



Pixium Vision announces its financial results for 2020 and provides a business update

- Cash position at 31 December 2020: €10.6 million
- Cash runway to end of 2021
- PRIMAvera European pivotal study of Prima System initiated in Q4 2020

Paris, 19 February 2021 – 7.00 a.m. CET - 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 its financial results for 2020. The 2020 financial statements were approved by Pixium Vision's Board of Directors at its meeting on 18 February 2021.

Lloyd Diamond, CEO of Pixium Vision commented *"We continued in 2020 to deliver on our plan of transitioning Pixium Vision from a research project to a commercially oriented company. We progressed our innovative Prima System to the last step of clinical development in Europe by initiating the PRIMAvera pivotal study and strengthened our presence in the US in anticipation of increasing clinical development in this key market. We are well positioned to continue development of the Prima System through these important stages, having successfully extended our cash runway to end of 2021"*

2020 annual results - Excerpts

| Income statement summary | | | |
|---|------------------|------------------|---------------|
| <i>In thousands of euros</i> | 2020 | 2019 | Change |
| Operating revenue | 2,091.6 | 1,782.5 | +50.6% |
| Current operating expenses | (9,658.7) | (9,650.4) | +0.1% |
| Research and Development | (5,559.0) | (6,533.6) | -14.9% |
| Sales and marketing expenses | 0 | (49.6) | -100% |
| General and administrative expenses | (4,099.8) | (3,067.3) | +33.7% |
| Current operating income | (7,567.2) | (7,868.0) | -11.4% |
| Non-current items / share-based payments | (883.2) | (1,002.1) | -11.9% |
| Operating income | (8,450.3) | (8,870.1) | -11.4% |
| Total profit/(loss) for the period | (9,131.0) | (9,623.5) | -11.3% |
| Net earnings per share | (0.27) | (0.44) | |

| Statement of cash flows summary | | |
|--|-----------------|------------------|
| <i>In thousands of euros</i> | 2020 | 2019 |
| Opening cash and cash equivalents | 6,791.5 | 15,629.4 |
| (Decrease)/Increase in cash position | 3,774.5 | (8,837.9) |
| <i>O/W net cash flows from operating activities</i> | (6,905.5) | (8,288.1) |
| <i>O/W net cash flows from investment activities</i> | 197.5 | (28.3) |
| <i>O/W net cash flows from financing activities</i> | 10,482.5 | (521.5) |
| Closing cash and cash equivalents | 10,566.0 | 6,791.5 |

Update on Pixium Vision's business

Pixium Vision made important clinical and business progress in 2020. The company reported positive follow-up data from the French feasibility trial of the Prima System in patients with dry age-related macular degeneration (AMD). The follow-up, from 18 to 24 months after implantation, showed that the Prima System sustainably elicited light perception in all four dry AMD patients and had a favorable safety profile. The second-generation transparent glasses, enabling the combination of natural peripheral vision and prosthetic vision, greatly benefited patients and their visual acuity.

These results paved the way for the initiation of the PRIMAvera pivotal study in Q4 2020, the last clinical step before seeking market approval in Europe. Pixium Vision continues clinical development in the US and has now implanted two patients with the Prima System in its US feasibility study.

Pixium Vision completed the transfer of its shares to Euronext Growth Paris. This provides a regulatory framework that is better adapted to SMEs and reduces listing costs, while enabling the company to continue to benefit from the advantages of the financial markets.

The scientific leadership of Pixium Vision was strengthened with two key appointments. Lisa Olmos de Koo, M.D., a retinal surgeon and Associated Professor of Ophthalmology at University of Washington, was appointed Chief Medical Advisor. Ophthalmologist Sandra Montezuma, M.D., Associate Professor in the Department of Ophthalmology and Visual Neurosciences of the University of Minnesota who brings extensive expertise in providing medical and surgical care for all retina diseases, was appointed Clinical Advisor.

