Pixium Vision announces its 2017 annual results and provides business update

- The PRIMA system successfully elicited light perception, now in the first two AMD patients
- US FDA approved early feasibility study with PRIMA in atrophic dry-AMD
- Growth strategy focus on the development of PRIMA in AMD, a significant unmet medical need
- 2017 closing cash position: €10.5M

Paris, France, February 8, 2018 – 7.00 AM CET - Pixium Vision (FR0011950641 - PIX), a company developing innovative bionic vision systems to enable patients who have lost their sight to lead more independent lives, announced today its 2017 financial results. The board of directors of Pixium Vision, chaired by Bernard Gilly, approved the annual results at a meeting on February 7, 2018.

"*Key achievements for Pixium Vision include the approval in France and in the United States of the first in human clinical phase of breakthrough wireless photovoltaic sub-retinal technology, PRIMA for atrophic dry-AMD. This is in parallel with IRIS®II, which despite early lifetime exhaustion, showed positive 6-month results in Retinitis Pigmentosa." said* **Khalid Ishaque, CEO of Pixium Vision.** *"We recently reached a major milestone with the world première successful PRIMA activations already in the first two subjects with atrophic dry Age-related Macular Degeneration. The early experience highlights PRIMA's potential in dry-AMD and supports our strategic decision to postpone further developments on improving the IRIS®II implant lifetime, and to focus our growth strategy to further optimize and leverage the resources and acquired experience in artificial bionic vision development, in maximizing the potential and value creation with PRIMA."*

2017 annual results - Summary

P&L summary		
in thousand euros	**2017**	**2016**
Revenue / other revenues (*)	**2,535.3**	**2,515.9**
Operating expenses	**(15,201.5)**	**(15,014.7)**
Cost of Goods Sold	(1,253.9)	(141.0)
Research and Development	(8,486.2)	(10,869.4)
Sales and Marketing	(530.7)	(6.7)
General and Administrative	(4,930.6)	(3,997.7)
Operating income	**(12,666.2)**	**(12,498.9)**
Net profit	**(13,541.9)**	**(12,440.8)**
Earnings per share	**(€1.02)**	**(€0.98)**

(*) O/W Research Tax Credit

Cash flow statement summary		
in thousand euros	**2017**	**2016**
Opening cash and cash equivalents	**14,244.2**	**24,353.8**
(Decrease) / Increase in cash position	**(3,712.6)**	**(10,109.7)**
O/W net cash flows from operating activities	(11,480.7)	(11,860.8)
O/W net cash flows from investing activities	(402.3)	(148.5)
O/W net cash flows from financing activities	8,170.4	1,899.6
Closing cash and cash equivalents	**10,531.6**	**14,244.2**

Business update

In 2017, Pixium Vision made significant progress with its new generation implant PRIMA, a miniaturized photovoltaic wireless sub-retinal implant, to address a significant unmet medical need to compensate for severe vision loss from Atrophic Dry Age-related Macular Degeneration (dry-AMD). Pixium Vision finalized the pre-clinical development and in October 2017 obtained the authorization to begin a first in human feasibility clinical trial in France in Atrophic dry-AMD[1]. The world's first successful implantations and the activations about a month after with PRIMA have now been achieved in two subjects. Further communication will follow at the end of the recruitment of the 5 patients, and subsequently with 6-month follow-up results. This 36-month, 5-patient feasibility study is designed to evaluate the safety and function of the sub-retinal implant PRIMA in eliciting visual light perception with an interim 6-month follow-up enabling to decide proceeding with the pivotal clinical study in EU.

In parallel, Pixium Vision received the authorization from the US Food and Drug Administration (US FDA) to start a feasibility study[2] in the United States and include 5 patients with Atrophic dry-AMD. The clinical trial should start in Q2 2018 at the University of Pittsburgh Medical Center (UPMC), Pennsylvania.

The sub-retinal PRIMA Bionic Vision System is intended to address a significant potential unmet medical need for more than 4 million[3] people with Atrophic dry-AMD, in both Europe and in North America, for whom there is no proven therapeutic treatment.

Pixium Vision management, unanimously supported by the Board of Directors, has decided to adapt its strategy to focus available resources in the near term on the development of PRIMA. This also follows PRIMA's first successful activations and the potential of maximizing value creation of this breakthrough technology, particularly in view of opportunities enabled by the FDA approval for starting feasibility study in the US. This strategic decision means Pixium Vision will focus its human and financial resources on the development of the PRIMA system and conducting clinical trials in Europe and in the United States initially for dry AMD. Consequently, for IRIS®II, despite positive 6-month follow-up results, Pixium Vision will postpone developments to improve the implant's lifetime, which would require important financial spend through to end 2019.

