings to additional paid-in capital		(20,000,000)	
At 30 June 2022	3,521,708	4,047,982	58,695,133

In 2022, in order to receive European and French grants, and in accordance with the requirements of the French Commercial Code, the Company reclassified €20 million losses recognised in retained earnings as additional paid-in capital.

In July 2021, the Company completed a private placement restricted to US investors for a gross amount of €8 million (including costs of €1.2 million) and issued a total of 4,615,386 warrants (4,048,584 warrants were attached to the 8,097,168 ordinary shares issued at the time the private placement restricted to US investors was completed (measured at a fair value of €1.23 million on 12 July 2021) and 566,802 warrants were issued to H.C. Wainwright & Co, as placement agent of the private placement. Each warrant confers the right to subscribe for one ordinary share of the Company at an exercise price of €1.24 and may be exercised at any time until 15 July 2026. The warrants were issued electronically in bearer form, were detached upon issue and are freely negotiable. Warrants are not listed on Euronext Growth market or on any other stock exchange. The warrants issued to H.C. Wainwright & Co have been accounted for as a share-based payment for investment services in accordance with IFRS 2. As these warrants vest immediately and are exercisable, their fair value on the award date (€176,000) was recognised as general and administrative expenses.

12.2 Share warrants, founders' warrants and free shares

The Group has issued share warrants (BSAs), founders' warrants (BSPCEs), stock options (SOs) and free shares (AGAs) as follows:

Type	Date	Total number of instruments originally issued	Number of instruments exercised	Number of lapsed instruments	Number of outstanding instruments	Number of potential shares (*)
BSAs						
BSA 2013	18/03/2013	1,978,020	(1,871,903)	0	106,117	18,393**
2015 BSAs**	23/06/2015	33,333	0	33,333	0	0
New 2016 Kreos BSAs	27/06/2017	140,935	0	0	140,935	422,805***
2018 Kreos BSAs	25/07/2018	1	0	0	1	167,084**
HCW BSAs	12/07/2021	566,802	0	0	566,802	566,802
2021 US BSAs**	12/07/2021	4,048,584	0	0	4,048,584	4,048,584
BSA 2021	26/11/2021	731,670	0	0	731,670	731,670
AGAs						
AGA 2019-02	12/12/2019	375,000	(191,616)	(55,802)	127,582	127,582**
AGA 2020	17/02/2021	17,000	(8,500)	0	8,500	8,500
AGA 2022-1	17/02/2022	959,763	0	(22,425)	937,338	937,338

SOs

SO 2019-01	02/10/2019	1,107,818	0	0	1,117,982	1,117,982**
SO 2019-02	12/12/2019	50,000	0	0	50,807	50,807**
SO 2020	23/07/2020	353,795	0	0	353,795	353,795
Total		10,362,721	(2,072,019)	(111,560)	8,190,113	8,551,342

(*) Instruments issued before 17/6/2014 (date of the one-for-six reverse stock split of the Group's shares) have been adjusted accordingly.

(**) The number of potential shares was adjusted following the capital increases of 7 May 2018 and 6 July 2020, in accordance with the statutes on BSA warrants and BSPCE warrants (implementation of legal measures to protect the holders of securities), and in accordance with the adjustment clauses of the free share and stock option plan.

(***) See New 2016 Kreos BSAs in the general exercise requirements below.

The characteristics of these plans are described in greater detail in Note 21.

General exercise requirements:

BSA Plans

In March 2013, the Board approved the BSA 2013 grant pursuant to which 1,978,020 warrants were originally issued entitling originally the holder to subscribe to one ordinary share before the one-for-six (6) reverse stock split decision taken at the time of the IPO. These warrants were granted to consultants of the Company. These warrants became fully vested and exercisable following the IPO in France of the Company in June 2014 and expire ten years from the grant date.

In February 2014, the Board approved the BSA 2013 grant pursuant to which 820,000 warrants were originally issued entitling the holder to purchase one ordinary share before the one-for-six (6) reverse stock split decision taken at the time of the IPO. These warrants were granted to consultants of the Company. These warrants became fully vested and exercisable following the IPO of the Company in June 2014. The warrants may be exercised at any time for up to ten full years from the award date.

On 17 December 2014, the Board approved the BSA 2014 grant pursuant to which 40,000 warrants were originally issued entitling the holder to subscribe to one ordinary share. The warrants were granted to consultants of the Company. These warrants vest ratably over three years from the grant date. The expiration date of the BSA 2014 was seven years from the grant date and the BSA 2014 lapse on 17 December 2021.

In June 2015, the Board approved the BSA 2015 grant pursuant to which 33,333 warrants were originally issued entitling the holder to subscribe to one ordinary share. The warrants were granted to an officer of the Company. These warrants vest ratably over three years from the grant date and expire seven years from the grant date.

In July 2021, in connection with the private placement restricted to US investors, the Company issued 566,802 warrants to H.C Wainwright & Co, as placement agent for the private placement. Each warrant confers the right to subscribe for one ordinary share of the Company at an exercise price of €1.24 and may be exercised at any time until 15 July 2026.

In July 2021, in connection with the private placement reserved for US investors, the Company issued 4,048,584 warrants (2021 US share warrants) which were attached to the 8,097,168 ordinary shares issued to US investors. Each warrant entitles the holder to subscribe for one ordinary share of the Company at an exercise price of €1.24 and may be exercised at any time until 15 July 2026.

In July 2021, the Board approved the BSA 2021 grant pursuant to which 731,670 warrants were issued entitling the holder to subscribe to one ordinary share. The warrants were granted to a consultant of the Company. The vesting period is three years from the first anniversary of the grant date (award of 25% at the end of the first year and the balance at the rate of 1/36th per month of continued presence as from the first anniversary of the grant date).

BSPCE Plans

In March 2013, the Board approved the BSPCE Plan pursuant to which 2,000,517 warrants were originally issued entitling the holder to purchase one ordinary share before the one-for-six (6) reverse stock split decision taken at the time of the IPO. These warrants were granted to employees and officers of the Company. These warrants became fully vested and exercisable following the IPO of the Company in June 2014. The warrants may be exercised at any time for up to ten full years from the award date.

In October 2013, the Board approved the BSPCE Plan pursuant to which 824,859 warrants were originally issued entitling the holder to purchase one ordinary share before the one-for-six (6) reverse stock split decision taken at the time of the IPO. These warrants were granted to employees and officers of the Company. These warrants became fully vested and exercisable following the IPO of the Company in June 2014. The warrants may be exercised at any time for up to ten full years from the award date.