Pixium Vision successfully hosted a key opinion leader KOL event on the Prima System for atrophic dry-AMD, featuring presentations by José-Alain Sahel, M.D., University of Pittsburgh School of Medicine, and Lisa Olmos de Koo. The KOLs discussed the current treatment landscape and unmet medical need in treating patients and the event attracted great interest from US investors and analysts.

Analysis of 2020 results

In financial year 2020, the Group did not generate any sales.

Operating revenue is comprised of a Research Tax Credit (CIR) in the amount of €1.38 million (€1.72 million in 2019). The Research Tax Credit was generated by the Group's ongoing R&D efforts, particularly its clinical and regulatory expenses for the Prima System. The decrease in the Research Tax Credit in 2020 was due to various refundable advances and grants received during the period that were deducted from the expenses included in the calculation of the Research Tax Credit. Grants recognised in operating revenue are mainly for the "SIGHT AGAIN" project, for which the Group received the last two amounts of aid provided for under the contract, as well as the recognition as a grant of the economic benefit under the State-guaranteed loan obtained from the BPI and the CIC. In 2020, total **operating revenue** was €2.09 million, compared to €1.78 million in 2019.

Current Research and Development (R&D) expenses totalled €5.56 million, compared to €6.53 million the previous year. In 2020, due to the health measures adopted by the government, Pixium Vision was obliged to suspend its R&D activities for several months, in particular its feasibility studies in France and the United

States, which were resumed in June 2020. The Group nevertheless continued to prepare the application package for the PRIMavera pivotal study and received ANSM approval in November 2020. In the second half of the year, the Group primarily incurred expenses to produce the Prima systems in order to optimally prepare for the launch of its PRIMavera study in Europe. Current R&D expenses accounted for 58% of total current expenses.

Current general and administrative (G&A) expenses totalled €4.10 million in 2020, compared to €3.07 million in 2019. General and administrative expenses increased by 33.7% in 2020, mainly due to the costs the Group incurred for legal services in preparation for its combination with the US company Second Sight Medical Products, Inc.

In 2020, the Group did not recognise any **marketing and sales expenses**.

In order to provide a clearer picture of Pixium Vision's operations, the Company also publishes its **current operating income**. This balance is adjusted for non-recurring items and items with no impact on the Group's cash position. **Current operating income** was a loss of €7.57 million (compared to a loss of €7.87 million in 2019).

Non-current items totalled €0.9 million in 2020 (compared to €1.0 million in 2019). These items consist of expenses calculated in relation to share-based payments for an amount of €0.43 million, compared to €0.37 million a year earlier. In 2020, the Group recognised an impairment loss of €0.45 million on its intangible assets, in connection with patents it decided not to maintain or that had fallen into the public domain. It should be noted that, in 2019, the Group had recognised as a non-current item the severance payment of €0.56 million made to its previous Chief Executive Officer.

Operating income was a loss of €8.45 million, which is lower than in 2019 (€8.87 million). **Total income** was a loss of €9.13 million (compared to a loss of €9.62 million in 2019). In 2020, the Group recognised financial expenses of €0.7 million (compared to €1.0 million in 2019). This decrease was due to the Group's exit from the Kreos Capital bond financing mechanism in September 2020. The Group did not recognise corporate income tax expense for 2020. The loss per share is €0.27 and €0.44 for shares issued in financial years 2020 and 2019, respectively.

Net cash outflow from operating activities fell by 9% in 2020 to €6.9 million, compared to €8.3 million in 2019. The drop in net cash outflow is due to the suspension of feasibility studies and the lower production rate of the Prima systems during the second quarter of 2020. Excluding non-recurring items, cash outflow on administrative expenses rose in the fourth quarter, particularly in connection with the combination with Second Sight Medical Products, Inc.

Net cash flows from financing activities totalled €10.5 million in 2020. They reflect primarily the €7.3 million capital increase with pre-emptive subscription rights completed in July 2020, the drawdown of two ORNAN bond tranches of €1.25 million each under its agreement with ESGO, the €2.5 million State-guaranteed loan obtained, and the last grants and refundable advances received for the "SIGHT AGAIN" project for a total of €2.7 million. In addition, the Group exited the Kreos Capital bond financing mechanism in September 2020.