Following this strategic decision, Pixium Vision will adjust its operational spending to reduce its cash-burn. Pixium Vision will focus the spend in clinical studies with PRIMA for dry-AMD in Europe and the United States, and further development of the PRIMA system for the next clinical phase with a pivotal EU study.

2018 operational outlook

In 2018, Pixium Vision will pursue the clinical development of PRIMA which has started following approval in France for the trial, received in October 2017. The first successful implantations have marked the start of the feasibility study leading to the 6-month follow-up results. In addition, following the authorization already received from the US FDA, a feasibility clinical study with PRIMA should also start with first implantations in the first half of 2018.

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[1] Feasibility Study of Compensation for Blindness With the PRIMA System in Patients With Dry Age Related Macular Degeneration. https://clinicaltrials.gov/ (NCT03333954)

[2] PRIMA US-Feasibility Study in Atrophic Dry AMD. https://clinicaltrials.gov/ (NCT03392324)

[3] http://www.thelancet.com/journals/langlo/article/PIIS2214-109X(17)30393-5/fulltext

2017 full-year annual results

In 2017, **Net Sales** reached €0.1 million generated by the sale of one bionic vision system (BVS) IRIS®II in Spain. In 2016, the Company did not generate sales.

Total revenues are mainly composed of the Crédit Impot Recherche (CIR) research tax credit, which amounted to €2.11 million (€1.81 million in 2015). The CIR is related to a continued R&D effort, notably with the clinical and regulatory expenses on its two BVS, IRIS®II and PRIMA. The CIR increased in 2017, compared with 2016, mainly because of the increase of R&D expenses for the development of PRIMA, as well as the on-going clinical trial with IRIS®II. The Company accounted for a product linked with the refundable advance received in the framework of the "Sight Again" project. In all, **total revenues** amounted to €2.53 million in 2017 compared with €2.52 million in 2016.

Cost of Goods Sold reached €1.25 million (vs. €0.14 million in 2016). The increase of these costs is linked with the manufacturing of the implant IRIS®II and its visual processor as well as a full year effect. These charges were mainly considered as R&D expenses before IRIS®II received its CE Mark in July 2016.

Research & Development expenses amounted to €8.49 million in 2017 versus €10.87 million a year earlier. The reduction is explained by the transfer of charges related to IRIS®II manufacturing to Cost of Goods Sold. Pixium Vision additionally invested in the development of PRIMA its new generation bionic vision system. The goal was to obtain regulatory approval for the start of feasibility clinical studies with PRIMA, both in France and the US. The trial has already started in France. For IRIS®II, the Company focused spending related to the on-going multi-centric clinical trial.

Sales & Marketing expenses amounted to €0.53 million in 2017 compared with €0.07 million in 2016. Following the CE mark for the first device, IRIS®II, the Company started limited commercial activities at the end of 2016. Pixium vision recruited 3 employees to support the commercial efforts and significantly increased its presence at select conferences to market IRIS®II to ophthalmologists, retinal surgeons, and low-vision specialists. The limited commercial efforts were mainly focused in France, Germany and Spain.

General & Administrative expenses amounted to €4.93 million in 2017 compared with €4.00 million in 2016. The increase is mainly related to non-cash charges of €0.89 million resulting from the valuation of a free share plan. Excluding this non-cash item, G&A expenses were kept under control, benefiting in particular from lower rental costs.

Net Operating Income amounted to a loss of €12.67 million (vs. a loss of €12.50 million in 2016), and the **Net Profit** to a loss €13.54 million (vs. a loss of €12.44 million in 2016). In 2017, the Financial charge increased significantly to €0.88 million following the drawdown of 2 tranches of the venture loan signed with Kreos Capital in September 2016. This explains the increase in the Net loss in 2017 compared to 2016. No Income Tax was recorded in 2017. Net Loss per issued share (weighted average number of shares outstanding over the period) amounted to (€1.00) compared to (€0.98) in 2016.

