



Pixium Vision announces a financing agreement for a maximum amount of €10 million, issuing a first tranche of € 1.25 million, for the development of its Prima system

- **Financing of the development of the Prima system on the back of its excellent clinical results**
- **Subsequent drawdowns possible depending on financing needs**
- **Subsequent drawdowns conditional to approval of needed resolutions at the AGM to be held on December 12, 2019**

Paris, 6 November 2019 – 7.00 am CEST– Pixium Vision (FR0011950641 - PIX), a bioelectronics company that develops innovative bionic vision systems to enable patients who have lost their sight to live more independently, announces that it has concluded a financing agreement with the US-based investor, specialized in healthcare, European Select Growth Opportunities Fund (the “**Investor**”) for an issue of bonds repayable in cash and/or new shares (the “**Bonds**”) for a maximum nominal amount of €10 million, without interest, and without share warrants, over a period of no more than 30 months. ESGO supports Pixium Vision’s long-term development and has committed to take part in a capital increase in the event such a transaction is carried out.

“We welcome this financing agreement and the trust ESGO has placed in us. Thanks to this flexible financial instrument, which significantly strengthens our financial outlook, we will actively pursue the development of our Prima system. We recently reached an important milestone now that the first patients implanted are equipped with second-generation glasses. These glasses combine residual natural vision and bionic vision. This is the first time such clinical success has been demonstrated and can be correlated with a potential improvement in quality of life. The initial results are quite encouraging,” stated **Lloyd Diamond, Chief Executive Officer of Pixium Vision.**

Goals of this transaction

- Generating additional clinical data with the new generation Prima system, which combines natural and bionic vision, in the 10 patients with dry AMD authorised in France and the United States;
- Preparing the next steps in the development of the Prima system for dry AMD for future regulatory stages in Europe and the United States.
- Following the issuance of the first tranche, the Company has a cash runway up to the end of H1 2020.

General description of the transaction

Pursuant to this transaction, several tranches of Bonds will be issued to the Investor, at the discretion of the Company and the investor and provided certain conditions are met, for a maximum nominal amount of €10 million over a period of 30 months. It should be noted that:

- on this date, the first tranche of the Bonds, for a nominal amount of €1.25 million, was issued by the Company and subscribed by the Investor;
- the other Bonds tranches (8 tranches of €1,000,000 and 1 tranche of €750,000, unless modified by the Company and the Investor) will be issued if the Investor exercises issuance warrants.

The issuance of the subsequent tranches is subject to the approval of the extraordinary general meeting of Pixium Vision's shareholders, which will be held on 12 December 2019, as well as the transfer of Pixium Vision to Euronext Growth Paris no later than 28 February 2020.

The Investor, at its sole discretion and subject to certain conditions, will be entitled to subscribe for several tranches of the Bonds up to a maximum amount of €3 million out of the €10 million of the global agreement.

For information purposes, the investment of a shareholder who holds 1% of the Company's share capital before the capital increase that would result from the issuance of new shares upon conversion of the Bonds would be 0.61% assuming all Bonds that may be issued under the financing programme are redeemed solely in new shares¹.

At the election of Pixium Vision, the Bonds may also be redeemed in cash and thus have no dilutive impact on Pixium Vision's shareholders.

The characteristics of the Bonds and the detailed terms and conditions of the transaction are set out in the appendix below and will also be available on the Company's website.

As stated above, no share warrants are attached to the Bonds. In addition, the equity line with Kepler Cheuvreux was terminated without any penalty. Moreover, this financing does not grant any guarantee or security to the investor.

Indicative timetable for the transaction

<u>5 November 2019</u>	The Company and the Investor sign the issuance contract The Company issues the first tranche of the Bonds The Investor subscribes for the first tranche of the Bonds Press release published
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¹ Dilution is calculated assuming an issue price of €0.68 (based on a share price of €0.745). This dilution is not a confirmation of the final number of shares that will be issued upon conversion of the Bonds or the issue price of the shares, which will be determined based on the market price, in accordance with the terms and conditions described in this press release.

12 December 2019	Extraordinary general meeting of the Company's shareholders to approve the resolution authorising the issuance of the next tranches of the Bonds
13 February 2020 (at the earliest)	Transfer of Pixium Vision shares to Euronext Growth Paris
Up to 5 days following the transfer on Euronext Growth Paris	Board of Directors decision to issue the subsequent Bonds Possibility of drawing subsequent tranches

Bryan Garnier & Co acted as financial advisor of Pixium Vision.

