



Pixium Vision announces its 2016 annual results and updates on its business

- CE MARK for IRIS®II
- Completed enrolment of IRIS®II study
- Initiated reimbursement and commercial activities
- R&D spending prioritized on preclinical development of PRIMA
- 2016 closing cash position: €14.2M

Paris, France. February 20, 2017 – The board of directors of Pixium Vision (FR0011950641 – PIX), chaired by Bernard Gilly, met on February 16, 2017 to approve the 2016 financial results released today.

Khalid Ishaque, CEO of Pixium Vision, said "2016 was transformational for Pixium Vision and highlights included achievement of both the CE Mark for IRIS®II in RP and completion of enrolment in the IRIS®II clinical trial in partnership with centres of excellence across Europe." **Khalid Ishaque** added: "Our plan in 2017 will be to focus on securing reimbursement and sales of IRIS®II. In parallel we plan to achieve the first human implant of PRIMA, our next generation tiny wireless sub retinal implant. Pixium Vision's mission remains dedicated to the research, development and commercialization of bionic vision systems for patients who have lost sight to retinal dystrophies."

2016 annual results - Summary

P&L summary		
<i>in thousand euros</i>	2016	2015
Revenue / other revenues (*)	2,515.9	3,293.3
Operating expenses	(15,014.7)	(18,992.8)
Cost of Goods Sold	(141.0)	-
Research and Development	(10,869.4)	(15,169.0)
Selling, General and Administrative	(4,004.4)	(3,823.9)
Operating income	(12,498.9)	(15,696.5)
Net profit	(12,440.8)	(15,644.4)
Earnings per share	(€0.98)	(€1.23)

(*) O/W Research Tax Credit

Cash flow statement summary		
<i>in thousand euros</i>	2016	2015
Opening cash and cash equivalents	24,353.8	42,131.7
(Decrease) / Increase in cash position	(10,109.7)	(17,777.9)
O/W net cash flows from operating activities	(11,129.9)	(15,532.1)
O/W net cash flows from investing activities	(148.5)	(2,298.9)
O/W net cash flows from financing activities	1,168.7	53.0
Closing cash and cash equivalents	14,244.2	24,353.8

Business update

Pixium Vision is developing in parallel two distinct retinal bionic implant platforms (epi-retinal IRIS®II and sub-retinal PRIMA). IRIS®II, the company's core technology, is the first epi-retinal device with 150 electrodes equipped with an innovative asynchronous bioinspired¹ image sensor. IRIS®II is targeting Retinitis Pigmentosa (RP). The second system, PRIMA, is a second-generation tiny miniaturized wireless implant, being developed also for Dry Age-Related Macular Degeneration (AMD). Both systems should allow the company to address needs of an estimated market of more than 4 million patients² in Europe and North America.

In 2016, the company made significant progress on IRIS®II which has been granted a CE mark in July. This major milestone paves the way for an upcoming commercial launch of IRIS®II in selected European markets where Pixium Vision is expecting to receive reimbursement. The company is seeking accelerated market access and reimbursement under breakthrough technology programs such "Forfait Innovation" in France and "Neue Untersuchungs- und Behandlungsmethode" (NUB), the innovation reimbursement system in Germany. Germany recently included IRIS®II NUB Status 1 for 2017 and the eligible hospitals will negotiate the tariffs with their respective insurance providers. The Company has also hired the first members of its sales and marketing development team.

Over the last year, Pixium Vision pursued the clinical investigation of IRIS®II and opened a total of 6 new clinical centres across 5 European countries. In January 2017, the Company announced it had finalized the implantation of its target of 10 patients with IRIS®II and entered in the follow-up phase of this multicentre European clinical trial.

In 2016, Pixium Vision has also prepared the filing for a first in man study for PRIMA both in Europe and is in the process of doing the same for the FDA. The regulatory process for PRIMA, has been initiated based on encouraging preclinical safety and feasibility data.