Cash consumption from operating activities stabilized at €11.48 million compared with €11.33 million in 2016. Cash consumption was mainly related to the company's R&D efforts to support the development of the PRIMA bionic vision system. The increase in regulatory expense to support the approval of clinical trials for PRIMA, both in France and in the US, as well as the sales and marketing efforts with IRIS®II following CE mark, explains the stable cash burn supported also by tight management of G&A expense.

Net cash flow from financing activities amounted to €8.17 million in 2017, mainly from the drawdown of two tranches, €4 million each, of the venture loan signed with Kreos Capital. Pixium Vision closed 2017 with a **net cash position** of €10.53 million compared with €14.24 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. Following the CE mark for its first bionic retinal implant systems, IRIS®II, Pixium Vision is now conducting a clinical study1 in Human with PRIMA, its new generation sub-retinal miniaturized photovoltaic wireless implant system, 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 spanning across the prestigious Vision research institutions including the Institut de la Vision in Paris, the Hansen Experimental Physics Laboratory at Stanford University, Moorfields Eye Hospital in London, and Institute of Ocular Microsurgery (IMO) in Barcelona. The company is EN ISO 13485 certified and qualifies as "Entreprise Innovante" par Bpifrance.

For more information, please visit: www.pixium-vision.com;
And follow us on: @PixiumVision; www.facebook.com/pixiumvision
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

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 26th, 2017 by the French Financial Markets Authority (AMF) under number R17-027.
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 2017:

- On **January 3, 2017**, Pixium Vision announced the nomination of Robert J.W TEN HOEDT as an independent member in its Board of Directors.
- On **January 11, 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 14, 2017**, Pixium Vision announced that the German Institute for Hospital Payment System (InEK) granted it Status 1 of the NUB Innovation Program for its IRIS®II bionic vision epi-retinal system.
- On **February 15, 2017**, Pixium Vision announced the appointment of M. Didier LAURENS as Chief Financial Officer.
- On **February 16, 2017**, Pixium Vision, announced the first implantation and activation of IRIS®II in Spain at the prestigious Institute of Eye Microsurgery (IMO) in Barcelona as part of the ongoing clinical trial.
- On **February 20, 2017**, Pixium Vision announced its 2016 annual results.
- On **March 28, 2017**, Pixium Vision announced the drawdown of the first € 4 million of its bond financing.
- On **April 25, 2017**, Pixium Vision announced its cash position as at March 31, 2017 and provides a business review of its activities.
- On **April 27, 2017**, Pixium Vision made its 2016 registration document available.
- On **May 3, 2017**, Pixium Vision and research partners reported progress in multiple areas with IRIS®II and PRIMA during ARVO 2017 world conference.
- On **May 24, 2017**, Pixium Vision took a step with the French health authority for the eligibility of IRIS®II reimbursement under Forfait Innovation.
- On **June 13, 2017**, Pixium Vision announced further positives discussions with FDA for a feasibility study with its PRIMA system for dry-AMD.
- On **June 30, 2017**, Pixium Vision announced the drawdown of the second tranche of its bond financing.
- On **July 27, 2017**, Pixium Vision announced its 2017 Interim Financial statements and updates on development of its business.
- On **September 27, 2017**, Pixium Vision announced updates on its epi-retinal IRIS®II Bionic Vision System.
- On **October 3, 2017**, Pixium Vision sent a shareholder's letter.
- On **October 19, 2017**, Pixium Vision received approval for first in human clinical trial of PRIMA, its miniaturized sub-retinal implant.

- On **October 23, 2017**, Pixium Vision established an equity line financing with Kepler Cheuvreux.

- On **October 26, 2017**, Pixium Vision announced its third quarter cash positions and updates on development of its business.

- On **November 8, 2017**, Pixium Vision to present Bionic Vision Systems update at Jefferies Healthcare conference.

After 31 December 2017 major developments were:

- On **January 4, 2018**, Pixium Vision received approval from US FDA to begin human clinical study of its PRIMA retinal implant in the US. PRIMA,

- On **January 25, 2018**, Pixium Vision completes world's first successful activation in human of PRIMA bionic vision system

