A French société anonyme (limited company) with share capital of €2,980,403.72
Registered office: 74 rue du Faubourg Saint-Antoine, 75012 Paris, Paris Trade and Companies Register No. 538 797 655

HALF-YEAR FINANCIAL REPORT

2023

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I - PRESENTATION OF THE COMPANY & MAJOR EVENTS

The Company

Pixium'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 is an advanced clinical stage company that specializes in neuromodulation to treat vision disorders. Our bionic vision system (the Prima System) is leveraging a cutting edge wireless sub-retinal neurostimulation micro implant with state-of-the-art augmented reality smart glasses driven by proprietary artificial intelligence-ready algorithms.

The four leading causes of impaired vision are cataracts, glaucoma, diabetic retinopathy, and diseases involving photoreceptor degeneration such as dry Age-Related Macular Degeneration (dry AMD); retinitis pigmentosa ("RP"); and Stargardt disease. Our technologies currently focus on the disorders resulting from degeneration of photoreceptors, specifically nonexudative, or dry AMD, which is the most common form of visual impairment among the aging. Our initial target indication is the advanced form of dry AMD called Geographic Atrophy (GA). There is currently no approved retinal implant for dry AMD that is intended to restore vision. Based on third party research as well as primary market research conducted by us, we believe the potential dry AMD market in the 5 largest countries in Europe and the United States combined is approximately $19 billion and may grow an additional 10% by 2030. Many degenerative diseases of the retina, whether of genetic origin or age-related, result in the progressive or acute degeneration of photoreceptor cells, which leads to the inability of the retina to convert light stimuli into electrical signals. These degenerative diseases affect the photoreceptor cells, but leave the other retinal cells, whether ganglion cells or the inner retina cells, functional. Consequently, when these inner retinal cells are electrically stimulated, a visual signal can still be transmitted through the optic nerve to the brain. Our goal is to restore this visual stimulus through the Prima System, for the treatment of retinal dystrophies, to allow ganglion cells and/or the cells of the inner retina to communicate visual information to the brain.

The Prima System uses a wireless sub-retinal neurostimulation micro-implant developed in cooperation with Stanford University. It is injected under the retina using a patented implant placement instrument. The implant has photovoltaic properties, receiving visual information and at the same time is powered by pulsed near infrared light transmitted through a digital projector that is integrated into the smart glasses. A pocket computer, equipped with proprietary algorithms and artificial intelligence, processes, and simplifies video images captured in the environment in near real time to extract useful information that is then projected, using near infrared light generated by an integrated light source, onto the wireless sub-retinal micro-implant. Our wireless sub-retinal neurostimulation micro implant then electrically stimulates the surviving nerve cells of the retina, which transmit visual stimulation to the brain via the optic nerve.

We are initially focusing our Prima System on the dry age-related degeneration market, and more particularly in Geographic Atrophy (GA) patients with late-stage dry AMD, because we believe that the Prima System has the potential to offer benefits to dry AMD patients, including restoring functional central vision, and allowing patients to combine their remaining natural peripheral vision with the prosthetic vision from the Prima System. In our feasibility study in France ("FFS"), that we started in November 2017, our Prima System achieved successful elicitation of light perception in the central retinal area in all patients. We reported 18-24 months results in peer reviewed publications. This data demonstrated the potential to restore vision of legally blind dry AMD GA patients gaining an average logMAR 0.6. The study is still ongoing and 48-month data is estimated to be published in the coming months.

In our FFS we included five patients with advanced dry AMD and the Prima System exceeded its primary endpoint in all subjects. The positive results of FFS lead to 3 peer reviewed publications (such as Nature Communications and Ophthalmology). The primary efficacy endpoint was improvement in visual perception in the central visual field, evaluated by OCTOPUS visual field measurement with the Prima System on as compared to when the Prima System was turned off. As published in Nature Communications, correctly implanted patients have experienced a meaningful improvement in their visual acuity ("VA") measured with Landolt rings, gaining on average logMAR 0.6 (corresponding to an improvement of six lines on a standard visual acuity chart), with a minimum of logMAR 0.4 (corresponding to four lines) and a maximum of logMAR 0.8 (corresponding to eight lines). All patients were able to benefit from the system image processing including magnification. The primary safety endpoint was the number and severity of device and procedure related adverse events. The Prima System was generally well tolerated in this study. The original follow up was 36 months. The study was extended, and all patients agreed to be followed for an additional three years. Patients in this study have been monitored for up to 60 months now. We plan to publish additional results of the study in the coming months.

