

# Pixium Vision

Financing update

## €7.3m capital increase completed

Pixium on 6 July reported that it has raised €7.3m through its shareholder rights offering initiative. The subscription rate was >94% and 14.68m new shares have been issued on 8 July at a subscription price of €0.50/share, resulting in €7.3m in gross proceeds. This financing round should enable Pixium to start the PRIMAvera pivotal study on Prima, which we expect will begin recruitment in H121. We estimate Pixium's cash on hand should now extend its cash runway into Q421. Our enterprise value of €105.9m is unchanged but our equity value per share (inclusive of net cash) decreases to €2.73 (from €3.95 previously) as the cash proceeds from the offering are offset by a ~54% increase in shares outstanding.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/18	1.6	(7.7)	(0.42)	0.0	N/A	N/A
12/19	1.8	(9.8)	(0.44)	0.0	N/A	N/A
12/20e	1.7	(8.1)	(0.26)	0.0	N/A	N/A
12/21e	1.6	(11.0)	(0.26)	0.0	N/A	N/A

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

## Pivotal study on track to start in H121

Pixium intends to file a regulatory submission in H220 with at least the European regulators for approval to start the PRIMAvera pivotal study. We expect this registration-enabling study will start in H121 and could lead to EU commercialisation in H223. Pixium remains in discussions to explore the possibility of conducting this study in parallel in Europe and the US, which if accepted by the FDA could lead to a US launch earlier than our baseline estimate of H225.

## Financial runway extended into Q421

We now estimate Pixium's pro-forma gross cash at mid-2020 (after including [rights offering](#) proceeds) at €15.5m (net cash estimated at €8.1m, assuming €7.4m H120 gross debt excluding lease liabilities). Given our unchanged assumptions of H220 and 2021 operating cash burn rates (excluding net interest) of €4.4m and €9.9m, respectively, we believe Pixium has sufficient cash on hand to fund its operations into Q421. Given the €7.3m in gross proceeds from the rights offering, we now assume that Pixium will need to raise €37.5m (from €45m previously) in funds between mid-2020 and year end 2023, modelled as illustrative debt, to bring Prima to commercial launch. We expect that part of this requirement will be fulfilled using the remaining (or unused) €6.25m in tranches from the [ESGO funding facility](#). Altogether, we now model that Pixium will raise €2.5m in H220 (from €10m previously), €12.5m in both 2021 and 2022, and €10m in 2023.

## Valuation: Unchanged €105.9m rNPV

Our pipeline rNPV (enterprise value) of €105.9m is unchanged but our equity value (inclusive of €8.1m pro forma H120e net cash) has increased to €114.0m following the capital increase (vs €106.7m previously). Given the increase in shares outstanding, our equity value per share is now €2.73 (from €3.95 previously).

## Healthcare equipment & services

9 July 2020

**Price** €0.547

**Market cap** €23m

\$1.12/€

Gross cash (€m) at 31 March 2020 4.8

Shares in issue 41.8m

Free float 60%

Code ALPIX

Primary exchange Euronext Growth

Secondary exchange N/A

## Share price performance



% 1m 3m 12m

Abs (23.0) (25.8) (59.7)

Rel (local) (19.9) (33.8) (54.9)

52-week high/low €1.50 €0.53

## Business description

Pixium Vision develops bionic vision systems for patients with severe vision loss. Its lead product, Prima, is a wireless sub-retinal implant system designed for dry-AMD. The company completed five implantations in an EU feasibility study and recently started a US feasibility study.