Comparison of 2017 and 2016 annual results

PROFIT AND LOSS Accounts

	As at 31st December	
	2017	**2016**
(Amounts in euros)		
Revenues		
Net sales	100,000	-
Research Tax Credit	2,057,327	1,805,990
Grants	288,923	659,688
Other revenues	89,075	50,191
Total revenues	**2,535,325**	**2,515,869**
Operating expenses		
Costs of goods sold	(1,253,929)	(140,989)
Research and Development	(8,486,206)	(10,869,371)
Sales and Marketing	(530,718)	(6,672)
General Expenses	(4,930,629)	(3,997,701)
Total expenses	**(15,201,483)**	**(15,014,733)**
Operating income	**(12,666,158)**	**(12,498,864)**
Financial income	61,413	116,186
Financial expenses	(937,188)	(58,089)
Financial profit (/loss)	**(878,776)**	**58,098**
Current profit (/loss) before tax	**(13,541,934)**	**(12,440,766)**
Corporation tax	-	**-**
Net Result	**(13,541,934)**	**(12,440,766)**
Other non-transferable comprehensive income		
Actuarial gains (/losses) on pension plans	7,002	14,176
Total profit (/loss) for the year	**(13,534,931)**	**(12,426,590)**
Weighted average number of shares	13,267,646	12,747,165
Net earnings per share	**(1.02)**	**(0.98)**
Diluted earnings per share	**(1.02)**	**(0.98)**

Total revenues

In 2017, Net sales amounted €0.1 million. The Company generated no sales in 2016.

Other revenues amounted to respectively €2.53 million and €2.52 million, for the years ended 2017 and 2016. These amounts include the Research Tax Credit (CIR) reaching respectively €2.11 million and €1.81 million for the financial years 2017 and 2016. Pixium Vision has also booked a product related to refundable advance from “Sight Again” project.

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 2017 and 2016. 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 €15.20 million and €15.01 million respectively for the years ended 2017 and 2016. These amounts correspond to Research and Development activities, which are recorded as expenses, as well as general corporate expenses. In 2017, 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. Pixium Vision also recorded “Sales and Marketing” costs following the commercial launch of IRIS®II at the end of 2016.

Cost of goods sold

The Company incurred expenses in the manufacturing of the IRIS®II system for commercial purposes. As the Company recorded one sale of its BVS IRIS®II in 2017, the whole cost of goods sold was recognized in the P&L. These expenses are broken down as follows:

COST OF GOODS SOLD

(Amounts in euros)

	12/31/2017	12/31/2016
Personnel costs	1,006,281	140,989
Purchase of supplies	643,312	299,425
Subcontractors, collaboration and consultants	35,157	12,746
Inventory change	(596,955)	(312,171)
Depreciation and amortization	103,340	-
Others	62,794	-
Total net	**1,253,929**	**140,989**

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)

	12/31/2017	12/31/2016
Personnel costs	3,053,564	4,189,994
Subcontractors, collaboration and consultants	2,833,885	2,938,378
Research supplies	1,084,473	1,318,030
Lease of real property	988,122	1,184,397
Conferences, travel expenses	157,184	220,127
License fees	(2,831)	421,014
Amortization, depreciation and provisions	291,603	481,078
Others	80,207	105,849
Net total	**8,486,206**	**10,869,371**

Research and development expenditure amounted to €8.49 million for the financial year 2017, compared to €10.87 million for the financial year 2016. This decrease is mainly related to the reclassification of a portion of costs into COGS, as well as the drop in non-cash items i.e. amortization, depreciation and provisions for licence fees booked in 2016.

Selling and Marketing Expenses

Commercial expenses are mainly made up of personnel costs, communication costs and travel costs.The split of selling and marketing costs is as follows:

SALES AND MARKETING EXPENSES

(Amounts in euros)

	12/31/2017	12/31/2016
Personnel costs	253,363	6,672
Fees	150,033	-
Communication, travel and entertainment expenses	60,005	-
Others	67,316	-
Net total	**530,718**	**6,672**

General & Administrative Expenses

G&A 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 G&A costs is as follows:

GENERAL AND ADMINISTRATIVE EXPENSES

(Amounts in euros)

	12/31/2017	12/31/2016
Personnel costs	2,627,643	1,473,921
Fees	656,910	849,583
Lease of real property	238,722	290,800
Insurance	54,686	52,572
Communication, travel and entertainment expenses	581,534	558,516
Postal and telecommunication costs	60,057	74,633
Administrative supplies and equipment leases	32,933	33,033
Amortization, depreciation, and provisions	567,441	568,936
Others	110,703	95,707
Net total	**4,930,629**	**3,997,701**

General and administrative expenses totalled €4.93 million and €4.00 in 2017 and 2016 respectively. This increase is mainly driven by the valuation of the 2016 free share plan leading to an increase of €0.89 million of the personal costs versus a non-significant drop in 2016 following resignations. Other costs are tightly managed.