In total, Pixium Vision ended 2020 with a net cash position of €10.6 million, compared to €6.8 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 and a rehabilitation period.

Pixium Vision is conducting clinical feasibility studies of its Prima system, its miniaturised wireless sub-retinal implant, in patients who have lost their sight due to retinal degeneration associated with the dry form of Age-Related Macular Degeneration (AMD). Pixium Vision works closely with world-renown academic partners, such as Stanford University in California, Institut de la Vision in Paris, Moorfields Eye Hospital in London, Institute of Ocular Microsurgery (IMO) in Barcelona, and UPMC in Pittsburgh, USA. The company is EN ISO 13485 certified. Pixium Vision has been qualified as an "Innovative Company" by Bpifrance.

For more information:  <http://www.pixium-vision.com/fr>

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Pixium Vision is listed on Euronext Growth Paris.

ISIN: FR0011950641; Mnemonic: ALPIX

Pixium Vision is included in the Euronext GROWTH ALLSHARE index

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

Disclaimer

*This press release, implicitly or expressly, contains certain forward-looking statements concerning Pixium Vision and its business. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, financial conditions, performance or achievements of Pixium Vision to be materially different from the results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Pixium Vision issues this press release as at this date and does not undertake to update any forward-looking statements contained herein, whether in response to new information, future events or otherwise. For a description of the risks and uncertainties that could cause the actual results, financial conditions, performance or achievements of Pixium Vision to differ from those contained in the forward-looking statements, please refer to section 3 "Risk Factors" of the Company's reference document, which was filed with the *Autorité des Marchés Financiers* under number D.20-0350 on 24 April 2020, and which can be viewed on the websites of the *Autorité des Marchés Financiers* - "AMF" (www.amf-france.org) and Pixium Vision (www.pixium-vision.com).*

Notes

Risk factors

The risk factors to which the Group is exposed are described in Chapter 3 of the 2019 Universal Registration Document that was filed on 24 April 2020 with the *Autorité des Marchés Financiers* (AMF – French Financial Markets Authority). Management's assessment of the nature and level of risks has not changed during the last year.

The Universal Registration Document is available on the company's website:

<https://www.pixium-vision.com/fr/documents-et-rapports-financiers/>

Major events in 2020

- On **13 January 2020**, Pixium Vision announced that its Prima system had been successfully implanted in a first patient in the United States.
- On **13 February 2020**, Pixium Vision announced its 2019 annual results and provided an update on its business.
- On **14 February 2020**, Pixium Vision announced the transfer of the listing of its shares to the Euronext Growth Paris market.
- On **19 February 2020**, Pixium Vision announced that to continue to accelerate its development it had drawn down a further tranche, with a nominal value of €1.25 million, under the financing contract with ESGO.
- On **2 March 2020**, Pixium Vision announced the publication in the "Ophthalmology" journal of promising clinical data for the Prima System in the treatment of dry AMD.
- On **4 March 2020**, Pixium Vision announced the successful activation of the Prima System in the first patient in the US feasibility study.
- On **23 March 2020**, Pixium Vision provided an update on the impact of COVID-19 on its activities.
- On **31 March 2020**, Pixium Vision announced new positive results for its Prima System in the treatment of dry AMD.
- On **16 April 2020**, Pixium Vision announced its cash position at 31 March 2020 and provided an update on its activities and financial outlook until the first quarter of 2021.
- On **4 May 2020**, Pixium Vision reinforced its financial position by drawing down a €1.25 million tranche under its agreement with ESGO and obtaining a pre-approved €2.5 million loan guaranteed by the French government.
- On **8 June 2020**, Pixium Vision announced the resumption of the Prima System feasibility study in France.
- On **12 June 2020**, Pixium Vision launched a capital increase with pre-emptive subscription rights for a maximum amount of €7.8 million for its Prima System clinical registration trial.