## Next events

File application to start pivotal study H220

36-month data from EU feasibility study Q121

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**Exhibit 1: Financial summary**

	€000s	2017	2018	2019	2020e	2021e	2022e
Year end 31 December		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>							
Revenue		2,535	1,598	1,782	1,700	1,600	1,600
Cost of Sales		(1,124)	(41)	0	0	0	0
General & Administrative		(5,324)	(2,019)	(3,815)	(2,900)	(2,973)	(3,847)
Research & Development		(7,817)	(5,297)	(6,320)	(6,000)	(8,000)	(10,400)
EBITDA		(11,731)	(5,758)	(8,352)	(7,200)	(9,373)	(12,647)
Depreciation		(936)	(677)	(448)	(449)	(531)	(639)
Amortization		0	0	0	0	0	0
Operating Profit (before exceptionals)		(12,666)	(6,435)	(8,801)	(7,649)	(9,903)	(13,286)
Exceptionals		0	(5,859)	(69)	0	0	0
Other		0	0	0	0	0	0
Operating Profit		(12,666)	(12,294)	(8,870)	(7,649)	(9,903)	(13,286)
Net Interest		(876)	(1,277)	(1,006)	(450)	(1,121)	(2,187)
Profit Before Tax (norm)		(13,542)	(7,712)	(9,806)	(8,099)	(11,025)	(15,473)
Profit Before Tax (FRS 3)		(13,542)	(13,571)	(9,876)	(8,099)	(11,025)	(15,473)
Tax		0	0	0	0	0	0
Profit After Tax and minority interests (norm)		(13,542)	(7,712)	(9,806)	(8,099)	(11,025)	(15,473)
Profit After Tax and minority interests (FRS 3)		(13,542)	(13,571)	(9,876)	(8,099)	(11,025)	(15,473)
Average Number of Shares Outstanding (m)		13.3	18.5	22.3	30.7	42.0	42.5
EPS - normalised (€)		(1.02)	(0.42)	(0.44)	(0.26)	(0.26)	(0.36)
EPS - normalised and fully diluted (€)		(1.02)	(0.42)	(0.44)	(0.26)	(0.26)	(0.36)
EPS - (IFRS) (€)		(1.02)	(0.73)	(0.44)	(0.26)	(0.26)	(0.36)
Dividend per share (€)		0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET</b>							
Fixed Assets		9,649	3,666	4,507	4,457	4,151	3,555
Intangible Assets		7,680	2,623	2,361	2,361	2,361	2,361
Tangible Assets		1,970	1,042	2,145	2,096	1,789	1,194
Current Assets		14,241	17,756	9,107	15,528	16,853	14,869
Cash		10,532	15,629	6,792	13,218	14,455	12,471
Other		3,710	2,126	2,316	2,310	2,398	2,398
Current Liabilities		(2,752)	(2,044)	(2,880)	(2,880)	(2,037)	(2,037)
Creditors		(2,752)	(2,044)	(2,880)	(2,880)	(2,037)	(2,037)
Short term borrowings		0	0	0	0	0	0
Long Term Liabilities		(9,302)	(8,023)	(7,033)	(11,193)	(23,693)	(36,193)
Long term borrowings		(9,130)	(7,870)	(5,787)	(9,947)	(22,447)	(34,947)
Other long term liabilities		(172)	(153)	(1,246)	(1,246)	(1,246)	(1,246)
Net Assets		11,836	11,355	3,700	5,912	(4,727)	(19,807)
<b>CASH FLOW</b>							
Operating Cash Flow		(10,605)	(6,174)	(7,282)	(6,816)	(9,917)	(12,253)
Net Interest		(876)	(1,277)	(1,006)	(450)	(1,121)	(2,187)
Tax		0	0	0	0	0	0
Capex		(191)	(31)	(34)	(400)	(224)	(44)
Acquisitions/disposals		0	0	0	0	0	0
Financing		519	14,068	2,034	9,932	0	0
Net Cash Flow		(11,153)	6,587	(6,288)	2,266	(11,263)	(14,484)
Opening net debt/(cash)		(12,911)	(1,401)	(7,760)	(1,004)	(3,271)	7,992
Other		(357)	(228)	(468)	0	0	(0)
Closing net debt/(cash)		(1,401)	(7,760)	(1,004)	(3,271)	7,992	22,476
Lease debt		N/A	N/A	1,346	1,346	1,346	1,346
Closing net debt/(cash) inclusive of IFRS 16 lease debt		(1,401)	(7,760)	342	(1,925)	9,338	23,822

Source: Company accounts, Edison Investment Research

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