Operating income / loss

The Company posted an operating loss of €12.66 million in 2017 versus an operating loss of €12.50 million in 2016.

Financial result

Financial result amounted to a loss of €0.88 million in 2017. This loss is related to the interest payment following the drawdown of two tranches of the venture loan signed with Kreos Capital in September 2016. Other financial expenses consist mainly of foreign exchange losses on dollars and British pounds' purchases.

Financial income consists mainly of the remuneration of term deposits and other short to mid-term investments.

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 €13.54 million and €12.44 million respectively for 2017 and 2016.

The loss per issued share amounted to (€1.02) and (€0.98) respectively in 2017 and 2016.

Cash Flow Statement

(Amounts in euros)	As at 31st December		
Cash flows from operating activities	**2017**	**2016** adjusted	**2016** reported
Profit (/loss) for the financial year	(13,541,924)	(12,440,766)	(12,440,766)
Reconciliation of net profit to cash flows used in operating activities			
Depreciation, amortization and impairment	935,637	1,051,171	1,051,171
Provisions	187,331	-	
Government grants	(289,592)	(478,482)	(472,732)
Financial result	241,530	22,593	-
Non-cash charge for share-based compensation	1,603,739	719,067	719,067
Retirement benefit obligations	3,545	35,293	35,293
Cash flows from operating activities	**(10,859,743)**	**(11,091,125)**	**(11,107,968)**
Inventories	(596,955)	(312,171)	(312,171)
(Increase) / Decrease in trade receivables	30,060	(24,951)	(24,951)
Other current assets	(75,493)	504,367	504,367
(Increase) / Decrease in trade payables	(70,445)	(866,265)	(866,265)
Other current liabilities	91,921	(70,609)	677,086
Net cash flows from operating activities	**(11,480,655)**	**(11,860,755)**	**(11,129,903)**
Cash flows from investing activities			
Acquisitions of property, plant and equipment	(191,404)	(147,448)	(147,448)
Acquisitions of intangible assets	-	(983)	(983)
Acquisitions of financial holdings	(210,873)	(49)	(49)
Net cash flows from investing activities	**(402,277)**	**(148,481)**	**(148,481)**
Cash flow from financing activities			
Increase (decrease) of refundable advances	-	1,900,000	1,169,149
Increase (decrease) of financial debt	7,651,134		
Treasury stocks	66,994	(21,276)	(21,276)
Share capital increases	452,233	20,858	20,858
Net cash flow from financing activities	**8,170,360**	**1,899,582**	**1,168,731**
Opening cash and cash equivalents	14,244,175	24,353,828	24,353,828
Closing cash and cash equivalents	10,531,602	14,244,175	14,244,175
(Decrease) / Increase in cash position	**(3,712,572)**	**(10,109,653)**	**(10,109,653)**

*2016 adjusted: adjusted of non-cash items related to refundable advances under IFRS ruling.

Cash flows from operating activities

Cash flows used in operating activities amounted to €11.48 million and €11.86 million respectively in 2017 and 2016. The tight management of financial resources decided in 2016 has been sustained in 2017.

Cash flows from investing activities

Cash flows used in investing activities amounted to €0.40 million and €0.15 million respectively in 2017 and 2016.

Cash flows from financing activities

Net cash flow from financing activities amounted to €8.17 million in 2017 and €1.90 million in 2016.

Drawdown of two tranches of the venture loan signed with Kreos Capital (€4 million each) explained the majority of the cash-flow from financing; completed by the first tranches of warrants exercised in relation to the equity line financing signed in October 2017 with Kepler Cheuvreux for €0.4 million. In July 2016, Pixium Vision received a refundable advance of €1.9 million within the framework of the “SIGHT AGAIN” R&D Project.