In February 2014, the Board approved the BSPCE Plan pursuant to which 2,809,933 warrants were originally issued entitling the holder to purchase one ordinary share before the one-for-six (6) reverse stock split decision taken at the time of the IPO. These warrants were granted to employees and officers of the Company. These warrants became fully vested and exercisable following the IPO of the Company in June 2014. The warrants may be exercised at any time for up to ten full years from the award date.

The remaining BSPCE were exercised during 2021 and there exists no more BSPCE exercisable.

AGA plan

In July 2019, the Board granted 20,000 free shares to a single beneficiary under the AGA 2019-1 plan entitling the holder to obtain one of our ordinary shares. These shares vest over a two-year period and have a one-year lock-up period. These shares are not subject to any performance targets. In July 2021, the Board recorded the definitive allocation of the AGA 2019-1 and the issuance of an aggregate of 20,000 ordinary shares.

In December 2019, the Board granted 375,000 free shares under the AGA 2019-2 plan to employees and officers of the Company entitling originally the holder to obtain one of our ordinary shares. These shares are subject to the following performance conditions:

- fitting all patients still enrolled in the PRIMA feasibility study in France and the United States with PRIMA 2 glasses and obtaining clinical data at six months, no later than 31 March 2021; and
- implanting 100% of PrimaVera patients no later than 31 December 2021..

These conditions are independent and each one is a condition for 50% of the award.. These shares vest over a two-year period and have a one-year lock-up period.

On 8 April 2021, the Board recorded the completion of the first performance condition before 31 March 2021.

On 2 December 2021, the Board decided to waive the second performance condition attached to the second tranche of the initial allocation and to extend the vesting period of the second tranche of one year, until 12 December 2022.

On 16 December 2021, the Board recorded the definitive allocation of the first tranche of the AGA 2019-2 and the issuance of an aggregate of 139,960 ordinary shares.

In December 2019, the Board granted 56,250 free shares to a single beneficiary under the AGA 2019-3 plan entitling originally the holder to obtain one of our ordinary shares. These shares vest over two years and are not subject to any performance conditions and have a one-year lock-up period. On 16 December 2021, the Board recorded the definitive allocation of the AGA 2019-3 and the issuance of an aggregate of 56,813 ordinary shares.

In February 2021, the Board granted 17,000 free shares to a single beneficiary under AGA 2020 plan entitling originally the holder to obtain one of our ordinary shares. These shares are subject to the following performance conditions:

- fitting all patients still enrolled in the PRIMA feasibility study in France and the United States with PRIMA 2 glasses and obtaining clinical data at six months, no later than 31 March 2021; and
- implanting 100% of PRIMAvera patients no later than 31 December 2021.

These conditions are independent and each one is a condition for 50% of the award. These shares vest over a one-year period and have a one-year lock-up period.

On 8 April 2021, the Board recorded the completion of the first performance condition before 31 March 2021. On 2 December 2021, the Board decided to waive the second performance condition attached to the second tranche and to extend the vesting period of this second tranche of one year, until 17 February 2023. The vesting of the first tranche remains unchanged and will come to an end on 17 February 2022, subject to the continued presence of the beneficiary.

On 17 February 2022, the Board granted 959,763 free shares under the AGA 202129-1 plan to employees and officers of the Company entitling originally the holder to obtain one of our ordinary shares. These shares are not subject to any performance conditions. The award of the AGA 2022-2 free performance shares will be divided into three tranches (Tranche 1, Tranche 2 and Tranche 3), representing, respectively, 25%, 50% and 25% of the total award, and will vest if the conditions stated below, as well as the performance conditions specific to each tranche, which are independent, are fulfilled within the deadlines specified below:

- Tranche 1 (representing 25% of the award): implantation of all patients in the US feasibility study ("Performance Condition 1") to be achieved by 31 December 2022 ("Performance Condition 1 Deadline");

- Tranche 2 (representing 50% of the award): implantation of all patients in the PRIMavera study (“Performance Condition 2”) to be achieved by 31 December 2022 (“Performance Condition 2 Deadline”);
- Tranche 3 (representing 25% of the award): completion of Design Review 1 for Prima 3.0 (“Performance Condition 3”) before 30 June 2023 (“Performance Condition 3 Deadline”).

In addition, the vesting of the AGA 2022-1 free performance shares will be conditioned on (i) the beneficiary’s presence in the Company (or in an Affiliate) throughout the Vesting Period and (ii) the existence of sufficient reserves to allow the vesting of the shares to be issued or in existence at the expiry of the Vesting Period, regardless of whether the Performance Conditions have been met.

The duration of the Vesting Period for the AGA 2022-1 free performance shares has been set at two (2) years and will, therefore, end on 17 February 2024, and will be followed by a one (1)-year Lock-up Period, which will end on 17 February 2025.

Stock options plan

In October 2019, the Board granted 1,107,818 stock options to the Company’s CEO. These stock options entitled the holder originally to purchase one ordinary share. Twenty percent of these options do not contain any performance targets and vest in May 2020. Forty percent of these options do not contain any performance targets and vest ratably over a three-year term starting May 2020. The remaining (40% of the initial allocation) contain various performance targets that must be achieved by May 2023 and vest ratably over three years as from May 2020. Vested stock options may be exercised at any time for up to seven full years from award date.

In December 2019, the Board granted 50,000 stock options to a single beneficiary. These stock options entitled the holder originally to purchase one ordinary share. A tranche of 25% of the options vest at the end of the first year while the remainder vest ratably over a three-year term starting with the first anniversary. All options will vest and will be exercisable on the fourth anniversary of the award. Vested stock options may be exercised at any time for up to seven full years from award date.

In July 2020, the Board awarded 353,795 stock options to the Company’s CEO. These stock options entitle the holder to purchase one ordinary share. A fraction of the stock options (20%) awarded will vest on 23 July 2020 without any performance conditions. Forty percent of these options do not contain any performance targets and vest ratably over a three-year term starting with the first anniversary. The remaining (40% of the initial allocation) contain various performance targets that must be achieved by May 2023 and vest ratably over three years as from the first anniversary. All the options will vest and will be exercisable on the fourth anniversary of the award, provided the defined performance conditions are met. Vested stock options may be exercised at any time for up to seven full years from award date.