- On **19 June 2020**, Pixium Vision was selected to participate in the “Next French Healthcare” programme coordinated by Business France and Bpifrance, thereby increasing its visibility in the United States.
- On **6 July 2020**, Pixium Vision announced the success of its capital increase with pre-emptive subscription rights: €7.3 million raised to finance the Prima System PRIMAVera pivotal study
- On **23 July 2020**, Pixium Vision announced its financial results at 30 June 2020 and gave an update on its business.
- On **22 October 2020**, Pixium Vision announced its cash position at 30 September 2020
- On **20 November 2020**, Pixium Vision received ANSM approval to launch the European Prima System PRIMAVera pivotal study.

After 31 December 2020, major events include:

- On **6 January 2021**, Pixium Vision and Second Sight Medical Products announced a combination of their businesses, creating a global leader in the sight restoration market.
The transaction will consist of the contribution of a complete and independent business branch (partial asset contribution) comprising all of the company’s assets and liabilities, including employees, to a permanent establishment that Second Sight will create in France. In consideration, Pixium Vision will hold 60% of the Second Sight’s capital. This solution enables keeping all know-how, R&D, and regulatory approvals in France. The transaction is subject to obtaining commitments from investors for a capital increase of Second Sight for a minimum amount of USD 25 million in order to partially finance the pivotal study launched by Pixium Vision. At the conclusion of this capital increase, Pixium Vision will hold 40% of the capital of Pixium Vision. The majority of Second Sight’s board of directors will be controlled by the members of Pixium Vision’s board of directors. Lloyd Diamond, Pixium Vision’s current CEO, will retain his position and will also become CEO of Second Sight.
- On **7 January 2021**, Pixium Vision announced that it had drawn down a further tranche, with a nominal value of €1.25 million, under the financing contract with ESGO.

COMPARISON OF 2020 and 2019 INCOME STATEMENTS

| | At 31 December | |
|--|---------------------|---------------------|
| <i>(Amounts in euros)</i> | 2020 | 2019 |
| Operating revenue | | |
| Net sales | – | – |
| Research Tax Credit | 1,383,023 | 1,718,149 |
| Grants | 660,665 | 6,037 |
| Other revenues | 47,880 | 58,277 |
| Total revenues | 2,091,568 | 1,782,463 |
| Operating expenses | | |
| Cost of goods sold | – | – |
| Research and development | (5,711,234) | (6,562,662) |
| Sales and marketing | – | (49,559) |
| General and administrative expenses | (4,383,010) | (3,970,880) |
| Total expenses | (10,094,244) | (10,583,101) |
| Non-recurring depreciation/amortisation allowances | – | – |
| Impairment losses | (447,669) | (69,463) |
| Total other non-recurring expenses | (447,669) | (69,463) |
| Operating income | (8,450,345) | (8,870,091) |
| Financial income | – | 6,670 |
| Financial expenses* | (699,848) | (1,012,492) |
| Financial results | (699,848) | (1,005,822) |
| Pre-tax current income | (9,150,193) | (9,875,913) |
| Corporate income tax | – | – |
| Net result | (9,150,193) | (9,875,913) |
| Other non-transferable comprehensive income | | |
| Actuarial gains/(losses) on pension plans | 39,825 | (6,116) |
| Change in fair value valuation | (20,616) | 258,494 |
| Total profit/(loss) for the period | (9,130,985) | (9,623,535) |
| Weighted average number of shares | 33,958,034 | 22,338,681 |
| Net earnings per share | (0.27) | (0.44) |
| Diluted earnings per share | (0.27) | (0.44) |

Operating revenue

In financial year 2020, the Group did not generate any sales.

Operating revenue is comprised of a Research Tax Credit (CIR) in the amount of €1.38 million (€1.72 million in 2019). The Research Tax Credit was generated by the Group's ongoing R&D efforts, particularly its clinical and regulatory expenses for the Prima System. The decrease in the Research Tax Credit in 2020 was due to various refundable advances and grants received during the period that were deducted from the expenses included in the calculation of the Research Tax Credit. Grants recognised in operating revenue are mainly for the "SIGHT AGAIN" project, for which the Group received the last two amounts of aid provided for under the contract, as well as the recognition as a grant of the economic benefit under the State-guaranteed loan obtained from the BPI and the CIC. In 2020, total operating revenue was €2.09 million, compared to €1.78 million in 2019.