After the encouraging results of improvements in visual acuity demonstrated by the FFS in November 2020, we commenced a pivotal registration study in Europe (the "PRIMAvera study") and, since December 2022, we have implanted all the 38 patients necessary for the study and expect initial 12-month data in early 2024. The PRIMAvera study will be the basis for the

CE marking of our device in Europe as early as late 2024 or mid-2025.

In the PRIMAvera study we have implanted the 38 patients needed in 17 major clinics in France, Germany, Italy, the Netherlands, and the UK. The PRIMAvera study is an open-label, prospective, multi-center, non-randomized, baseline-controlled pivotal trial. The primary efficacy endpoint is the proportion of subjects with an improvement of visual acuity of logMAR 0.2 or more from baseline after 12 months, and the primary safety endpoint is the number and severity of device and procedure related serious adverse events at 12 months follow-up. As there is no comparative product with similar performance or mechanism of action to the Prima System, the PRIMAvera study does not have a pre-defined threshold for the safety endpoints. Instead, the safety data collected during the trial will be discussed with the trial's independent data safety monitoring board and assessed in relation to the measured visual improvement. Secondary endpoints include quality of life outcomes. The study provides three years of follow-up, with an evaluation of the primary endpoints at 12 months post-implantation. We expect to report initial 12-month data from this study at the beginning of 2024. If successful, we intend the PRIMAvera study to serve as the basis for the CE mark of our Prima System in Europe.

In January 2020, we completed our first implantation of a patient in a feasibility study in the United States, or the United States Feasibility Study ("USFS"), which is intended to support our regulatory process with the FDA. We completed the implantation of four patients which are currently in follow-up. The Prima System is a Class III implantable medical device that requires submission and approval under a premarket approval (PMA) application. We are in discussions with the regulatory authorities in the United States on the structure of our required PMA application and pathway to marketing approval.

On March 31, 2023, the Company announced that it had received Breakthrough Device status from the FDA for the PRIMA System for the treatment of dry AMD. This status aims to supply patients and healthcare providers with timely access to new medical devices that offer more effective treatment or diagnosis of life-threatening or irreversibly debilitating diseases or conditions by speeding up their development, assessment, and review.

We conduct our studies through several leading research and vision institutions, including Stanford University, UPMC Eye Center and Moorfield's, providing us with access to top-tier research groups, high-quality facilities for preclinical tests of our devices and easier access to patients to conduct clinical trials. We have signed exclusive license agreements with Stanford University and CRNS and the Université de Bordeaux, granting us access to several patents for our Prima System.

Major events during the first half of 2023

Major events in the first half of 2023 include:

On **12 January 2023,** Pixium Vision announced the 3 peer-reviewed publications amongst others demonstrating the potential of the next-generation PRIMA implant, with the potential to achieve up to 20/20 vision with magnification.

On **13 February 2023**, Pixium Vision announced the termination of its €30 million convertible bond financing agreement with US-based healthcare investor ESGO.

On **17 March 2023,** Pixium Vision announced a reduction of share capital due to losses by reduction of nominal value: number of shares unchanged.

On **31 March 2023**, Pixium Vision announced FDA Breakthrough Device status for the PRIMA system in dry AMD in the US.

On **3 April 2023**, Pixium Vision issued a press release following the announcement of FDA Breakthrough Device status for the PRIMA system in dry AMD in the US to inform the market of the conversion of 160 outstanding notes (ORNAN 2022).

On **8 June 2023**, Pixium Vision announced the receipt of 1.8 million euro Research Tax Credit from the French Government.

II - RISK FACTORS

The risk factors to which the Company is exposed are described in Appendix 1 of the Annual Report 2022 that was filed on 25 April 2023 with the French Financial Markets Authority (AMF). Management's assessment of the nature and level of risks has not changed during the last half-year.