Contacts

Pixium Vision

Didier Laurens
Chief Financial Officer
investors@pixium-vision.com
+33 1 76 21 47 68

Media relations

LifeSci Advisors
Sophie Baumont
sophie@lifesciadvisors.com
+33 6 27 74 74 49

Investor relation

LifeSci Advisors
Chris Maggos
chris@lifesciadvisors.com
+41 79 367 62 54

Pixium Vision is creating a world of bionic vision for those who have lost their sight, enabling them to regain visual perception and greater autonomy. Pixium Vision's bionic vision systems are associated with a surgical intervention and a rehabilitation period. Prima System sub-retinal miniature photovoltaic wireless implant is in clinical testing for patients who have lost their sight due to outer retinal degeneration, initially for atrophic dry age-related macular degeneration (dry AMD). Pixium Vision collaborates closely with academic and research partners, including some of the most prestigious vision research institutions in the world, such as: Stanford University in California, Institut de la Vision in Paris, Moorfields Eye Hospital in London, Institute of Ocular Microsurgery (IMO) in Barcelona, University hospital in Bonn, and UPMC in Pittsburgh, PA. The company is EN ISO 13485 certified and qualifies as "Entreprise Innovante" by Bpifrance.

For more information : <http://www.pixium-vision.com/fr>
Follow us on [@PixiumVision](https://twitter.com/PixiumVision); www.facebook.com/pixiumvision
Linkedin www.linkedin.com/company/pixium-vision



Pixium Vision is listed on Euronext Paris (Compartment C). Pixium Vision shares are eligible for the French tax incentivized PEA-PME and FCPI investment vehicles.

Pixium Vision is included in the Euronext CAC All Shares index

Euronext ticker: PIX - ISIN: FR0011950641 – Reuters: PIX.PA – Bloomberg:PIX:FP

Appendix - Characteristics and terms and conditions of the transaction

– Legal framework of the transaction

Pursuant to its 18th resolution, the extraordinary general meeting of 29 May 2019 delegated to the Board of Directors, with the right to sub-delegate, the authority to decide to issue, on the French and/or international market, ordinary shares conferring access, as applicable, to ordinary shares or to an allotment of debt securities, and/or transferable securities conferring access to ordinary shares, eliminating the shareholders' pre-emptive subscription rights in favour of categories of persons who meet specified characteristics.

During its meeting of 29 October 2019, the Board of Directors (i) exercised the authority delegated to it, (ii) approved, in principle, the issuance of the Bonds in the form of a bond issue with a maximum nominal amount of €10 million over a period of 30 months from the date of signature of the issuance agreement, and (iii) decided to issue the first tranche of the Bonds, under the terms and conditions of the financing agreement (the "**Agreement**"). The Chief Executive Officer signed the Agreement on 5 November 2019 and it is expected that the Investor would subscribe for the first tranche of the Bonds on that date. This first tranche of Bonds may result in a capital increase with a maximum nominal amount of €192,000.

The issuance of the subsequent tranches of the Bonds is subject to the approval of the extraordinary general meeting of Pixium Vision's shareholders, which will be held on 12 December 2019, and the transfer of Pixium Vision to Euronext Growth Paris no later than 28 February 2020.

– Main characteristics of the Bonds²

- Subject to certain conditions³, the Bonds will be issued in several tranches.
- The Bonds will have a nominal value of €10,000 each, a maturity of 12 months from their issue date and will be subscribed at 97.5% of par. They will not bear interest.
- The Bonds will be registered in the holder's name in the securities registers kept by the Company and will be transferable without the Company's prior approval (i) to the Investor's affiliates and, under certain conditions, (ii) to third parties. No application for admission to trading will be submitted for the Bonds.
- The Bonds will entitle the holder thereof to receive, upon conversion, at the Company's election: (i) an allotment of new shares and/or (ii) a sum in cash equal to all or part of the amount whose conversion the Investor requests.

- Payment in shares:

$$N = V_n / P$$

In which:

"**N**": equals the number of ordinary shares of the Company to be delivered to the Investor;

"**V_n**": equals the nominal value of the Bonds converted, i.e. €10,000;

"**P**": equals 92% of the lowest volume-weighted average price of the Company's shares on the trading days on which the Investor does not sell any shares of the Company on the market, during the 10 trading days immediately preceding the date on which the Company receives a conversion notice, which must be at least equal to the minimum issue price of the new shares fixed by the general meeting.