NOTE 13: CURRENT, NON-CURRENT CURRENT FINANCIAL LIABILITIES

<i>(Amounts in euros)</i>	30/06/2022	31/12/2021
Repayable advances	5,774,318	5,473,683
State-guaranteed loan	2,077,608	2,026,612
ORNAN 2019	525,900	586,600
Other borrowings and financial liabilities	6,579	1,457
Total financial assets and liabilities	8,384,405	8,088,352
<i>LT</i>	<i>6,110,011</i>	<i>6,500,295</i>
<i>ST</i>	<i>2,274,393</i>	<i>1,588,057</i>

The contractual maturity of the financial liabilities represents as follows 30 June 2022:

<i>(Amounts in euros)</i>	At 30 June 2022	<1 year	1 to 5 years	<5 years
Repayable advances	5,774,318	1,250,000	4,524,318	-
State-guaranteed loan	2,077,608	491,914	1,585,694	-
ORNAN 2019	525,900	525,900	-	-
Other borrowings and financial liabilities	6,579	6,579	-	-
Total financial assets and liabilities	8,384,405	2,274,393	6,110,011	-

The contractual maturity of the financial liabilities represents as follows 31 December 2021:

<i>(Amounts in euros)</i>	At 31 December 2021	<1 year	1 to 5 years	<5 years
Repayable advances	5,473,683	500,000	4,973,683	-
State-guaranteed loan	2,026,612	500,000	1,526,612	-
ORNAN 2019	586,600	586,600	-	-
Other borrowings and financial liabilities	1,457	1,457	-	-
<i>Total financial assets/liabilities</i>	8,088,352	1,588,057	6,500,295	-

BPI repayable advances

Bpifrance Financement granted Pixium Vision a repayable advance in connection with its contribution to the “SIGHT AGAIN” competitiveness cluster fundamental R&D project.

This advance of a maximum amount of €5,225,680 breaks down as follow:

- First instalment paid when the contract was signed: €179,000 (payment received in December 2014),
- Key stage 1: €1,900,000 (payment received in July 2016);
- Key stage 2: €879,000 (payment received in July 2018);
- Key stage 3: €784,680 (payment received in July 2020)
- Key stage 4: €1,483,000 (payment received in July 2020)

In the second half of 2022, Pixium Vision requested a repayment schedule extension from Bpifrance. The Bpifrance steering committee accepted the Company’s request and agreed to postpone the repayment date by two years, i.e. the first repayment instalment will be due on 30 June 2024. As a result, the Company did not repay the first instalment of €500,000 due on 30 June 2022.

Because the Company had not yet received the amendment to the contract by 30 June 2022, the treatment of repayable advances remains unchanged in these financial statements.

After acceptance of the postponement of the repayment dates, the repayable advance will be reimbursed in accordance with the following timetable projected:

- Year 1 no later than 30 June 2024: €500,000;
- Year 2 no later than 30 June 2025: €750,000;
- Year 3 no later than 30 June 2026: €1,000,000;
- Year 4 no later than 30 June 2027: €1,500,000;
- Year 5 no later than 30 June 2028: €2,100,000.

For a total of €5,850,000.

After the repayable advance has been fully repaid, Pixium Vision may be required to make additional payments over a period of two years of up to € 2,490,000 once its total sales reaches €100,000,000.

The difference in the value of the repayable advance depending on the rates used is recognised as a grant (IAS 20.10A). The repayable advance is discounted at a rate of 11.5%, using the bond financing set up with Kreos Capital as a reference. When the amendment is received from Bpifrance, the Company will assess the impact of this deferred repayment on its accounting treatment.

The portion of repayable advances to be repaid in more than one year is recognised as non-current liabilities, and the portion to be repaid within one year is recognised as current liabilities as prepaid income.

The impact of “unwinding” discounted advances is shown in financial expenses. (See Note 22)

Repayments are owed in case the project is successful. In the event of failure, a contractual revision clause allows the financial returns to be adjusted, if applicable.

The table below shows the breakdown of debts reported on the balance sheet for each repayable advance instalment:

<i>(Amounts in euros)</i>	First instalment paid when the contract is signed	Key stage 1	Key stage 2	Key stage 3	Key stage 4	Total
Opening balance sheet debt 1/1/2022	187,495	1,990,171	920,716	821,920	1,553,381	5,473,683
(+) receipts	–	–	–	–	–	–
(-) repayments	–	–	–	–	–	–
Prepaid income upon receipt	–	–	–	–	–	–
Compound interest	10,298	109,307	50,569	45,143	85,317	300,635
(+) / (–) other movements	–	–	–	–	–	–
Balance sheet debt 30/6/2022	197,793	2,099,478	971,285	867,063	1,638,698	5,774,318
LT						4,524,318
ST						1,250,000
Prepaid income recognised as grants						
Prepaid income recognised as other current liabilities						
(+) / (–) other movements						
Interest rate	4.57%	5.69%	6.48%	7.55%	9.03%	–
Discount rate	11.5%	11.5%	11.5%	11.5%	11.5%	–
Maturity in years	0–14	0–12	0–11	0–10	0–9	–

Interest rate: calculated based on the repayment schedule.

Discount rate: the market rate applied for Pixium Vision.

<i>(Amounts in euros)</i>	First instalment paid when the contract is signed	Key stage 1	Key stage 2	Key stage 3	Key stage 4	Total
Opening balance sheet debt 1/1/2021	177,498	1,884,053	871,622	778,094	1,470,553	5,181,819
(+) receipts	–	–	–	–	–	–
(-) repayments	–	–	–	–	–	–
Prepaid income upon receipt	–	–	–	–	–	–
Compound interest	14,855	170,246	84,018	82,667	156,235	508,021
(+) / (–) other movements(*)	(4,858)	(64,128)	(34,924)	(38,841)	(73,407)	(216,158)
Balance sheet debt 31/12/2021	187,495	1,990,171	920,716	821,920	1,553,381	5,473,683
LT						4,973,683
ST						500,000
Prepaid income recognised as grants	–	–	–	–	–	–
Prepaid income recognised as other current liabilities	–	–	–	–	–	–
(+) / (–) other movements	–	–	–	–	–	–
Interest rate	4.57%	5.69%	6.48%	7.55%	9.03%	–
Discount rate	11.5%	11.5%	11.5%	11.5%	11.5%	–
Maturity in years	0–14	0–12	0–11	0–10	0–9	–

Interest rate: calculated based on the repayment schedule.

Discount rate: the market rate applied for Pixium Vision.

(*) In 2021, the Company adjusted the calculation of repayable advances in line with the change in repayment schedule.