The 2022 annual report is available on the Group's website:
https://www.pixium-vision.com/2023/04/annual-report-including-group-management-report-year-ended-december-31-2022/

III – CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2023

STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	Note	**30/06/2023**	31/12/2022
ASSETS			
Non-current assets			
Intangible assets	4	812	983
Property, plant and equipment	5	210	265
Right of use assets	6	539	698
Non-current financial assets	7	86	84
Deferred tax assets		–	–
Total non-current assets		**1,648**	**2,030**
Current assets			
Inventories and work in progress	8	–	–
Research Tax Credit	9	827	1,830
Other current assets	10	620	827
Cash and cash equivalents	11	3,738	7,687
Total current assets		**5,185**	**10,344**
TOTAL ASSETS		**6,833**	**12,375**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity	12		
Share capital		2,980	4,157
Additional paid-in capital		5,189	4,910
Reserves		(8,446)	(1,514)
Currency translation differences		(91)	(91)
Profit/(loss)		(5,820)	(10,312)
Total shareholders' equity		**(6,188)**	**(2,850)**
Non-current liabilities			
Non-current financial liabilities	13	5,527	5,990
Non-current lease liabilities	17	375	440
Non-current provisions	15	113	95
Total non-current liabilities		**6,015**	**6,526**
Current liabilities			
Current financial liabilities	13	2,362	4,324
Current provisions	16	96	0
Trade payables, related accounts, and other current liabilities	18	4,311	4,047
Current lease liabilities	17	236	325
Derivative financial instruments	14	0	2
Total current liabilities		**7,005**	**8,699**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**6,833**	**12,375**

STATEMENT OF PROFIT AND LOSS

(in thousands of euros)	Note	At 30 June	
		2023	2022
Operating revenue	19		
Research Tax Credit		827	983
Grants		63	61
Other revenues		6	0
Total revenues		**897**	**1,044**
Operating expenses	20		
Research and development		(4,134)	(4,086)
General and administrative expenses		(2,440)	(3,062)
Total expenses		**(6,574)**	**(7,149)**
Operating income (loss)		**(5,677)**	**(6,105)**
Financial revenue		312	829
Financial expenses		(389)	(339)
Financial income (loss)	22	**(77)**	**490**
Pre-tax current income		**(5,754)**	**(5,614)**
Corporate income tax		(66)	–
Net income (loss)		**(5,820)**	**(5,614)**
Net earnings (loss) per share	24	**(0,07)**	**(0,12)**
Diluted earnings (loss) per share	24	**(0,07)**	**(0,12)**
Other non-transferable comprehensive income			
Actuarial gains/(losses) on pension plans		(7)	17
Change in fair value valuation		59	31
Total profit/(loss) for the period		**(5,768)**	**(5,566)**

STATEMENT OF CASH FLOWS

(in thousands of euros)	Note	At 30 June 2023	2022
Cash flows from operating activities			
Net income for the period		(5,820)	(5,614)
Reconciliation of net profit to cash flows used in operating activities			
Amortization and depreciation of intangible and tangible assets		158	215
Increase in provisions, net of reversals		95	(16)
Expenses on share-based payments	21	126	196
Retirement benefit obligations	15	11	17
Unwinding of repayable advances		23	301
Leases		180	176
Other items		(258)	(892)
Operating cash flows before change in working capital requirements		**(5,485)**	**(5,617)**
Inventories		–	–
Other receivables		1,210	(1,213)
Trade payables		(245)	(294)
Other current liabilities		575	(60)
Net cash flows from operating activities		**(3,946)**	**(7,064)**
Acquisitions/Disposals of property, plant and equipment		(3)	(25)
Acquisitions of intangible assets		–	–
Acquisitions (decrease) of financial assets		(2)	(1)
Net cash flows from investment activities		**(5)**	**(27)**
Capital increase	12	–	–
Costs paid in relation to equity transactions		–	(10)
(BSA share warrant subscription)		–	–
Exercise of share warrants (BSA) and founders' warrants (BSPCE)		–	–
Increase/(Decrease) in repayable advances		–	–
Increase/(Decrease) in financial debt		178	(17)
Payment of lease liabilities		(176)	(169)
Net cash flows from financing activities		**(3)**	**(196)**
Effect of exchange rate changes on cash		(1)	4
Opening cash and cash equivalents		7,687	14,505
Closing cash and cash equivalents		3,738	7,221
(Decrease)/Increase in cash position		**(3,949)**	**(7,284)**

STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Share capital						
	Number of shares	Amount	Additional paid-in capital	Reserves	Currency translation differences	Profit/(loss)	**Total equity**
at 31 December 2021	**58,686,633**	**3,521**	**24,063**	**(10,799)**	**(41)**	**(10,930)**	**5,814**
Appropriation of prior result				(10,930)		10,930	–
Allocation of issue premium to regulated reserves			(20,000)	20,000			–
Capital increase	10,600,334	636	4,871	(7)			5,500
Net income						(10,312)	(10,312)
Fees recorded in diminution of issuance premium			(927)				(927)
Issue of warrants							–
Neutralisation of treasury shares				(2)			(2)
ORNAN 2022			(3,096)				(3,096)
Change in fair value valuation				59			59
Actuarial gains/(losses)				25			25
Share-based payments				139			139
Impact of change					(49)		(41)
At 31 December 2022	**69,286,967**	**4,157**	**4,910**	**(1,514)**	**(91)**	**(10,312)**	**(2,850)**
Appropriation of prior result				(10,312)		10,312	–
Capital decrease		(3,258)		3,258			–
Capital increase	79,733,219	2,081	(2,081)	(1)			–
Net income						(5,820)	(5,820)
Neutralisation of treasury shares				4			4
ORNAN 2022			2,359				2,359
Change in fair value valuation				0			0
Actuarial gains/(losses)				(7)			(7)
Share-based payments				126			126
Impact of change					(1)		(1)
At 30 June 2023	**149,020,186**	**2,980**	**5,189**	**(8,446)**	**(91)**	**(5,820)**	**(6,188)**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: THE COMPANY

The activity of the Company is described in Chapter I of this document along with the major events of the first half of 2023. Subsequent events are described in Note 28 of this chapter.

NOTE 2: GENERAL PRINCIPLES AND STATEMENT OF COMPLIANCE

Consolidation

As at 30 June 2023, the scope of the consolidation comprises two entities, the parent company, Pixium Vision SA, a French *société anonyme* (limited company) whose registered office is at 74 rue du Faubourg Saint Antoine, 75012 Paris, and a subsidiary, Pixium Vision LLC, which was incorporated on 16 November 2017 and is domiciled in the State of Delaware, USA.

Pixium Vision SA owns 100% of the share capital of the subsidiary, which is fully consolidated in the consolidated financial statements.

General principles

The condensed consolidated financial statements present the operation of the Pixium Vision Group (the "Group") as at 30 June 2023.

The condensed consolidated financial statements as at 30 June 2023 have been prepared under the responsibility of the management of Pixium Vision, and were approved by the Company's Board of Directors at its meeting on 27 September 2023.

The Company's condensed consolidated financial statements are presented in thousands of euros, unless stated otherwise.

Statement of compliance

International standards include the International Financial Reporting Standards (IFRS), the *International Accounting Standards* (IAS) and the interpretations of the *Standing Interpretations Committee* (SIC) and the *International Financial Reporting Interpretations Committee* (IFRIC).

The IFRS standards as adopted by the European Union differ in certain respects from the IFRS standards published by the IASB. However, the Group has ensured that the financial information for the periods presented would not have been materially different if the IFRS standards as published by the IASB had been applied.

All standards adopted by the European Union are available on the following website:
https://www.efrag.org/Endorsement

The condensed consolidated financial statements as at 30 June 2023 are prepared in accordance with *IAS 34 – Interim Financial Reporting*, as adopted by the European Union, which permits presenting a selection of explanatory notes.

The accompanying notes do not contain all information required for complete annual financial statements and should be read in conjunction with the 2022 consolidated financial statements.

These financial statements are a set of financial statements in addition to the Company's historical financial statements, which are prepared in accordance with French accounting principles.

The Group's business is not subject to significant seasonal variations.

NOTE 3: ACCOUNTING PRINCIPLES AND POLICIES ADOPTED AS AT 30 JUNE 2023

Basis of Preparation

The 30 June 2023 condensed consolidated financial statements were prepared in accordance with international financial disclosure standards, including the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the interpretations of the Standards Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), as published by the International Accounting Standards Board (IASB).