The tax authorities grant companies a Research Tax Credit (CIR) to encourage them to conduct technical and scientific research. Companies that can substantiate expenditures meeting the required criteria (research costs in France or, since 1 January 2005, within the European Community or in another State that is a party to the agreement on the European Economic Area and has signed a tax treaty with France containing an administrative assistance clause) are eligible for a tax credit that can be used to pay the corporate income tax owed for the fiscal year in which the expenses are incurred and the following three fiscal years, or may be refunded the excess share of the tax credit, if any. The expenses taken into account for the calculation of the research tax credit are restricted to research expenses.

Because the Group did not capitalise any R&D expenses in 2020 and 2019, the research tax credit for such research programmes is fully recognised in operating income in the year to which the eligible research expenses relate.

Current operating expenses

Current operating expenses totalled €9.65 million for the two financial years ended 31 December 2020 and 2019, respectively. In 2020, current operating expenses were primarily research and development expenses incurred by the Group. R&D expenses fell by €1 million due to the health crisis that impacted the clinical and development activities of the Prima system. General and administrative expenses increased by €1 million compared to the previous year due to the work in connection with the combination of Pixium Vision and Second Sight Medical Products, Inc.

Research and development expenses

Research and development expenses include, in particular:

- payroll expenses, including the direct and indirect costs of the teams who conduct research and development work;
- subcontracting, collaboration and consultant expenses. These expenses include pre-clinical and clinical studies, patent filing and maintenance fees, scientific and clinical expert fees, and regulatory affairs and quality assurance expenses;
- purchases of research supplies, which include consumables and design and production costs;
- depreciation allowances on patents and equipment used for research and development work.

Research and development expenses break down as follows:

| R&D expenses (Amounts in euros) | 31/12/2020 | 31/12/2019 |
|--|-------------------|-------------------|
| Payroll expense | 3,004,682 | 2,716,411 |
| Subcontracting, collaboration and consultants | 1,319,259 | 1,752,147 |
| Research supplies | 476,193 | 1,072,336 |
| Leases ⁽¹⁾ | 13,012 | 11,679 |
| Amortisation of use rights ⁽²⁾ | 242,928 | 236,180 |
| Conferences, travel expenses | 104,801 | 129,020 |
| Licence fees | 65,021 | 82,435 |
| Provisions and amortisation allowances | 161,278 | 243,017 |
| Miscellaneous - Services provided ⁽³⁾ | 282,933 | 298,824 |
| Other | 41,126 | 20,613 |
| Net total | 5,711,234 | 6,562,662 |

(1) Lease expenses correspond to non-capitalised leases

(2) See note 3.14 "Leases"

(3) Service contracts associated with leases

In 2020, payroll expenses included an expense for share-based payments of €152,272, compared to €29,075 in 2019.

General and administrative expenses

General and administrative expenses consist mainly of administrative staff costs, external expenses such as legal, audit and consultancy fees, as well as communication, entertainment and travel expenses, and property rental costs.

Sales and general and administrative expenses recognised break down as follows:

| General and administrative (Amounts in euros) | 31/12/2020 | 31/12/2019 |
|--|-------------------|-------------------|
| Payroll expense | 1,587,892 | 2,373,808 |
| Fees | 1,852,659 | 564,505 |
| Leases ⁽¹⁾ | 32,165 | 15,709 |
| Amortisation of use rights ⁽²⁾ | 63,898 | 67,639 |
| Insurance | 44,989 | 47,913 |
| Communication, travel and entertainment expenses | 262,421 | 434,468 |
| Postage and telecommunication costs | 72,121 | 57,734 |
| Administrative supplies and equipment leases | 20,161 | 21,597 |
| Provisions and amortisation allowances | 235,766 | 243,412 |
| Miscellaneous - Services provided ⁽³⁾ | 58,624 | 60,015 |
| Other | 152,316 | 84,079 |
| Net total | 4,383,010 | 3,970,880 |

(1) Lease expenses correspond to non-capitalised leases

(2) See note 3.14 "Leases"

(3) Service contracts associated with leases

In 2020, payroll expenses included an expense for share-based payments of €283,247, compared to €341,768 in 2019.