State Guaranteed Loan - PGE

On 31 July 2020, the Company received a state guaranteed loan of €2.5 million that bears interest at rates between 1% and 2.5%. The Company has the option to repay the full balance and any accrued interest within one year or to pay the interest only in year one and defer the principal payments to be paid in equal instalments over 5 years starting September 2022. The Company has elected to pay the loan back over 5 years beginning in September 2022. There are no covenants or collateral associated with this debt.

The difference in the value of the State-guaranteed loan is depending on the rates used is recognised as a grant (IAS 20.10A). The State-guaranteed loan is discounted at a rate of 8.0% with reference to the market rate applicable in 2020.

The portion of the repayable advances State-guaranteed loan to be repaid in more than one year is recognised as non-current liabilities, and the portion to be repaid within one year is recognised as current liabilities within prepaid income.

The impact of “unwinding” discounted advances is shown in financial expenses. (See Note 22)

Convertible Notes (ORNAN 2019)

On 5 November 2019, the Company signed a financing contract with European Select Growth Opportunities Fund (ESGO) for a maximum of €10 million of convertible notes (ORNAN 2019) for term of 30 months. The Company also drew down of the first tranche of notes for €1.25 million, consisting of 125 convertible notes of €0.01 million each.

On 31 December 2019, 82 of these notes were converted for 1,617,961 shares, resulting in an increase of additional paid in capital of approximately €0.82 million. The remaining €0.42 million is included in the current portion of bonds and convertible debt on the Company’s consolidated balance sheet as of 31 December 2019. These notes were converted into approximately

535,000 shares, \$0.07 (€0.06) par value ordinary shares in February 2020 bringing the outstanding balance on this tranche to zero as of 31 December 2020.

In February 2020, the Company drew down the second tranche of €1.25 million, consisting of 125 convertible notes of €0.01 million each. In April 2020, a portion of these notes were converted for approximately 915,000 ordinary shares. In May 2020, all of the remaining notes were converted for approximately 944,000 ordinary shares, bringing the outstanding balance of the second tranche to zero as of 31 December 2020.

In May 2020, the Company drew down the third tranche of €1.25 million, consisting of 125 convertible notes of €0.01 million each. In December 2020, a portion of these notes were converted for approximately 2,453,000 ordinary shares. In January 2021, all of the remaining notes were converted for approximately 43,000 ordinary shares.

In January 2021, the Company drew down the fourth tranche of €1.25 million, consisting of 125 convertible notes of €0.01 million each. In March 2021, all of the notes were converted for approximately 1,709,000 ordinary shares.

In March 2021, the Company drew down the fifth and the sixth tranche of €1.0 million each, consisting of 100 convertible notes of €0.01 million each. In March 2021, a portion of these notes were converted for approximately 1,209,000 ordinary shares. In April, all of the remaining notes were converted for approximately 143,000 ordinary shares.

In April 2021, the Company drew down the seventh tranche of €1.5 million, consisting of 150 convertible notes of €0.01 million each. At end of July 2021, all of the remaining notes were converted for approximately 1,487,000 ordinary shares.

In May 2021, the Company drew down the eighth and last tranche of €1.5 million, consisting of 150 convertible notes of €0.01 million each. As of 31 December 2021 a portion of these notes were converted for approximately 1,477,000 ordinary shares. In 2022 no bonds were converted. The remaining 50 convertible notes that have not yet been converted are included in the Company's consolidated balance sheet at their fair value for €0.5 million as of 30 June 2022.

The notes contain certain non-financial covenants which restrict the ability of the Company to pay dividends, issue additional stock or dispose of certain assets without the permission of the investor.

The convertible notes are zero-coupon notes with a 1-year duration from the date of the tranche's respective drawdown to convert the note into ordinary shares. At conversion, the issuer can redeem either (i) in new shares, and/or (ii) in cash for the full or partial amount of the conversion. At the maturity date, ORNAN 2019 for which no conversion notice will have sent shall be redeemed by the Company at its principal amount in cash.

NOTE 14: FINANCING AND FINANCIAL INSTRUMENTS

Warrants (BSA Kreos)

2016 KREOS BSA

On 27 June 2017 and 27 September 2016, the Company issued 140,935 stock warrants (the New 2016 Kreos BSAs) to Kreos Capital to Kreos Capital in connection with the entry into the Venture Loan Agreement in replacement of stock warrants issued on 27 September 2016 at the time of the entry into the Venture Loan Agreement which were concomitantly waived and. These warrants were abandoned and cancelled simultaneously. Each New 2016 Kreos BSA warrant (or BSA) gives rights to subscribe for N shares equal to the following formula: $N = 1,100,000 / P / [\text{Number of New BSA2016- KREOS}]$ where P is equal to the lower of (i) €7.81, (ii) in the assumption of a new Initial Public Offering ("IPO") at a price lower than this amount, or (iii) any future issue of Transferable Securities at a lower exercise price than this amount in connection with a fund raising. In any event, the maximum number of shares to be issued was capped at 422,805.

Following the capital increase carried out in the first half of 2018 at a price of €1.87, each New 2016 Kreos BSA confers the right to subscribe for $N = 4.1738$ shares, i.e. 588,235 shares. However, under the issue contract for the New 2016 Kreos BSAs, at 31 December 2018, the maximum number of shares to be created is 422,805 for a capital increase of €25,368.30. T, the subscription price "P" of the New 2016 Kreos BSAs which is currently €0.5 on the basis of the subscription price used for the capital increases, which was definitively completed on 7 May 2018 and 6 July 2020.

2018 KREOS BSA

Following the 2018 capital increase referred to above, which was carried out at a price of €1.87, the 140,935 New 2016 Kreos BSAs should have conferred the right to subscribe for 588,235 shares, a number higher than the maximum of 422,805 shares. Consequently, the Board of Directors decided to issue a 2018 Kreos BSA share warrant conferring initially the right to subscribe for 165,430 ordinary shares with a value of €0.06, corresponding to the difference between the number of shares to be subscribed and the maximum number of shares authorized under the New 2016 Kreos BSAs. Following the completion of the 2020 capital increase, the subscription price of the 167,084 shares obtained by exercising the 2018 KREOS is now €1.85.

The value of the KREOS BSA warrants is recognised at fair value in derivative financial instruments as a liability on the balance sheet. As at 30 June 2022, the KREOS BSA warrants were valued at €1,695, compared to €59,047 as at 31 December 2021.

BSA issued at the time of the completion of the private placement of July 2021 reserved to US investors and to HCW (2021 US BSAs)

In July 2021, in connection with the private placement restricted to US investors, the Company issued 4,048,584 warrants, which were attached to the 8,097,168 ordinary shares issued to US investors. Each warrant entitles the holder to subscribe for one ordinary share of the Company at an exercise price of €1.24 and may be exercised at any time until 15 July 2026.