The European Union has adopted the following standards, which are of mandatory application for the Company for its financial year beginning on 1 January 2022 and which have no material impact on the Company's consolidated financial statements:

Impact of new and amended Standards and Interpretations that are effective for the current year

Amendments to IFRS 3 (effective date 01/01/2022 - adopted in Europe on 28/06/2021)

IFRS 3 *Business combinations* establishes how an entity should account for assets and liabilities acquired when it obtains control of a business. IFRS 3 requires entities to refer to the Conceptual Framework for Financial Reporting (or "Conceptual Framework") in order to determine what constitutes an asset or liability. These amendments update the reference to the Conceptual Framework.

The amendments have no impact on the Company's financial statements for the reporting period.

Amendments to IAS 16 (effective date 01/01/2022 - adopted in Europe on 28/06/2021)

IAS 16 *Property, Plant and Equipment* describes the accounting treatment for most types of property, plant and equipment. Property, plant and equipment are initially measured at cost, subsequently measured using either the cost or revaluation model, and depreciated so that the depreciable amount is allocated on a systematic basis over their useful life. The amendments to IAS 16 concern the recognition of proceeds before intended use.

These amendments have no impact on the Company's financial statements for the reporting period.

Amendments to IAS 37 (effective date 01/01/2022 - adopted in Europe on 28/06/2021)

IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* outlines the accounting treatment for provisions (liabilities of uncertain timing or amount), contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable). These amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of performing a contract should include both the incremental costs of performing the contract and an allocation of other costs directly related to performing the contract.

These amendments have no impact on the Company's financial statements for the reporting period.

Annual improvements – 2018-2020 cycle (effective date 01/01/2022 - adopted in Europe on 28/06/2021)

IFRS 1 *Initial application of International Financial Reporting Standards*
Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS.

IFRS 9 *Financial Instruments*
Fees and costs included in the 10 per cent test for derecognition. The amendment clarifies which fees an entity should include when it applies the 10 per cent test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on behalf of the other party.

IFRS 16, *Leases*
Lease incentives. Illustrative example 13 accompanying IFRS 16 has been amended so that it no longer refers to the reimbursement of leasehold improvements by the lessor to resolve any potential confusion regarding the treatment of inducements that might arise from that example.

IAS 41 *Agriculture*
Taxation in fair value measurement. The amendment removes the requirement in paragraph 22 of IAS 41 to exclude cash flows to fund taxes for the purpose of measuring the fair value of biological assets using a present value technique. This will align the standard with the requirements of IFRS 13.

The improvements to IFRS 1, IFRS 16 and IAS 41 have no impact on the Company's financial statements in the reporting period.

However, the improvement to IFRS 9 impacts the Company's financial statements in the reporting period with respect to the treatment of repayable advances provided to the Company.

In the second half of 2022, Pixium Vision requested an extension of the repayment schedule from Bpifrance in connection with the SIGHT AGAIN project. The Bpifrance steering committee accepted the Company's request and agreed to postpone the repayment dates by two years, i.e., the first repayment instalment will be due on 30 June 2024.

Going concern

From the outset our operations have been financed through the sale of ordinary shares and warrants, through successive capital increases, by the issuance of debts convertible into shares, and to a lesser extent by obtaining public aid for innovation and by the receipt of Research Tax Credits. We are subject to the risks and uncertainties associated with a company that has no revenue, is developing a new medical device and experiencing limitations in its operating resources. We have experienced recurring operating losses and negative operating cash flows since our inception, and we expect to continue to experience those in the near future.

We have implemented measures to preserve our cash flow:

- Received in July 2023 a shareholder loan of €3m from Bpifrance and Sofinnova to extend the cash runway, providing more flexibility to pursue the Company's longer-term funding needs to support its strategic ambitions.
- Our request for an accelerated payment of the Research Tax Credit for the year 2022 for an amount of EUR 1,829,961 was granted and paid during H1 2023.
- Freeze of the maturities due under the State-guaranteed loans granted to the Company by Bpifrance and CIC was extended until end of September 2023.
- Rescheduling request for the majority of the social security liabilities for H1 2023 was granted for the repayment in 24 months

Despite considering these measures and the strict control of operating expenses, and in absence of new financing closed, Pixium Vision applied for the opening of safeguard proceedings to the Commercial Court in Paris which was obtained on October 9, 2023 and enabled to extend the cash runway to the end on December 2023. However, having been unable to find financial investors within the restricted timeframe, and in consideration of the Company's needs, the management considered that a safeguard plan was no longer an option. As a result, on October 18, 2023, the Company announced the filing for conversion of the safeguard proceeding into a court-ordered receivership and furthermore announced the opening of a process to find a buyer.