In 2019, the Group recognised a non-recurring expense of €562,000 for severance payments to its Chief Executive Officer in May 2019.

Marketing and communication expenses

In 2020, the Group did not recognise any marketing and sales expenses.

| Marketing and sales expenses (Amounts in euros) | 31/12/2020 | 31/12/2019 |
|--|------------|---------------|
| Payroll expense | – | – |
| Fees | – | 42,809 |
| Communication, travel and entertainment expenses | – | 2,541 |
| Other | – | 4,209 |
| Net total | – | 49,559 |

Current operating income

The current operating loss in 2020 is stable at €7.57 million, compared to a loss of €7.87 million in 2019.

Operating income

The operating loss in 2020 totalled €8.45 million, compared to a loss of €8.87 million in 2019.

Financial income

Financial income for 2020 was negative by €0.70 million. This was primarily due to the payment of interest on the bond financing set up with Kreos Capital in September 2016 and the interest calculated on the “SIGHT AGAIN” refundable advances.

Corporate income tax

Due to the losses it reported, the Group did not recognise corporate income tax expense for 2020.

Net income for the period and net earnings per share

The Group recognised a net loss of €9.15 million and €9.88 million in 2020 and 2019, respectively.

The loss per share issued is (€0.27) and (€0.44) for the financial years ended 31 December 2020 and 2019, respectively.

STATEMENT OF CASH FLOWS

At 31 December

(Amounts in euros)

| | 2020 | 2019 |
|--|--------------------|--------------------|
| Cash flows from operating activities | | |
| Profit/(loss) for the period | (9,150,194) | (9,875,913) |
| Reconciliation of net profit to cash flows used in operating activities | | |
| Depreciation/amortisation and impairment | 813,905 | 517,741 |
| Losses on disposals | 265 | – |
| Provisions | (197,719) | 218,213 |
| Government grants | (133,059) | (276,500) |
| Financial results | 340,394 | 392,171 |
| Leases | 349,249 | 352,618 |
| Expenses on share-based payments | 435,519 | 370,843 |
| Retirement benefit obligations | 39,825 | 27,216 |
| Cash flows from operating activities | (7,501,815) | (8,273,611) |
| Inventories | – | – |
| Other receivables | 159,183 | 104,857 |
| Trade payables | 395,681 | (140,941) |
| Other current liabilities | 41,425 | 21,562 |
| Net cash flows from operating activities | (6,905,525) | (8,288,132) |
| Acquisitions/Disposals of property, plant and equipment | (82,169) | (34,059) |
| Acquisitions of intangible assets | – | – |
| Acquisitions (decrease) of financial holdings | 279,667 | 5,801 |
| Net cash flows from investment activities | 197,498 | (28,258) |
| Increase/(Decrease) of refundable advances | 2,267,680 | – |
| Increase/(Decrease) of financial debt | (509,136) | (2,224,816) |
| Payment of lease liabilities | (331,497) | (331,030) |
| Treasury shares | (7,093) | 3,134 |
| Capital increase | 9,062,546 | 2,031,179 |
| Net cash flows from financing activities | 10,482,500 | (521,533) |
| Opening cash and cash equivalents | 6,791,500 | 15,629,424 |
| Closing cash and cash equivalents | 10,565,973 | 6,791,500 |
| (Decrease)/Increase in cash position | 3,774,473 | (8,837,924) |

Cash flows from operating activities

Net cash outflow from operating activities fell by 9% in 2020 to €6.91 million, compared to €8.29 million in 2019. The drop in net cash outflow is due to the suspension of feasibility studies and the lower production rate of the Prima systems during the second quarter of 2020. Excluding non-recurring items, cash outflow on administrative expenses rose in the fourth quarter, particularly in connection with the combination with Second Sight Medical Products, Inc.