Balance Sheet

(Amounts in euros)	As at 31st December	
	2017	**2016**
ASSETS		
Non-current Assets		
Intangible assets	7,679,574	8,205,391
Property, plant and equipment	1,567,341	1,785,758
Non-current financial assets	402,223	193,116
Total non-current assets	**9,649,139**	**10,184,265**
Current assets		
Stocks and Work in progress	909,126	312,171
Receivables	-	30,060
Other current assets	2,800,553	2,818,885
Cash & cash equivalents	10,531,602	14,244,175
Total current assets	**14,241,281**	**17,405,290**
TOTAL ASSETS	**23,890,420**	**27,589,555**
LIABILITIES		
Shareholders' equity		
Share capital	816,005	764,988
Additional paid-in capital	70,164,019	69,762,804
Retained earnings	(45,601,973)	(34,838,941)
Profit / (loss)	(13,541,934)	(12,440,766)
Total shareholders' equity	**11,836,118**	**23,248,084**
Non-current liabilities		
Refundable advances	1,486,758	1,333,415
Venture Loan	7,643,731	
Non-current provisions	171,576	171,893
Total non-current liabilities	**9,302,065**	**1,505,308**
Current liabilities		
Current provisions	184,190	-
Trade account payables	1,222,414	1,292,860
Other current liabilities	1,345,633	1,543,303
Total current liabilities	**2,752,237**	**2,836,163**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**23,890,420**	**27,589,555**

Assets

Total assets amounted to €23.89 million as at 31 December 2017 compared with €27.59 million a year earlier.

Non-current assets

Net non-current assets stood at €9.65 million, and €10.18 million respectively at 31 December 2017 and 2016.

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

- Intangible assets amounted to €7.68 million and €8.21 million at 31 December 2017 and 2016 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 €1.57 million and €1.79 million at 31 December 2017 and 2016 respectively, are mainly made up of machinery and laboratory equipment.
- Non-current financial assets amounted to €0.40 million and €0.19 million as at 31 December 2017 and 2016. These assets are related to the security deposit paid to the landlord of the Company's premises as well as deposit linked with the venture loan signed with Kreos Capital.

Current assets

Net current assets amounted to €14.24 million and €17.41 million at 31 December 2017 and 2016 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)

	12/31/2017	12/31/2016
Raw materials inventories	673,186	312,171
Finished goods	235,940	
Depreciation of inventories and work in progress	-	-
Total inventories and work in progress in net value	**909,126**	**312,171**

- Account receivables and assimilated accounts

ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS
(Amounts in euros)

	12/31/2017	12/31/2016
Receivable and other related accounts	-	30,060
Depreciation of accounts receivables	-	-
Total account receivables in net value	**-**	**30,060**

- Other current assets:

OTHER CURRENT ASSETS

(Amounts in euros)

	12/31/2017	12/31/2016
Deposits and advances	101,140	236,836
State, Research Tax Credit and CICE	2,133,406	1,817,850
VAT	200,865	239,218
Liquidity agreement	71,980	117,819
Differed charges	287,696	373,980
Others	5,465	33,181
Net total	**2,800,553**	**2,818,885**

As at December 31st, 2017, other current assets consist mainly of the research tax credit receivable for €2.11 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 and travel expenses.

As at December 31st, 2016, the receivable related to the Research Tax Credit was higher than in 2017 due to the on-going clinical trial on IRIS®II, the finalized pre-clinical development of PRIMA, as well as the regulatory and start-up costs associated with the clinical development of PRIMA.

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

CASH AND CASH EQUIVALENT

(amount in euros)

	12/31/2017	12/31/2016
Cash	2 513 256	6,242,902
Term deposits	8 018 346	8,001,272
Money market funds (SICAV)	-	-
Net total	**10 531 602**	**14,244,174**

Liabilities

Shareholders' equity

Shareholders' equity stood at €11.84 million and €23.25 million respectively at 31 December 2017 and 2016:

- €70.98 million in share capital and issue premiums as at 31 December 2017 (€70.53 million as at 31 December 2016);
- Reserves, including previous losses of €45.60 million in 2017
- 2017 losses of €13.54 million.

Non-current liabilities

Non-current liabilities are composed of venture loan, refundable advances and retirement benefit liabilities in accordance with IAS 19. Non-current liabilities increased in 2017 following the drawdown of the venture loan signed with Kreos Capital and amounted to €9.30 million (vs. €1.51 million in 2016) Refundable advances and retirement benefit were almost stable in 2017 as compared with 2016. Non-current provisions are composed of pension obligations.

Current liabilities

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

- Current provisions: €0.18 million as at 31 December 2017 (none as at 31 December 2016) represents the social charges incurred on free share plans
- trade payables: €1.22 million as at 31 December 2017 (€1.29 million as at 31 December 2016);
- social security liabilities: €1.29 million as at 31 December 2017 (€1.24 million as at 31 December 2016);
- tax liabilities: €46,931 as at 31 December 2017 (€12,645 as at 31 December 2016);