In this context, the financial statements have been prepared on a going concern basis, based on the situation existing at the balance sheet date.

This situation gives rise to significant uncertainty as to the going concern assumption, as in the event of an unfavorable outcome of the receivership proceedings, the company will not be in a position to realize its assets and settle its liabilities in the normal course of business, and the application of IFRS as adopted in the European Union in the normal context of continuing operations, particularly in regards to the valuation of assets and liabilities, could prove inappropriate.

3.18 Material accounting estimates and judgments

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates, judgments and underlying assumptions are based on historical

experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are reviewed on an ongoing basis. Revised estimates are applied prospectively.

The main estimates and judgements made by management relate to:

- The fair value measurement of founders' warrants, warrants, stock options and free shares granted to employees and board members. Certain assumptions were used to value these instruments as disclosed in Note 21.
- The method applied to measure the fair value of the non-convertible notes with attached warrants issued to KREOS and US investors under the private placement carried out in July 2021 is presented in Note 14.
- The determination of fair value measurement of notes convertible into ordinary shares and/or redeemable in cash are disclosed in Note 13.
- The recognition of deferred tax assets and liabilities for which the availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized. The accounting policy used is disclosed in Note 3.5 of the consolidated financial statements at December 31, 2022.
- The application of IAS36 Impairment of assets on the impairment of patents is disclosed in Note 4.

NOTE 4: INTANGIBLE ASSETS

Intangible assets break down as follows:

(Amounts in euros)	**30/06/2023**	31/12/2022
Patents, licences, trademarks	10,499,989	10,499,989
Software	217,988	217,988
Total historical cost	**10,717,977**	**10,717,977**
Accumulated amortisation of patents, licenses, trademarks	4,639,433	4,468,157
Accumulated amortisation of software	217,988	217,988
Impairment losses	5,048,350	5,048,350
Accumulated amortisation	**9,905,771**	**9,734,495**
Net total	**812,206**	**983,482**

Amortisation expense totalled to €171k for the 6 months ending 30 June 2023 and €357k for the year ending 31 December 2022. These expenses are recognised as general and administrative expenses.

As part of the ongoing review of our intangible assets, we haven't recorded additional impairments in 2023.

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment break down as follows:

(Amounts in euros)	01/01/2023	Increase	Decrease	30/06/2023
Industrial and laboratory equipment	1,299,948	–	–	1,299,948
Building fixtures and fittings	500,693	–	–	500,693
IT equipment	326,409	3,267	(16)	329,660
Office furniture	309,899	–	–	309,899
Gross total	**2,436,949**	**3,267**	**(16)**	**2,440,200**
Accumulated depreciation of industrial and laboratory equipment	1,087,030	10,683	–	1,097,714
Accumulated depreciation of building fixtures and fittings	523,056	29,613	–	552,669
Accumulated depreciation of IT equipment	248,737	16,884	–	265,620
Accumulated depreciation of office furniture	305,314	832	–	306,146
Impairment losses	7,680	–	–	7,680
Total accumulated depreciation and impairment	**2,171,818**	**58,011**	–	**2,229,829**
Net total	**265,131**	**(54,745)**	**(16)**	**210,371**

Depreciation expense totalled to €58k for the 6 months ending 30 June 2023 (€127k for the 12 months ending 31 December 2022), of which €50k was charged to research and development expenses (€111k in 2022) and €8k was charged to general and administrative expenses (€16k in 2022).