2017 operational outlook

In 2017, Pixium Vision will focus on the commercial activities for IRIS®II and in parallel continue R&D and clinical development of PRIMA.

For IRIS®II, the Company is expecting (1) to obtain positive reimbursement conditions through the "Forfait innovation" in France, following NUB in Germany, (2) and patients follow-up in the multicentre study with the availability of first interim results.

For PRIMA, the Company is expecting to start its First in Human implantation in a feasibility study in Europe. In the US, following review and consultations with the FDA under the Expedited Access Pathway (EAP) program for innovative technologies, Pixium Vision expects to map the clinical and regulatory pathway for the US market.

¹ How Neuromorphic Image Sensors Steal Tricks from the Human Eye – IEEE Spectrum 26 November 2015

² Retinitis Pigmentosa (RP) and Age related Macular Degeneration (AMD)

2016 full-year annual results

The Company did not generate commercial sales during the past two financial periods.

Total revenues are mainly composed of Crédit Impôt Recherche (CIR), research tax credit, which amounted € 1.81 million (€2.26 million in 2015). The CIR is related to a continued R&D effort, notably with the clinical and regulatory expenses on IRIS[®]II as well as the industrial and preclinical development of PRIMA. CIR decreased in 2016, as compared with 2015, mainly because of the deduction of a €1.9 million milestones payment from the SIGHT AGAIN project of the eligible expenditure basis of the CIR. The Company also received subventions and grants linked to the “*GrapheneCore1*” projects in 2016. In all, total revenues reached €2.52 million in 2016 compared to €3.30 million in 2015.

Research & Development expenses amounted to €10.87 million in 2016 versus €15.17 million a year earlier. Pixium Vision is further investing in the development of its two major bionic vision systems. On IRIS[®]II, the Company focused on both clinical and regulatory work within the framework of the CE Mark, granted in July 2016. Since then, a part of the expenses on IRIS[®]II have been reallocated to industrial and manufacturing and is no more classified as R&D expenses. It explains partly the decrease in R&D expenses in 2016 compared to 2015. In parallel, the Company R&D resources were also focused on the industrial and preclinical development of PRIMA, the next generation of bionic vision system, to actively prepare its development phase and its first in human implantation.

Selling, General & Administrative expenses amounted to €4.00 million in 2016 compared with €3.82 million in 2015. Despite a good control of G&A expenses, the increase is mainly related to higher legal fees within the period. Since CE mark for our first device, IRIS[®]II, the Company has started its commercial activities, at the end of 2016. A separate Selling & Marketing line should appear in the upcoming financial releases. In 2016, amounts in Selling & Marketing were not significant.

Consequently, the **Net Operating Income** amounted to a loss of €12.50 million (vs. a loss of €15.70 million in 2015), and the **Net Profit** to a loss €12,44 million (vs. a loss of €15.64 million in 2015). Financial result has no significant impact on the P&L and the company did not record income taxes. Net loss per issued share (weighted average number of shares outstanding over the period) amounted to (€0.98) compared with (€1.23) in 2015.

Cash consumption from operating activities amounted to €11.13 million compared with €15.53 million in 2015. Cash consumption is mainly related to the company's continued R&D efforts to support the development of both bionic vision systems IRIS[®]II and PRIMA. The lower level of cash burn reflects the drop in regulatory expenses on IRIS[®]II following CE mark grant as well as a better control of expenses.

Net cash flow from financing activities amounted to €1.17 million in 2016. In 2016, the company received €1.90 million of refundable advance related to the SIGHT AGAIN project following the achievement of a milestone. Pixium Vision closed 2016 with a **net cash position** of €14.24 million against €24.35 million a year earlier.

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ABOUT PIXIUM VISION

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 is developing two bionic retinal implant systems. IRIS®II, the company first bionic system, obtained CE mark in July 2016. In parallel, Pixium Vision has recently completed the pre-clinical study phases for PRIMA, a sub-retinal miniaturized wireless photovoltaic implant platform, and is planning to initiate first-in-human trials.