Cash flows from investment activities

In 2020, the Group was reimbursed the amount of the financing guarantees paid to Kreos Capital when it exited the bond financing mechanism in September.

Cash flows from financing activities

Net cash flows from financing activities totalled €10.5 million in 2020. They reflect primarily the €7.3 million capital increase with pre-emptive subscription rights completed in July 2020, the drawdown of two ORNAN bond tranches of €1.25 million each under its agreement with ESGO, the €2.5 million State-guaranteed loan obtained, and the last grants and refundable advances received for the "SIGHT AGAIN" project for a total of €2.7 million. In addition, the Group exited the Kreos Capital bond financing mechanism in September 2020.

In total, Pixium Vision ended 2020 with a net cash position of €10.6 million, compared to €6.8 million a year earlier.

STATEMENT OF FINANCIAL POSITION

| <i>(Amounts in euros)</i> | 31/12/2020 | 31/12/2019 |
|---|-------------------|-------------------|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | 1,726,725 | 2,361,384 |
| Property, plant and equipment | 387,036 | 484,378 |
| Use rights | 1,218,490 | 1,324,356 |
| Non-current financial assets | 78,364 | 336,625 |
| Total non-current assets | 3,410,615 | 4,506,744 |
| Current assets | | |
| Inventories and work in progress | – | – |
| Trade receivables | 2,736 | 5,472 |
| Other current assets | 2,151,926 | 2,310,076 |
| Cash and cash equivalents | 10,565,974 | 6,791,500 |
| Total current assets | 12,720,636 | 9,107,048 |
| TOTAL ASSETS | 16,131,251 | 13,613,792 |
| LIABILITIES | | |
| Shareholders' equity | | |
| Share capital | 2,638,022 | 1,462,093 |
| Additional paid-in capital | 13,414,980 | 85,163,586 |
| Reserves | (2,443,299) | (73,049,369) |
| Regulated reserves | 25,223 | – |
| Profit/(loss) | (9,150,193) | (9,875,913) |
| Total shareholders' equity | 4,484,734 | 3,700,398 |
| Non-current liabilities | | |
| LT refundable advances | 4,681,820 | 2,629,865 |
| Other LT venture loans | 2,012,864 | 3,157,352 |
| Long-term lease liabilities | 980,721 | 1,057,309 |
| Non-current provisions | 175,780 | 188,660 |
| Total non-current liabilities | 7,851,185 | 7,033,185 |
| Current liabilities | | |
| ST refundable advances | 500,000 | |
| Current provisions | 48,204 | 260,000 |
| Trade payables | 1,236,496 | 843,010 |
| Short-term lease liabilities | 277,110 | 288,635 |
| Other ST bond financing | 35,716 | 468,737 |
| Other current liabilities | 1,697,806 | 1,019,826 |
| Total current liabilities | 3,795,332 | 2,880,209 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 16,131,251 | 13,613,792 |

Assets

At 31 December 2020, the Company's balance sheet total was €16.13 million, compared to €13.61 the previous year.

Non-current assets

Net non-current assets totalled €3.14 million and €4.51 million on 31 December 2020 and 2019, respectively.

They include intangible assets, property, plant and equipment and non-current financial assets, as well as right-of-use assets in accordance with IFRS 16.

- intangible assets, which totalled €1.73 million and €2.36 million at 31 December 2020 and 2019, respectively, comprise primarily patents purchased from Intelligent Medical Implants. The decrease between the two financial years is due to amortization of the patents acquired and the recognition of impairment losses of €0.4 million on certain patents that were not maintained or that fell into the public domain.
- property, plant and equipment, which totalled €0.39 million and €0.48 million at 31 December 2020 and 2019, respectively, reflect primarily purchases of industrial and laboratory equipment. The lower figure is due to the depreciation of research and development equipment.
- right-of-use assets, which totalled €1.22 million and €1.32 million at 31 December 2020 and 2019, respectively, corresponds to the cost of leased assets, mainly premises, over the term of the contract.
- the value of non-current financial assets decreased in 2020 from €0.34 million to €0.1 million. This decrease was due to the prepayments made to Kreos Capital of the last two monthly instalments of the two bond financing tranches.