The terms and conditions of the warrants require the Company to pay a net cash settlement if it fails to deliver the shares to the holders. In accordance with IAS 32, this instrument is defined as a derivative and has been classified as a liability, with subsequent changes in fair value recognised as a financial gain or loss.

The warrants were issued electronically in bearer form, were detached upon issue and are freely negotiable. Warrants are not listed on Euronext Growth market or on any other stock exchange.

NOTE 15: NON-CURRENT PROVISIONS

Non-current provisions comprise primarily pension liabilities due in more than one year.

<i>(Amounts in euros)</i>	30/06/2022	31/12/2021
Pension liabilities	94,223	102,429
Other provisions	–	–
Net total	94,223	102,429

Retirement benefit obligations break down as follows:

<i>(Amounts in euros)</i>	30/06/2022	31/12/2021
At 31 December 2021	(102,429)	(97,302)
Cost of services rendered (operating expense)	(8,423)	(10,666)
Interest expense (financial expense)	(563)	(326)
Actuarial losses/gains	17,192	5,865
At 30 June 2022	94,223	(102,429)

The following assumptions have been used to estimate retirement obligations for all categories of employees:

	30/06/2022	31/12/2021
Social security contribution rate	45%	45%
Salary increase rate	3%	2%
Discount rate	3.20%	1.10%

- Retirement age: 67 years
- Departure arrangements: voluntary departure
- Mortality table: TGF05-TGH05
- Collective agreement: National collective agreement for engineers and management employees in the metallurgy industry

- Lower employee turnover depending on age
- Long-term defined benefit plans

The discount rates are taken from the Bloomberg F66710Y IND Euros Composite Zero Coupon Yield AA index.

There were no retirements from the Group during 2022.

NOTE 16: CURRENT PROVISIONS

At end-June 2022, current provisions totalled €441, compared to €7,957 euros in 2021, and represent provisions for social charges.

NOTE 17: LEASE LIABILITIES

<i>(Amounts in euros)</i>	Non-current	Current	Total
At 30 June 2022			
Lease liabilities - real estate	563,249	298,168	861,416
Lease liabilities - other	16,766	21,427	38,194
Total - Lease liabilities	580,015	319,595	899,610

<i>(Amounts in euros)</i>	Non-current	Current	Total
At 31 December 2021			
Lease liabilities - real estate	709,319	289,804	999,122
Lease liabilities - other	20,530	25,241	45,771
Total - Lease liabilities	729,849	315,044	1,044,893

Lease liabilities maturities break down as follows:

<i>(Amounts in euros)</i>	2022
N +1	313,559
N +2	227,344
N +3	131,322
N +4	127,734
N +5	99,651
Over 5 years	—
Total	899,610

NOTE 18: TRADE PAYABLES, RELATED ACCOUNTS AND OTHER CURRENT LIABILITIES

No discounting was applied to trade payables because none of the amounts had payment terms exceeding one year at the end of each period presented.

Other current liabilities include short-term debts to employees and social security and tax authorities.

<i>(Amounts in euros)</i>	30/06/2022	31/12/2021
Trade payables	1,624,536	1,911,453
Social security liabilities	964,287	943,342
Tax liabilities	42,112	36,956
Prepaid income	430,733	483,101
Other payables	59,264	22,770
Net total	3,120,931	3,397,621

The Group recognised prepaid income of €0.65 million corresponding to the economic benefit mainly from the preferential interest rate applied to the State-guaranteed loan. The proceeds are recognised as a grant over the entire repayment period of the State-guaranteed loan, i.e. over a period of six years. (See Note 19)

NOTE 19: OPERATING REVENUE

Operating revenue breaks down as follows:

<i>(Amounts in euros)</i>	30/06/2022	30/06/2021
Sales	–	–
Research Tax Credit	983,205	851,313
Grants	60,818	105,192
Other revenues	(227)	844,459
Net total	1,043,797	1,800,964

Research Tax Credit. In the first half of 2022, we recognised a research tax credit of €0.98 million, compared to €0.85 million for the first half of 2021.

Grants Grant proceeds recognised in the first half of 2022 totalled €0.06 million, consisting primarily of grants in connection with the State-guaranteed loan, in accordance with IAS 20.

In 2021, we received €0.9 million other revenues for contractual indemnities paid by Second Sight Medical Product Inc. (SSMP). These payments were made following SSMP's unilateral termination of the memorandum of understanding between the two companies (effective 5 January 2021).

NOTE 20: OPERATING EXPENSES

Research and development expenses break down as follows:

<i>R&D expenses (Amounts in euros)</i>	30/06/2022	30/06/2021*
Wages and salaries*	2,341,367	1,770,269
Subcontracting, collaboration and consultants	923,896	1,108,325
Research supplies	264,062	289,415
Leases ⁽¹⁾	1,895	13,874
Amortisation of use rights	126,056	113,713
Conferences, travel expenses	141,557	78,027
Licence fees	43,833	90,054
Provisions and amortisation allowances	56,606	57,780
Miscellaneous - Services provided ⁽²⁾	160,606	144,053
Impairment losses	–	–
Other	26,213	21,367
Net total	4,086,091	3,686,877

(1) Lease expenses correspond to non-capitalised leases

(2) Service contracts associated with leases

* Including the impact of the IAS 19 change (Note 3: IFRIC May 2021 – IAS 19 Retirement Benefits)

At 30 June 2022, Research and development expenses totalled to €4.1 million compared with €3.7 million the previous year. This increase of €0.4 million is primarily due to the reinforced research and development teams, particularly in the clinical field, to provide support for the increased activity in connection with the PRIMAvera study.

In 2021, research and development expenses amounted to €7.3 million compared to €6.2 million one year earlier. The increase of €1,1 million is mainly related to strengthening of its clinical team and the opening of several centers in Europe as part of its PRIMAvera study.