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. The company is EN ISO 13485 certified.

For more information, please visit:  www.pixium-vision.com;

And follow us on:  @PixiumVision;  www.facebook.com/pixiumvision

Linked  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.

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

Disclaimer:

This press release may expressly or implicitly contain forward-looking statements relating to Pixium Vision and its activity. Such statements are related to known or unknown risks, uncertainties and other factors that could lead actual results, financial conditions, performance or achievements to differ materially from Vision Pixium results, financial conditions, performance or achievements expressed or implied by such forward looking statements.

Pixium Vision provides this press release as of the aforementioned date and does not commit to update forward looking statements contained herein, whether as a result of new information, future events or otherwise.

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).

IRIS® is a trademark of Pixium-Vision SA

Appendices

Risk factors

The risk factors affecting the Company are presented in Chapter 4 of the Annual Report filed on April 28th, 2016 by the French Financial Markets Authority (AMF) under number R16-033.

To the best of the Company's knowledge, the assessment of risks has not changed since the filing of its Annual Report.

The registration document is available on the company's website:

<http://www.pixium-vision.com/fr/investisseurs/financial-reports-and-documents>

Major developments of 2016:

- **On January 7th, 2016**, Pixium Vision announced positive preclinical safety data for PRIMA;
- **On January 28th, 2016**, the Board of Directors approved a free share plan for all employees of the company. This plan is in line with the Extraordinary General Meeting held on December 15, 2015 following the implementation of the Macron Act and provides for the distribution of 773,200 free shares, including 90,000 for the Chairman, Bernard Gilly and 210,000 for the CEO, Khalid Ishaque.
- **On February 16th, 2016**, Pixium vision received approval from German Regulatory Authority to implant 150 electrode IRIS®II in clinical trial
- **On February 24th, 2016**, Pixium Vision announced together with the University hospital of Nantes the first human implant and the successful activation of its IRIS®II bionic vision system,
- **On May 4th 2016**, Pixium vision and its research partners announced important progress on PRIMA during the 2016 edition of the Association for Research in Vision and Ophthalmology (ARVO);
- **On May 31st, 2016**, Pixium vision received approval from the UK Regulatory Authority (MHRA) to implant 150 electrode IRIS®II in clinical trial at the world renowned Moorfields Eye Hospital in London.
- **On July 25th, 2016**, Pixium vision announced it had received the CE Mark for IRIS®II, its first Bionic Vision System, with 150 electrodes, design intended to be exchangeable, and equipped with a bio-inspired camera.
- **On September 12th, 2016**, Pixium vision received approval from the Spanish Regulatory Authority to implant 150 electrode IRIS®II in clinical trial at the prestigious Institute for Ocular Microsurgery (IMO) in Barcelona
- **On September 29th, 2016**, Pixium vision announced the signature of an €11M bond financing;
- **On November 7th, 2016**, Pixium vision announced the first implantation and successful activation in the UK of IRIS®II, its first BVS with 150 electrodes at Moorfields Eye Hospital in London.
- **On November 22nd, 2016**, Pixium vision and Silamir Group announced being awarded the 2016 Janus de la Santé by the Institut Francais du Design, during the ceremony at Quai d'Orsay;

After 31 December 2016 major developments were:

- **On January 3rd 2017** Pixium Vision announced the appointment of Robert J.W TEN HOEDT as an independent member in its Board of Directors.
- **On January 11th, 2017**, Pixium Vision announced completion of implantation of 10 systems within the framework of its clinical study. Every implanted patient will now follow the re-education program, as defined in the European multi-centric study which started in January 2016.
- **On February 14th, 2017**, Pixium Vision announced that the German Institute for the Hospital Remuneration System (InEK) granted NUB Status 1 under its innovation program to IRIS®II Epi-retinal Bionic Vision System.
- **On February 15th, 2017**, Pixium Vision announced the appointment of Didier LAURENS as Chief Financial Officer.
- **On February 15th, 2017**, Pixium Vision announced the first implantation and successful activation of its first patient implanted with IRIS®II at the prestigious Institut for Ocular Microsurgery (IMO) in Barcelona, Spain in the ongoing multi-center clinical trial.

