

Pixium Vision

End of ESGO arrangement comes as no surprise

Financing update

Pixium [has terminated its convertible note financing arrangement](#) with the European Select Growth Opportunities Fund (ESGO) without any penalties. The termination is not surprising, given the arrangement required a minimum share price of €0.25 for Pixium to be permitted to issue any additional convertible notes beyond the initial 550 (representing €5.5m; each note had a nominal value of €10,000) that formed part of the first (and only) tranche issued. Pixium's share price had remained below this minimum price threshold since August 2022 and the company acknowledged [in October 2022](#) that it was not able to draw further tranches. Pixium reiterates that it is funded until the end of Q223 and is exploring various mechanisms to secure its cash flow necessary to pursue its strategic and development objectives.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/20	2.1	(8.7)	(0.26)	0.0	N/A	N/A
12/21	2.7	(10.9)	(0.23)	0.0	N/A	N/A
12/22e	1.8	(12.3)	(0.21)	0.0	N/A	N/A
12/23e	0.8	(18.1)	(0.24)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. FY23 EPS loss has been revised (from 0.26 previously) to reflect increase in shares outstanding. All other estimates are unchanged.

Pixium [entered into the ESGO arrangement](#) in Q322 and issued 550 notes (raising €5.5m in convertible debt) at the time. Since then, 238 notes have been converted to equity; 312 notes within the tranche remain outstanding and can be converted until 13 July 2023 or redeemed in cash at 109%. Converting notes at the current share price (c €0.065) would lead to the issue of c 48m new shares, diluting current equity holders by c 38%.

The company [recently reported](#) a year-end 2022 gross cash position of €7.7m, and a FY22 operating cash burn rate of €11.3m (+28% y-o-y). The increased cash outflow was largely due to increased costs for the [PRIMAvera study](#), as well as the production of remote rehabilitation systems for patients in clinical trials. We note that all of the Prima implantations required for the PRIMAvera trial were completed before year-end 2022.

Pixium is planning a [special meeting of shareholders](#) on 15 February, where it is seeking resolutions to authorise a 50:1 share consolidation (reverse split) and increase the board's flexibility for pursuing additional financing opportunities. It [anticipates](#) that the reverse split would 'bring the company's share price more in line with market standards and investor expectations and aim to reduce the volatility of the share price'.

Given the imminent funding need, we believe any successful fund-raising initiatives in the coming weeks would be welcomed by investors. If a sufficient financial runway is realised, market participants will then focus on the top-line PRIMAvera study data expected before year-end 2023. If positive, a CE Mark regulatory marketing submission can be filed in 2024 and could lead to commercialisation of the Prima system in an area of substantial unmet need, patients with severe vision loss due to geographic atrophy resulting from dry age-related macular degeneration.

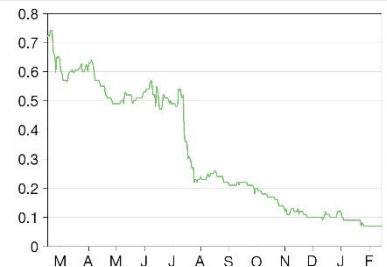
Healthcare equipment and services

15 February 2023

Price €0.065
Market cap €5m

Gross cash (€m) at 31 December 2022	7.7
Shares in issue	78.2m
Free float	76%
Code	ALPIX
Primary exchange	Euronext Growth Paris
Secondary exchange	N/A

Share price performance



Business description

Pixium Vision develops bionic vision systems for patients with severe vision loss. Its lead product, Prima, is a wireless subretinal implant system designed for dry age-related macular degeneration. The company completed implantations for the European PRIMAvera pivotal study in Q422.

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