A breakdown of general and administrative expenses by type is shown below:

General and administrative (Amounts in euros)	30/06/2022	30/06/2021*
Wages and salaries*	725,879	668,073
Fees	1,585,683	1,679,801
Leases ⁽¹⁾	12,806	16,126
Amortisation of use rights	33,538	26,902
Insurance	24,919	23,400
Communication, travel and entertainment expenses	311,487	159,767
Postage and telecommunication costs	48,844	44,479
Administrative supplies and equipment leases	7,409	12,671
Provisions and amortisation allowances	187,050	226,684
Miscellaneous - Services provided ⁽²⁾	34,466	27,793
Other	90,344	58,750
Net total	3,062,425	2,944,445

(1) Lease expenses correspond to non-capitalised leases

(2) Service contracts associated with leases

* Including the impact of the IAS 19 change (Note 3: IFRIC May 2021 – IAS 19 Retirement Benefits)

In June 2022, general and administrative expenses amounted to €3.1 million compared to €2.9 million in 2021. The increase in expenses has primarily incurred for legal and accounting services to analyse and prepare various financing options, such as convertible bonds and private placements with French or international investors on Euronext Growth or on a foreign stock exchange.

Payroll expense

At end June 2022, the Group employed 43 persons, compared to 35 in 2021.

Payroll expense breaks down as follows:

Payroll expense (Amounts in euros)	30/06/2022	30/06/2021
Wages and salaries	1,978,040	1,580,165
Social contributions	824,077	651,170
Pension liability expenses*	8,986	5,496
Share-based payments	196,225	139,115
Net total	3,007,327	2,381,945

* Including the impact of the IAS 19 change (Note 3: IFRIC May 2021 – IAS 19 Retirement Benefits)

NOTE 21: PAYMENT IN SHARES

Share-based payments relate to all financial instruments (BSA warrants/BSPCE warrants/free shares (AGA)/SOs) awarded to employees, members of the Board of Directors and scientific advisors. The BSA warrants in connection with the Kreos bonds do not come within the category covered by IFRS 2. They are included at fair value as a liability on the statement of financial position in the "Derivative financial instruments" item. (See Note 14.)

The expense representing the benefit awarded is recognised on a straight-line basis as a payroll expense over the vesting period.

The amount of the annual accounting expense in connection with all share-based payments breaks down as follows:

In euros	30/06/2022			30/06/2021		
	R&D	G&A	Total	R&D	G&A	Total
BSAs	0	37,776	37,776	0	0	0
BSA HCW - Award of 12/07/2021	0	0	0	0	0	0
BSA - Award of 26/11/2021	0	37,776	37,776	0	0	0
AGAs	119,222	6,224	125,446	49,547	11,939	61,486
AGA-01– Award of 24/07/2019	0	0	0	7,428	0	7,428
AGA-02– Award of 12/12/2019	0	0	0	42,119	11,939	54,058
AGA-03– Award of 12/12/2019	0	0	0	0	0	0
AGA - Award of 17/02/2021	3,341	0	3,341	0	0	0
AGA - Award of 17/02/2022	115,880	6,224	122,104	0	0	0
SOs	996	32,007	33,003	2,008	75,621	77,629
SO - Award of 02/10/2019	0	20,611	20,611	0	48,273	48,273
SO - Award of 12/12/2019	996	0	996	2,008	0	2,008
SO - Award of 23/07/2020	0	11,395	11,395	0	27,348	27,348
Total	120,218	76,007	196,225	51,556	87,559	139,115

The key features of the plans are shown in the tables below:

Award date (CA)	BSAs			
	18/03 2013	23/06 2015	12/07 2021	26/11 2021
Vesting period	4 years	4 years	–	–
Contractual duration	10 years	7 years	5 years	7 years
Average expected duration of instrument	6 years	–	–	–
Total number of instruments at end-2021 ^(*)	18,393	34,666	566,802	731,670
Instrument/share ratio ^(*)	1	1	1	1
Strike price (€) ^(*)	€0.06	€5.99	€1.24	€0.93
Evaluation model used	Black and Scholes			
Fair value of share at award date ^(*)	€0.06	€0.00	€0.99	€0.85
Expected volatility ⁽¹⁾	45.0%	45.0%	62.70%	60.40%
Expected dividends	–	–	–	–
Performance conditions	N/A	N/A	N/A	N/A
Fair value of option ^(*)	€0.03	€2.00	€0.31	€0.25

Award date (CA)	AGAs 2019	AGAs 2020	AGAs 2022	SOs 2019	SOs 2019	SOs 2020
	12/12 2019	17/02 2021	17/02 2022	02/10 2019	12/12 2019	23/07 2020
Vesting period	1 year	1 year	2 years	4 years	4 years	4 years
Contractual duration	–	–	–	7 years	7 years	7 years
Average expected duration of instrument	–	–	–	6 years	6 years	6 years

Total number of instruments as at 30/06/2022 ^(*)	139,954	17,000	937,338	1,117,982	50,000	353,795
Instrument/share ratio ⁽¹⁾	1	1	1	1	1	1
Strike price (€) ^(*)	N/A	N/A	N/A	€1.09	€0.62	€0.55
Evaluation model used	Black and Scholes					
Fair value of share at award date ^(*)	€0.98	€1.04	€0.72	€1.01	€0.63	€0.53
Expected volatility ⁽¹⁾	–	–	-	52.11%	56.95%	65.60%
Expected dividends	–	–	-	–	–	–
Performance conditions	N/A	N/A	YES	YES	N/A	YES
Fair value of option ⁽¹⁾	€0.98	€1.04	€0.72	€0.42	€0.28	€0.28

(*) In order to provide clearer comparability between the instruments and the same conversion ratio, instruments issued before 17/06/2014 (the date of the six-for-one reverse stock split of the Group's shares) have been adjusted accordingly (number, strike price, share value, etc.).

(1) Based on the historical volatility of a panel of comparable companies.

Detailed information on the number of options by category and strike price is provided in Note 12.2.

NOTE 22: FINANCIAL INCOME AND EXPENSES

Financial income and expenses break down as follows:

Financial income and expenses (Amounts in euros)	30/06/2022	30/06/2021*
Financial revenue	829,489	–
<i>Fair value 2021 US BSAs</i>	<i>829,489</i>	<i>–</i>
Financial expenses	(339,068)	(715,389)
<i>Interest on loans and debts</i>	<i>(378,964)</i>	<i>(368,062)</i>
<i>Leases</i>	<i>(16,094)</i>	<i>(20,093)</i>
<i>Reversal of daily loss on ORNAN JVs</i>	<i>65,950</i>	<i>(327,070)</i>
<i>Other financial expenses*</i>	<i>(9,960)</i>	<i>(163)</i>
Net total	(339,068)	(715,520)

* Including the impact of the IAS 19 change (Note 3: IFRIC May 2021 – IAS 19 Retirement Benefits)

In 2022, financial income comprises the change in the fair value of the 2021 US BSA warrants in the amount of €829,489.