As a reminder, Pixium Vision announced on September 29th, 2016, the signature of an €11M bond financing. This financing is divided into three tranches of respectively €4M, €4M and €3M. The drawdown dates of each tranches are at the latest March 27, 2017, June 30, 2017 and October 31, 2017.

Comparison of 2016 and 2015 annual results

PROFIT AND LOSS Accounts

	As at 31 st December	
	2016	2015
<i>(Amounts in euros)</i>		
Revenues		
Net sales	-	-
Research Tax Credit	1,805,990	2,261,854
Grants	659,688	908,745
Other revenues	50,191	125,707
Total revenues	2,515,869	3,296,305
Operating expenses		
Costs of goods sold	(140,989)	-
Research and Development	(10,869,371)	(15,168,971)
Selling, General Expenses	(4,004,372)	(3,823,871)
Total expenses	(15,014,733)	(18,992,843)
Operating income	(12,468,864)	(15,696,537)
Financial income	116,186	247,797
Financial expenses	(58,089)	(195,687)
Financial profit (/loss)	58,098	52,110
Current profit (/loss) before tax	(12,440,766)	(15,644,427)
Corporation tax	-	-
Net Result	(12,440,766)	(15,644,427)
Other non-transferable comprehensive income		
Actuarial gains (/losses) on pension plans	14,176	(34,216)
Total profit (/loss) for the year	(12,426,590)	(15,678,643)
Weighted average number of shares	12,747,165	12,731,795
Net earnings per share	(0.98)	(1.23)
Diluted earnings per share	(0.98)	(1.23)

Total revenues

The Company generated no sales during the two past financial periods.

Other revenues amounted to respectively €2.52 million and €3.30 million, for the years ended 2016 and 2015. These amounts include the Research Tax Credit (CIR) reaching respectively €1,81 million euros and €2.26 million for the financial years 2016 and 2015, as well as grants related to the "SIGHT AGAIN" and "Graphene" projects for €0.66 million. The Company maintained a sustained level of R&D spending, notably in clinical and regulatory costs for IRIS®II and the industrial and preclinical development of PRIMA. The decrease in the CIR is mainly linked to the deduction of the refundable advance received last July, ie €1.90 million, from the basis of eligible expenses

The French tax authorities grant research tax credits to businesses as an incentive to carry out technical and scientific research. Businesses with eligible expenditure (research carried out in France or, since 1 January 2005, within the European Community or any State party to the agreement on the European Economic Area having signed a tax treaty with France containing a mutual administrative assistance clause) benefit from a tax credit, which they may offset against corporation tax due for the financial year in which the expenses have been incurred and the three subsequent financial years. Where applicable, they may request reimbursement of any surplus tax credit amounts. Only research expenses are considered in the calculation of the research tax credit.

The Company has not capitalized R&D expenses in 2016 and 2015. Therefore, research tax credit amounts relating to its research programs have been recorded in full into operating income over the period.

Operating expenses

Operating expenses amounted to €15.01 million and €18.99 million respectively for the years ended 2016 and 2015. These amounts correspond to Research and Development activities, which are recorded as expenses. In 2016, the Company has recorded manufacturing costs since part of the costs incurred on IRIS®II is now considered to be "cost of sales" after obtaining the CE marking in July 2016.

