Pixium Vision: Results for the First 9 Months of 2016

- ***Cash consumption reduced by 50% compared to prior year***
- ***€11m bond financing extends cash runway into 1H 2018***
- ***Received CE mark for IRIS®II, initiated reimbursement and commercial activities***
- ***Submitted PRIMA feasibility study for Age-related Macular Degeneration (AMD)***

Paris, France. October 27, 2016 – Pixium Vision (FR0011950641 – PIX, "Pixium"), a company developing innovative bionic vision systems to allow patients who have lost their sight to lead more independent lives, announces today the release of its results for the first nine months of 2016.

Khalid Ishaque, CEO of Pixium, said: "*Over the summer of 2016, Pixium Vision received CE mark for IRIS®II, its epi-retinal bionic vision system, and continued to recruit and implant additional patients for its clinical trial in Europe with the IRIS®II system. Simultaneously, the Company initiated its reimbursement filings, commercial and market development activities."*

Khalid Ishaque, added: "*In parallel, the company continues to progress on its second system, PRIMA, a wireless sub-retinal implant, with a less invasive design particularly suitable for AMD. We completed the pre-clinical studies enabling submission for a feasibility study for AMD. Regulatory approval for the first human implantation is expected by end 2016."*

Revenues of the first nine months

	First nine months	
In thousand euros	**2016**	**2015**
Other revenues (*)	1,925.7	2,652.0

(*) *o/w Research Tax Credit*

Cash-flow statement summary

	First nine months	
In thousand euros	**2016**	**2015**
Opening cash and cash equivalents	24,353.8	42,131.7
(Decrease) / Increase in cash position	(7,015.7)	(14,049.5)
o/w net cash flows from operating activities	(8,851.5)	(12,088.2)
Closing cash and cash equivalents	17,338.1	28,082.2

During the first nine months of 2016, **Other revenues** amounted to €1.9 million, down 27% compared to the prior year. As no R&D expense is activated, the research tax credit (RTC) is fully accounted for as **other revenues**. For the first nine months of 2016, the Company recorded a net income related to RTC of €1.80 million compared to €1.96 million one year earlier. This RTC level is down slightly due to the reduction of research expenditures on IRIS®II, which received CE market approval in July.
Additionally, in 2016, the Company received a grant of €122,159 in relation to the GRAPHENE project. The Company also received in 2015, a grant of €471,593 provided by Bpifrance under the SIGHT AGAIN project.

The net use of **cash flow from operating activities** at 30 September 2016 amounted to €8.9 million compared to €12.1 million over the same period in 2015. Since its IPO, the company has been

developing in parallel two Bionic Vision Systems. IRIS®II is currently in clinical trials and PRIMA recently completed the preclinical study phase. In 2016, the Company selectively allocated its resources to control its R&D spending. During the third quarter of 2016, the Company received €2.3 million related to the 2015 R&D expenses.

During the third quarter of 2016, inflow from **financing activities** amounted to €2.0 million, mainly related to the conditional advance of €1.9 million provided by Bpifrance for achievement Milestone n°1 under the SIGHT AGAIN project.

As of September 30, 2016, Pixium Vision's **net cash position** amounted to €17.3 million compared to €28.1 million a year earlier.

Q3 2016 Highlights:

- **€11m bond financing**

The Company secured with KREOS Capital Ltd an €11million bond financing divided into three tranches, each bearing an 11.5% interest. In parallel, Pixium has issued a warrant giving the right to subscribe to 207,817 new shares. It will allow the financing of the commercial launch of IRIS®II for retinitis pigmentosa and initiate the clinical study of PRIMA for late stage AMD.

About IRIS®II

IRIS®II is a bionic vision system equipped with a bio-inspired camera and a 150 electrodes epi-retinal implant with a proprietary design intended to be explantable and upgradable for patients who have lost sight due to Retinitis Pigmentosa (RP).