As at 30 June 2022, financial expenses consisted of interest calculated on the “Sight Again” repayable advance in the amount of €300,635, interest calculated on the State-guaranteed loan in the amount of €78,329, interest calculated on leases in the amount of €16,094 and an expense reversal of the valuation difference one-day loss of €65,950 corresponding to the difference between the fair value of the unconverted ORNAN 2019 bonds as at 30 June 2022 and their issue price.

NOTE 23: RELATED-PARTY TRANSACTIONS

Under IAS 24, related parties include parties with the ability to control or exercise significant influence over the reporting entity. All business transactions with related parties are entered into on arm's length terms.

The remuneration shown below, which was paid to the members of the Group's Board of Directors, was expensed during the periods presented (amounts in euros):

Related-party transactions (Amounts in euros)	30/06/2022	30/06/2021
--	-------------------	-------------------

Wages and salaries	219,720	213,720
Directors' fees	30,000	30,000
Benefits in kind and in cash	74,659	63,074
Share-based payments	32,007	75,621
Net total	356,386	382,414

NOTE 24: EARNINGS PER SHARE

Net earnings per share are calculated by dividing the net profit attributable to holders of the Group's shares by the weighted average number of ordinary shares outstanding during the period.

Earnings per share	30/06/2022	30/06/2021*
Net income for the period (in euros)*	(5,614,298)	(5,545,747)
Weighted average number of shares in circulation	47,391,297	45,076,834
Net earnings per share (in euros)	(0.12)	(0.12)

* Including the impact of the IAS 19 change (Note 3: IFRIC May 2021 – IAS 19 Retirement Benefits)

Instruments giving deferred rights to equity (BSAs, BCEs, AGAs, SOs) are considered anti-dilutive as they lead to an increase in earnings per share. These instruments are presented in detail in Note 12.2. Therefore, diluted earnings per share are the same as net earnings per share.

NOTE 25: FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is linked to deposits with banks and financial institutions. The Company seeks to minimize the risk related to banks and financial institutions by placing cash deposits with highly rated financial institutions. The maximum level of the credit risk corresponds to the book value of the financial assets.

As outstanding receivables consist primarily of the research tax credit granted by the French government, the Company is not exposed to significant credit risk.

Sources of Supply

Several of the components, materials and services used in our products are available only from single suppliers, and substitutes for these items cannot be obtained easily or would require substantial design or manufacturing modifications. Any significant problem experienced by one or more of our sole source suppliers could result in a delay or interruption in the supply of components to us until that supplier cures the problem or an alternative source of the component is located and qualified. Even where we can use other qualified alternative suppliers, the substitution of suppliers may be at a higher cost and cause time delays that impede the production of our products and impact our ability to meet research and development and clinical objectives.

Operations in Foreign Countries

The Company currently operates exclusively in Europe and in the United States. Unanticipated events in foreign countries could disrupt our operations and impair the value of assets held.

NOTE 26: FEES PAID TO STATUTORY AUDITORS

Fees paid to statutory auditors
(Amounts in euros)

	30/06/2022	30/06/2021
Audit standardsexpenses	204,566	309,378
Other audit expenses	–	–
Total	204,566	309,378

NOTE 27: OFF-BALANCE SHEET COMMITMENTS

941 Liabilities under contracts

Exclusive license agreements with Stanford University

In 2014, the Company entered into a worldwide exclusive licence agreement with the board of trustees of Leland Stanford Junior University (the "Stanford Licence"), which was amended in 2017 and in June and September 2021, concerning certain patents applicable to the Prima System. Under the Stanford Licence, the Company agreed to pay Stanford University a fee of \$100,000 upon the signature of the agreement, an annual licence maintenance fee of between \$15,000 and \$30,000 on the first six anniversaries of the effective date of the agreement, and of \$40,000 on the seventh and subsequent anniversaries, milestone payments totalling \$525,000 upon achieving certain regulatory developments, as well as royalties of between 2% and 3% on net sales of licensed products. Pixium Vision has already paid three milestones totalling \$325,000 in connection with the signature of the agreement, the Company becoming a listed company, and the first human trial in the licensed territory. In addition, under the September 2021 amendment, the Company also agreed to pay an additional one-time licence issue fee of \$30,000. The Stanford Licence is effective and exclusive, and includes the right to grant sublicences, subject to certain specified conditions, in the licensed field of use until 17 September 2033. The Company also agreed to pay Stanford University a portion of the consideration on all royalty-free sublicences for any licensed patents. The Company may terminate the Stanford Licence in its entirety for reasons of convenience by giving 30 days' written notice. Stanford University may terminate the licence for breach of certain provisions, subject to specific notice and cure periods.

Exclusive licence agreement with CNRS, the University of Bordeaux and ESIEE (Paris Ile de France Chamber of Commerce and Industry)

In 2015, the Company entered into an exclusive worldwide licence agreement with CNRS, the University of Bordeaux and ESIEE (Paris Ile de France Chamber of Commerce and Industry) (the "CNRS Licence") concerning a patent family covering the configuration of microelectrode arrays for focal stimulation of living tissue applicable to the Prima System. Under this licence, the Company agreed to pay the University of Bordeaux a minimum annual fee of €30,000 as from January 2017. The CNRS Licence is effective and exclusive, and includes the right to grant sublicences, subject to certain specified conditions, for the life of the licensed patents. The Company is also required to pay the CNRS royalties of approximately 1% on direct net sales and a reduced royalty rate on sub-licensing revenues received in connection with the licensed patents (between 7.5% and 20% of sub-licensing revenues). The Company may terminate the CNRS Licence at any time by giving 30 days' written notice. The CNRS may terminate the licence for breach of certain provisions, subject to specific notice and cure periods.

NOTE 28: POST-BALANCE SHEET DATE EVENTS

On **14 July 2022**, Pixium Vision announced that it had set up financing for a nominal amount of €30 million, and had drawn down a first tranche of €5.5 million.

IV- ACTIVITY REPORT

UPDATE ON PIXIUM VISION'S BUSINESS

Pixium Vision continued to make significant clinical and business progress in H1 2022, including continuing implanting patients in the European PRIMAvera pivotal trial evaluating the safety and efficacy of the Prima System in patients affected by dry Age-related Macular Degeneration (AMD), targeting the last implantation end of 2022.

The feasibility study in the US continued to make good progress and recently broadened its clinical centers to include Stanford Medicine. Implantations of all US patients in this study are expected to complete by the end of 2022.