Cost of goods sold

The Company has incurred expenses in the manufacturing of the IRIS®II system for commercial purposes. As the Company had no turnover during the period, only personnel costs not assimilated to inventories were recognized in 2016. These expenses are broken down as follows:

COST OF GOODS SOLD

(Amounts in euros)

	<u>12/31/2016</u>	<u>12/31/2015</u>
Personnel costs	140,989	-
Subcontractors, collaboration and consultants	12,746	-
Purchase of supplies	299,425	-
Inventory change	<u>(312,171)</u>	<u>-</u>
Total net	<u><u>140,989</u></u>	<u><u>-</u></u>

Research and development expenses

Research and development costs notably include:

- personnel costs, incorporating direct and indirect costs for teams involved in research and development activities;
- subcontracting, collaboration and consulting costs. These encompass the costs incurred for preclinical and clinical trials, patent filing and maintenance fees, fees payable to scientific and clinical experts and costs relating to regulatory and quality assurance matters;
- the purchase of research supplies, incorporating consumables and design and production costs;
- amortization and depreciation charges on the patents and equipment used in research and development projects.

Research and development costs break down as follow:

R&D EXPENSES (Amounts in euros)

	<u>12/31/2016</u>	<u>12/31/2015</u>
Personnel costs	4,189,994	3,200,178
Subcontractors, collaboration and consultants	2,938,378	5,313,527
Research supplies	1,318,030	3,650,288
Lease of real property	1,184,397	1,308,357
Insurances	10,505	-
Conferences, travel expenses	220,127	253,857
License fees	421,014	192,934
Amortization, depreciation and provisions	481,078	900,963
Others	105,849	348,866
Net total	<u>10,869,371</u>	<u>15,168,971</u>

Research and development expenditure amounted to € 10.87 million for the financial year 2016, compared to € 15.17 million for the financial year 2015. This decrease is mainly related to the reclassification of a portion of personnel costs into COGS and a significant reduction in research expenses (outsourcing, collaboration and consultancy expenses, and purchases of research supplies including the purchase of consumables and production costs) on IRIS®II after obtaining the CE mark in July 2016.

The total decrease in R&D expenditure is partially offset by the increase in personnel costs corresponding to a non-cash charge related to the allocation of bonus shares in January 2016.

Selling, General & Administrative Expenses

Overheads are mainly made up of administrative personnel costs, external costs such as legal, audit and consultancy fees and communication, hospitality, rental and travel costs.

The split of overhead costs is as follows:

SELLING, GENERAL AND ADMINISTRATIVE

(Amounts in euros)

	<u>12/31/2016</u>	<u>12/31/2015</u>
Personnel costs	1,480,593	1,716,532
Fees	849,583	371,679
Lease of real property	290,800	328,370
Insurance	52,572	17,635
Communication, travel and entertainment expenses	558,516	880,579
Postal and telecommunication costs	74,633	107,687
Administrative supplies and equipment leases	33,033	49,009
Amortization, depreciation, and provisions	568,936	178,609
Others	<u>95,707</u>	<u>173,7710</u>
Net total	<u>4,004,372</u>	<u>3,823,871</u>

General and administrative expenses totalled €4.00 million and €3.82 in 2016 and 2015 respectively. This increase is mainly driven by a raise in consulting fees paid over the period. Other costs also saw a raise, mainly amortization, depreciation and provisions costs, related to 2015 and 2014 investments. This increase is partially compensated by the decrease in personnel cost over the period.

Selling and Marketing costs correspond to personnel costs since December 2016.

Operating income / loss

The Company posted an operating loss of €12.50 million in 2016 versus an operating loss of €15.70 million in 2015.

Financial profit

Financial profit amounted to €58,098 in 2016 and €52,110 in 2015.

Financial income consists mainly of the remuneration of term deposits and other short to mid-term investments. Financial expenses consist mainly of foreign exchange losses on dollars and British pounds' purchases.

Corporation tax

Having posted a loss for the two financial years under consideration, the Company did not record any corporate income tax.

Net profit/loss for the period and net earnings/losses per share

The Company posted net losses of €12.44 million and €15.64 million respectively for 2016 and 2015.

The loss per issued share amounted to (€0.98) and (€1.23) respectively in 2016 and 2015.