- **Clinical studies**

Pixium Vision received approval from the Spanish Regulatory Authorities in September 2016 for initiating the clinical trial with the IRIS®II. Barcelona's Institute of Ocular Microsurgery (IMO) has joined other prestigious European study sites, including centres in France, Austria, Germany, and the UK (Moorfields Eye Hospital in London).
http://www.pixium-vision.com/en/clinical-trial/participating-centers

Study title: "Compensation for Blindness with the Intelligent Retinal Implant System (IRIS®2) in Patients With Retinal Dystrophy"
https://www.clinicaltrials.gov Ref: NCT02670980.

The IRIS®II clinical trial, initiated in January 2016, is a multi-centric, open label, non-randomized prospective European study to assess effectiveness of the IRIS®II bionic vision system as treatment to compensate for blindness, providing a form of perception for blind persons and enabling them greater autonomy and quality of living.

Up to 10 patients suffering from retinitis pigmentosa, Usher Syndrome, Cone-Rod dystrophy, choroideremia will be included and followed for a minimum of 18 months, with additional 18 months follow-up, subject to patient consent. The company has implanted four patients thus far and expects the recruitment to be completed by YE 2016. Interim data from the trial should further assist reimbursement applications in EU territories.

- **CE Mark, reimbursement, and start of commercial and market development activities**

The Company received CE mark for IRIS®II at the end of July 2016, enabling Pixium to launch its commercial activities subject to reimbursement availabilities.

CE mark approval for IRIS®II system enables the company to file for national reimbursements. The Company is working initially with public reimbursement authorities for innovative technologies for medical devices in

France (under “Forfait Innovation”) and in Germany (with NUB). The Company expects to obtain IRIS®II reimbursement prior to the completion of the ongoing study.

About PRIMA

Pixium Vision recently completed preclinical phases including thermal and electrical safety studies that successfully showed that the system meets safety thresholds requirements for the eye.

The Company has submitted to the French regulatory authorities a protocol for first-in-human feasibility study for AMD. Pixium expects to have approval by YE 2016 and potentially complete enrolment by mid-2017. The Company is also scheduling discussion with the FDA to define US clinical study timeline.
The Prima device is being developed for the much larger late-stage AMD market.
http://www.pixium-vision.com/en/technology-1/prima-vision-restoration-system

About Pixium Vision (www.pixium-vision.com; @PixiumVision; www.facebook.com/pixiumvision)

Pixium Vision’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 Vision’s bionic vision systems are associated with a surgical intervention as well as a rehabilitation period. The Company aims to enable patients who have lost their sight to lead more independent lives.

The company obtained CE mark for IRIS®II, its first bionic system, in July 2016.

Pixium Vision is, in parallel, developing PRIMA, a sub-retinal miniaturized wireless photovoltaic implant platform for the Age-related Macular Degeneration (AMD) indication. The company recently completed the pre-clinical study phases and plans to initiate first-in-human trials in Europe by end 2016.

The company is EN ISO 13485 certified.

Pixium Vision collaborates closely with academic and research partners spanning across the prestigious Vision research institutions including the Institut de la Vision in Paris, the Hansen Experimental Physics Laboratory at Stanford University, and Moorfields Eye Hospital in London.

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Pixium Vision is listed on Euronext (Compartiment C) in Paris
ISIN: FR0011950641; Mnemo: PIX
IRIS® is a trademark of Pixium-Vision SA

Pixium Vision shares are eligible for the French tax incentivized PEA-PME and FCPI investment vehicles.

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For a description of risks and uncertainties which could lead to discrepancies between actual results, financial condition, performance or achievements and those contained in the forward-looking statements, please refer to Chapter 4 "Risk Factors" of the company's Registration Document filed with the AMF under number R16-033 on April 28, 2016 which can be found on the websites of the AMF - AMF (www.amf-france.org) and of Pixium Vision (www.pixium-vision.com).