In January 2022, peer reviewed data was published in Nature Communications demonstrating the clinical benefit of the PRIMA System in Dry AMD patients.

Despite the downturn on the financial markets, Pixium Vision was able to secure the financing as announced July 14, 2022. The Company is continuing to build on traction gained with global investors to secure its financing pipeline into the future.

ANALYSIS OF H1 2022 RESULTS

Income statement summary			
<i>In thousands of euros</i>	H1 2022	H1 2021 *	Change
Operating revenue	1,043.8	1,801.0	(42.0) %
Current operating expenses	(7,148.5)	(6,631.3)	+7.8 %
Research and Development	(4,086.1)	(3,686.9)	+10.8 %
General and administrative expenses	(3,062.4)	(2,944.4)	+4.0 %
Operating loss	(6,104.7)	(4,830.4)	+26.4 %
Net loss for the period	(5,614.3)	(5,545.7)	+1.2 %
Net earnings per share	(0.12)	(0.12)	

*H1 2021 restated: impact of change in IAS19 calculation (cf. note 3 IFRIC May 2021 – IAS19 Retirement Benefits of half year financial report 2022)

Operating revenue amounted to €1.0 million and is comprised of a Research Tax Credit (CIR) in the amount of €1.0 million.

Current Research and Development (R&D) expenses totalled €4.1 million, compared to €3.7 million the previous year. During the first half of 2022, Pixium Vision continued to strengthen its clinical team and opened several centers in Europe as part of its PRIMAvera study. In addition, the Group continued to develop and manufacture its Prima bionic vision system to ensure the progress of its ongoing clinical studies.

Current general and administrative (G&A) expenses totalled €3.1 million in H1 2022, compared to €2.9 million in H1 2021. General and administrative expenses increased by 4.0% in H1 2022, mainly due to the costs the Group incurred for legal services in preparation of various financing options such as convertible bonds, private placement with French or international investors on Euronext Growth or on a foreign stock exchange.

In H1 2022, the Group did not recognize any **marketing and sales expenses**.

Operating result presented a loss of €6.1 million, which is higher than in H1 2021 (€4.8 million). **Net result** was a loss of €5.6 million (compared to a loss of €5.5 million in H1 2021). The loss per share is €0.12 for both periods.

Statement of cash flows summary

<i>In thousands of euros</i>	H1 2022	H1 2021
Opening cash and cash equivalents	10,131.4	10,566.0
(Decrease)/Increase in cash position	(7,283.6)	(434.5)
<i>O/W net cash flows from operating activities</i>	(7,064.1)	(6,115.4)
<i>O/W net cash flows from investment activities</i>	(26.8)	(32.0)
<i>O/W net cash flows from financing activities</i>	(196.4)	5,712.9
Closing cash and cash equivalents	7,221.2	10,131.4

Net cash outflow from operating activities increased in H1 2022 to €7.1 million, compared to €6.1 million in H1 2021. The increase in net cash outflow reflects the continuation of the PRIMavera study, the US feasibility study, as well as the spending associated with the preparation of financing options.

Net cash flows from financing activities totalled €(0.2) million which are mainly related to the repayment of lease liabilities under IFRS16 in H1 2022. In H1 2021, financing activities reflected primarily the drawdown of 5 ORNAN tranches for a total of €6.25 million in gross proceeds under its agreement with ESGO.

Pixium Vision ended H1 2022 with a net cash position of €7.2 million, compared to €10.1 million a year earlier.

Post-period, on July 14, 2022, Pixium Vision announced the implementation of a financing of a maximum nominal amount of €30 million, and the drawdown of a first tranche with a nominal value of €5.5 million.

**V- STATUTORY AUDITORS' REPORT ON THE 2022
HALF-YEAR FINANCIAL REPORT**

PIXIUM VISION

Société anonyme

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75012 PARIS

Rapport d'examen limité du commissaire aux comptes sur les comptes consolidés semestriels résumés

Période du 1er janvier au 30 juin 2022



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PIXIUM VISION

Société anonyme

74 rue du Faubourg Saint-Antoine

75012 PARIS

Rapport d'examen limité du commissaire aux comptes sur les comptes consolidés semestriels résumés

Période du 1er janvier au 30 juin 2022

Au Directeur Général,

En notre qualité de commissaire aux comptes de Pixium Vision et en réponse à votre demande, nous avons effectué un examen limité des comptes consolidés semestriels résumés relatifs à la période du 1er janvier 2022 au 30 juin 2022, tels qu'ils sont joints au présent rapport.

Ces comptes consolidés semestriels résumés ont été établis sous la responsabilité de votre conseil d'administration. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France et la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette intervention. Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects

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Société par actions simplifiée au capital de 2 188 160 €
Société d'Expertise Comptable inscrite au Tableau de l'Ordre d'Auvergne-Rhône-Alpes
Société de Commissariat aux Comptes inscrite à la Compagnie Régionale de Versailles et du Centre
572 028 041 RCS Nanterre
TVA : FR 02 572 028 041

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comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l'assurance que les comptes consolidés semestriels résumés, pris dans leur ensemble, ne comportent pas d'anomalies significatives obtenue dans le cadre d'un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d'un audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité des comptes consolidés semestriels résumés avec la norme IAS 34 –norme du référentiel IFRS tel qu'adopté dans l'Union européenne relative à l'information financière intermédiaire.

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur l'incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la continuité d'exploitation décrite dans le paragraphe « continuité d'exploitation » de la note 3 « Principes et méthodes comptables retenus au 30 juin 2022 » de l'annexe.

Ce rapport est régi par la loi française. Les juridictions françaises ont compétence exclusive pour connaître de tout litige, réclamation ou différend pouvant résulter de notre lettre de mission ou du présent rapport, ou de toute question s'y rapportant.

Lyon, le 22 juillet 2022

Le commissaire aux comptes

DELOITTE & ASSOCIES

Arnaud de GASQUET

VI- STATEMENT OF THE PERSON RESPONSIBLE FOR THE 2022 HALF-YEAR FINANCIAL REPORT

I certify that, to my knowledge, the summary financial statements for the past half-year were prepared in accordance with applicable accounting standards and give a fair view of the assets, financial position and results of the Company at 30 June 2022, and that the half-year business report presents a fair overview of major events that occurred during the first six months of the year, their impact on the financial statements, the main transactions between related parties and a description of the principal risks and uncertainties for the remaining six months of the year.

Lloyd Diamond
Chief Executive Officer
20 July 2022

A handwritten signature in black ink, appearing to read "Lloyd Diamond", is centered below the printed name and title.