Cash Flow Statement

(Amounts in euros)

	As at 31st December	
	2016	2015
Cash flows from operating activities		
Profit (/loss) for the financial year	(12,440,766)	(15,644,427)
Reconciliation of net profit to cash flows used in operating activities:		
Depreciation, amortization and impairment	1,051,171	1,144,092
Government grants	(472,732)	-
Non-cash charge for share-based compensation	719,067	75,784
Retirement benefit obligations	35,293	38,782
Cash flows from operating activities	(11,707,968)	(14,385,768)
Inventories	(312,171)	-
(Increase) / Decrease in trade receivables	(24,951)	(5,109)
Other current assets	504,367	(588,661)
(Increase) / Decrease in trade payables	(866,265)	429,934
Other current liabilities	677,086	(982,460)
Net cash flows from operating activities	(11,129,903)	(15,532,064)
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(147,448)	(1,960,662)
Acquisitions of intangible assets	(983)	(145,140)
Acquisitions of financial holdings	(49)	(193,067)
Net cash flows from investing activities	(148,481)	(2,298,868)
Cash flow from financing activities:		
Increase (decrease) of refundable advances	1,169,149	(2,677)
Treasury stocks	(21,276)	32,793
Issuance of share warrants	20,258	22,317
Share capital increases	600	600
Net cash flow from financing activities:	1,168,731	53,032
Opening cash and cash equivalents	24,353,828	42,131,728
Closing cash and cash equivalents	14,244,175	24,353,828
(Decrease) / Increase in cash position	(10,109,653)	(17,777,900)

Cash flows from operating activities

Cash flows used in operating activities amounted to €11.13 million and €15.53 million respectively in 2016 and 2015. The decrease is related to the diminution of R&D expenses notably with the grant of CE Mark for IRIS®II in July 2016.

Cash flows from investing activities

Cash flows used in investing activities amounted to €0.15 million and €2.30 million respectively in 2016 and 2015.

In 2016, these investments mainly correspond to fittings, constructions, equipment and materials for laboratory and production. In 2015, investment activities were higher due to the Company's new headquarters at 74 rue du Faubourg Saint-Antoine in Paris.

Cash flows from financing activities

Net cash flow from financing activities amounted to €1.17 million in 2016 and €53,032 in 2015 following the receipt in July 2016 of a refundable advance of €1.9 million within the framework of the "SIGHT AGAIN" R&D Project.

In 2016, the Company did not raise further capital.

Balance Sheet

(Amounts in euros)

	As at 31 st December,	
	2016	2015
ASSETS		
Non-current Assets		
Intangible assets	8,205,391	8,822,379
Property, plant and equipment	1,785,758	2,071,510
Non-current financial assets	193,116	193,067
Total non-current assets	10,184,265	11,086,955
Current assets		
Stocks and Work in progress	312,171	-
Receivables	30,060	5,109
Other current assets	2,818,885	3,323,252
Cash & cash equivalents	14,244,174	24,353,828
Total current assets	17,405,290	27,682,189
TOTAL ASSETS	27,589,555	38,769,144
LIABILITIES		
Shareholders' equity		
Share capital	764,988	763,788
Additional paid-in capital	69,762,804	69,720,230
Retained earnings	(34,838,941)	(19,906,480)
Profit / (loss)	(12,440,766)	(15,644,427)
Total shareholders' equity	23,248,084	34,956,027
Non-current liabilities		
Refundable advances	1,333,145	164,266
Non-current provisions	171,893	150,776
Total non-current liabilities	1,505,308	244,721
Current liabilities		
Trade account payables	1,292,860	2,159,125
Other current liabilities	1,543,303	1,338,950
Total current liabilities	2,836,163	3,498,075
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	27,589,555	38,769,144

Balance sheet

Assets

Total assets amounted to €27.59 million as at 31 December 2016 compared with €38.77 million a year earlier.

Non-current assets

Net non-current assets stood at €10.18 million, and €11.09 million respectively at 31 December 2016 and 2015.