Current assets

Net current assets totalled €12.72 million and €9.11 million on 31 December 2020 and 2019, respectively. Net current assets comprise primarily:

- other current assets:

| <i>(Amounts in euros)</i> | 31/12/2020 | 31/12/2019 |
|---|------------------|------------------|
| Suppliers, advances and deposits | 95,758 | 72,181 |
| State, Research Tax Credit and Employment Tax Credit (CICE) | 1,400,288 | 1,692,137 |
| State, VAT | 262,115 | 78,582 |
| Accrued revenue | – | 260,000 |
| Liquidity agreement | 65,353 | 52,231 |
| Prepaid expenses | 270,408 | 148,733 |
| Other | 58,004 | 6,212 |
| Net total | 2,151,926 | 2,310,076 |

At 31 December 2020, other current assets consisted primarily of a Research Tax Credit receivable of €1,383,023 for 2020.

- cash and cash equivalents and marketable securities, which break down as follows:

| <i>(Amounts in euros)</i> | 31/12/2020 | 31/12/2019 |
|---------------------------|-------------------|------------------|
| Cash | 10,565,974 | 6,791,500 |
| Term deposits | – | – |
| Net total | 10,565,974 | 6,791,500 |

Liabilities

Shareholders' equity

Shareholders' equity totalled €5.1 million and €3.7 million on 31 December 2020 and 2019, respectively. Shareholders' equity breaks down as follows:

- €16.1 million in capital and issue premiums at 31 December 2020 (€86.6 million at 31 December 2019);
- reserves consist primarily of losses from previous years. It should be noted that in 2020 the Group allocated an amount of €80 million from retained earnings to its issue premium, thereby reducing Reserves and Regulated Reserves to €2.42 million, compared to €73.0 million in 2019;
- the loss of €8.56 million recognised in financial year 2020.

Non-current liabilities

Non-current liabilities consist of borrowings, refundable advances, long-term lease liabilities and pension liabilities in accordance with IAS 19. In 2020, non-current liabilities increased due to the receipt of a State-guaranteed loan and the refundable advances in connection with the SIGHT AGAIN project. They totalled €7.85 million and €7.03 million at 31 December 2020 and 2019, respectively. Non-current provisions correspond to pension liabilities.

Current liabilities

This balance sheet item comprises primarily operating liabilities, which break down as follows:

- Current provisions: €0.48 million at 31 December 2020. This provision corresponds to a risk of loss as a result of fraudulent debits from the Group's bank account discovered in 2020.
- Short-term lease liabilities: €0.28 million at 31 December 2020 (€0.29 million at 31 December 2019).
- Trade payables: €1.24 million at 31 December 2020 (€0.84 million at 31 December 2019).
- Social security liabilities: €0.96 million at 31 December 2020 (€0.98 million at 31 December 2019).
- Tax liabilities: €96,759 at 31 December 2020 (€33,749 at 31 December 2019).
- Prepaid income: €0.63 million at 31 December 2020 corresponding to the economic benefit recognised due to the preferential interest rate applied to the State-guaranteed loan.
- Refundable advances: first repayment of €500,000 as provided under the SIGHT AGAIN project.
- Short-term borrowings and financial debts: €35,716 at 31 December 2020 corresponding to the fair value of three ORNAN bonds issued and not converted at the balance sheet date. At 31 December 2019, the Group had recognised in financial debt the equivalent value of 43 ORNAN bonds issued and not converted, resulting from the first tranche of €1.25 million drawn down under the financing contract with European Select Growth Opportunities Fund (ESGO).