- Payment in cash:

² The detailed characteristics of the Bonds are available on the Company's website.

³ In particular, the conditions include the absence of any material adverse change, meeting the conditions relating to the liquidity of the Pixium Vision share, the share price and the number of Pixium Vision shares that may be held by the Investor, and the authorisations to issue Pixium Vision securities to be granted by the Company's shareholders at the combined general meeting of 12 December 2019 (the latter condition only concerns the tranches subsequent to the first tranche).

$$M = (V_n / P) * C$$

In which:

“**M**”: equals the cash amount to be paid;

“**V_n**”: equals the nominal value of the Bonds converted, i.e. €10,000;

“**P**”: equals 92% of the lowest volume-weighted average price of the Company's shares on the trading days on which the Investor does not sell any shares of the Company on the market, during the 10 trading days immediately preceding the date on which the Company receives a conversion notice, which must be at least equal to the minimum issue price of the new shares fixed by the general meeting.

“**C**”: equals the volume-weighted average price of the Company's shares on the date the Company receives a conversion notice.

- The Bonds that have matured must be repaid by the Company to the Investor in cash.
 - If an event of default⁴ occurs, the Company must repay an amount equal to 107% of the nominal value of the Bonds in circulation.
- New shares created pursuant to the conversion of the Bonds

The new shares issued upon the conversion of the Bonds will carry immediate dividend rights. They will have the same rights as the Company's existing ordinary shares, will be listed on Euronext Growth and then, in the event of a transfer, on the Euronext Growth Paris market on the same listing line (ISIN FR0011950641).

A table tracking the conversion of the Bonds issued pursuant to the transaction will be updated on the Company's website.

– Risk factors

The issuance of the first tranche of Bonds does not materially change the Company's liquidity risks as described in Section 4 of its 2018 Annual Report released on April 18, 2019.

The Company draws the public's attention to the other risk factors to which the Company and its business are exposed, as described in section 4 of its 2018 registration document, which was published on 18 April 2019, and in section 2 of its half-year report, which was published on 25 July 2019, both of which are available free of charge on the Company's website.

– Theoretical impact of the issuance of the Bonds

For information purposes, if new shares are delivered and if all Bonds that may be issued under the financing programme are redeemed solely in new shares, the impact of the issuance of the Bonds would be as follows⁵:

- on the investment of a shareholder currently holding 1% of the Company's share capital (based on the number of shares comprising the Company's share capital at the date of this press release, i.e. 22,606,060 shares):

⁴ In particular, events of default include the delisting of the Pixium Vision share the impossibility of issuing the Bonds or new shares resulting from conversion requests, the non-payment of amounts due for financing, the cessation of the activities of the Company, failure to repay matured debts and the occurrence of a significant adverse change (i.e. an event having a significant adverse effect on the Company's assets, results or activity, the Company's ability to meet its obligations under the Bond issuance contract or the validity of the Bond issuance contract) which would not have been remedied within 15 working days. In the event of a takeover of Pixium Vision, the Investor may request redemption on the basis of the nominal value of the Bonds (without penalty).

⁵ Dilution and share of equity are calculated assuming a conversion price of €0.68 (based on a share price of €0.745). This dilution is not a confirmation of the final number of shares that will be issued or their issue price, which will be determined based on the market price, in accordance with the terms and conditions described in this press release.

	Shareholder's investment (%)	
	Undiluted basis	Diluted basis (after all dilutive instruments in existence to date are exercised)
Before the issuance	1.00%	0.88%
After issuance of the new Pixium Vision shares resulting from the conversion of the first tranche of the Bonds	0.92%	0.82%
After issuance of the new Pixium Vision shares resulting from the conversion of all tranches of the Bonds	0.61%	0.56%

- on the share of equity per share (based on equity at 31 December 2018 and the number of shares comprising the Company's share capital at the date of this press release, i.e. 22,606,060 shares):

	Share of equity per share (€)	
	Undiluted basis	Diluted basis (after all dilutive instruments in existence to date are exercised)
Before the issuance	0.502	0.615
After issuance of the new Pixium Vision shares resulting from the conversion of the first tranche of the Bonds	0.512	0.617
After issuance of the new Pixium Vision shares resulting from the conversion of all tranches of the Bonds	0.555	0.623

– Prospectus

It should be noted that no prospectus subject to AMF approval will be prepared for this transaction subject to the admission of Pixium Vision securities to the Euronext Growth Paris market.