This includes non-current intangible, tangible and financial assets:

- Intangible assets amounted to €8.21 million and €8.82 million at 31 December 2016 and 2015 respectively mainly consisting of amortization of patents acquired from Intelligent Medical Implant. The decrease corresponds to the amortization of those acquired patents.
- Tangible assets amounted to €1.79 million and €2.07 million at 31 December 2016 and 2015 respectively, are mainly made up of machinery and laboratory equipment.
- Non-current financial assets amounted to €0.19 million and € 0.19 million as at 31 December 2016 and 2015 related to the security deposit paid to the landlord of the Company's former and new premises.

Current assets

Net current assets amounted to €17.41 million and €27.68 million at 31 December 2016 and 2015 respectively.

Net current assets comprise:

- Inventories and work in progress of IRIS®II systems, marketable since CE Mark grant:

INVENTORIES AND WORK IN PROGRESS

(amounts in euros)

	<u>12/31/2016</u>	<u>12/31/2015</u>
Raw materials inventories	312,171	-
Depreciation of inventories and work in progress	-	-
Total inventories and work in progress in net value	<u>312,171</u>	<u>-</u>

- Account receivables and assimilated accounts

ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS

(Amounts in euros)

	<u>12/31/2016</u>	<u>12/31/2015</u>
Receivable and other related accounts	30,060	5,109
Depreciation of accounts receivables	-	-
Total account receivables in net value	<u>30,060</u>	<u>5,109</u>

- Other current assets, mainly incorporating the research tax credit and deductible VAT on purchases:

OTHER CURRENT ASSETS

(Amounts in euros)

	<u>12/31/2016</u>	<u>12/31/2015</u>
Deposits and advances	236,836	143,674
State, Research Tax Credit and CICE	1,817,850	2,352,202
VAT	239,218	528,347
Liquidity agreement	117,819	118,417
Differed charges	373,980	137,347
Others	33,181	43,265
Net total	<u>2,818,885</u>	<u>3,323,252</u>

As at December 31st, 2016, other current assets consist mainly of the research tax credit receivable for €1.81 million and the increase in advances and prepayment related to R&D expenses incurred during the year. Prepaid expenses mainly correspond to expenses related to rents, insurance, travel expenses and seminars.

As at December 31st, 2015, the receivable related to the Research Tax Credit was higher than in 2016 due to the higher level of R&D spending on IRIS®II. This R&D expenditure was limited following the filing of the CE marking file in December 2015.

- cash on hand, time deposits and transferable securities, breaking down as follows:

CASH AND CASH EQUIVALENT

(amount in euros)

	<u>12/31/2016</u>	<u>12/31/2015</u>
Cash	6,242,902	2,326,581
Term deposits	8,001,272	22,027,247
Money market funds (SICAV)	-	-
Net total	<u>14,244,174</u>	<u>24,353,828</u>

Liabilities

Shareholders' equity

Shareholders' equity stood at € 23.25 million and €34.96 million respectively at 31 December 2016 and 2015:

- €70.53 million in share capital and issue premiums as at 31 December 2016 (€70.51 million as at 31 December 2015);
- Reserves, including previous losses of respectively €34.84 million in 2016
- 2016 loss of €12.44 million.

Non-current liabilities

Non-current liabilities are composed of refundable advances of the SIGHT AGAIN project and retirement benefit liabilities in accordance with IAS 19. Refundable advances amount to €1.33 million and €0.17 million, whereas retirement benefits liabilities amount to €0.16 million and €0.15 million respectively at 31 December 2016 and 2015.

Current liabilities

This heading mainly incorporates operating liabilities, i.e.:

- trade payables: €1.29 million as at 31 December 2016 (€2.16 million as at 31 December 2015);
- social security liabilities: €1.24 million as at 31 December 2016 (€1.29 million as at 31 December 2015);
- tax liabilities: €12,645 as at 31 December 2016 (€16,283 as at 31 December 2015);
- differed revenues: €0.29 million as at 31 December 2016 related to R&D project "SIGHT AGAIN" (as at December 31, 2015, the Company had no differed revenues)
- other liabilities: €2,461 as at 31 December 2016 (€22,336 as at 31 December 2015);