NOTE 6: RIGHT OF USE ASSETS

The table below breaks down the right of use assets by category:

(Amounts in euros)	Real estate	Other assets	Total
At 30 June 2023			
Contracts [1]	1,580,718	102,268	1,682,986
Contractual amendments	263,409	(10,608)	252,801
Gross total	**1,844,127**	**91,661**	**1,935,787**
Amortisation	1,327,006	69,485	1,396,491
Net total	**517,121**	**22,176**	**539,297**

(1) See Note 3.14 "Leases" of the consolidated financial statements as of December 31, 2022

(Amounts in euros)	Real estate	Other assets	Total
At 31 December 2022			
Contracts [1]	1,580,718	102,268	1,682,986
Contractual amendments	253,410	(10,608)	242,802
Gross total	**1,834,128**	**91,661**	**1,925,788**
Amortisation	1,166,194	61,766	1,227,960
Net total	**667,934**	**29,895**	**697,829**

(1) See Note 3.14 "Leases" of the consolidated financial statements as of December 31, 2022

The elements of lease liabilities are further disclosed in Note 17.

Amortisation expense of rights of use assets totalled to €169k in the 6 months ending 30 June 2023 (€322k for the 12 months ending 31 December 2022), of which €133k was charged to research and development expenses (€255k in 2022) and €35k was charged to general and administrative expenses (€68k in 2022).

NOTE 7: NON-CURRENT FINANCIAL ASSETS

The table below breaks down the non-current financial assets until 30 June 2023:

(Amounts in euros)	01/01/2023	Increase	Decrease	30/06/2023
Deposits and guarantees	83,913	2,055	(35)	85,933
Gross total	**83,913**	**2,055**	**(35)**	**85,933**
(Amounts in euros)	**01/01/2023**	Allowances	Reversals	**30/06/2023**
Provisions, deposits, and guarantees	–	–	–	–
Total provisions	**–**	**–**	**–**	**–**
Net total	**83,913**	**2,055**	**(35)**	**85,933**

The table below breaks down the non-current financial assets until 31 December 2022:

(Amounts in euros)	01/01/2022	Increase	Decrease	31/12/2022
Deposits and guarantees	82,460	1,453	–	83,913
Gross total	**82,460**	**1,453**	–	**83,913**
(Amounts in euros)	**31/12/2022**	Allowances	Reversals	**31/12/2022**
Provisions, deposits, and guarantees	(28,135)	–	28,135	–
Total provisions	**(28,135)**	**–**	**28,135**	**–**
Net total	**54,325**	**–**	**28,135**	**83,913**

Deposits relate to the Company's lease agreements.

NOTE 8: INVENTORIES AND WORK IN PROGRESS

The table below breaks down the inventories and work in progress by category:

(Amounts in euros)	30/06/2023	31/12/2022
Raw materials	–	3,215
Finished goods	–	–
Total historical cost	**–**	**3,215**
Depreciation of inventories and work in progress	–	(3,215)
Total net value of inventories and work in progress	**–**	**–**

In 2022, we scrapped all inventories associated with the discontinued IRIS system, which had been fully impaired in previous years, in accordance with IAS 36.

NOTE 9: RESEARCH TAX CREDIT

The Company qualifies for the provisions of Articles 244 quater B and 49 septies F of the French Tax Code on research tax credit. In accordance with the principles described in Note 3.13 of the notes to the IFRS financial statements presented at 31 December 2022, the research tax credit is recognised according to IAS 20 as "Operating revenues" in the year of the related qualifying research expense.

The change in Research Tax Credit during the reporting period is shown below:

(Amounts in euros)	
Receivable at 01/01/2022	**1,615,488**
Operating revenue (relating to 2022)	1,829,961
Payment received (relating to 2021)	(1,615,488)
Receivable at 31/12/2022	**1,829,961**
Receivable at 01/01/2023	**1,829,961**
Operating revenue (relating to H1 2023)	827,421
Payment received (relating to 2022)	(1,829,961)
Receivable at 30/06/2023	**827,421**

NOTE 10: OTHER CURRENT ASSETS

Other current assets break down as follows:

(Amounts in euros)	**30/06/2023**	31/12/2022
Advances to suppliers	144,754	126,257
State, VAT	278,292	565,740
Liquidity agreement	26,306	29,150
Prepaid expenses	149,198	97,093
Other	19,347	8,617
Net total	**617,897**	**826,808**

Prepaid expenses relate to rental, insurances, and certain consultants.

NOTE 11: CASH AND CASH EQUIVALENTS

The cash and cash equivalents break down as follows:

(Amounts in euros)	**30/06/2023**	31/12/2022
Cash	3,738,132	7,687,415
Term deposits	–	–
Net total	**3,738,132**	**7,687,415**

NOTE 12: SHARE CAPITAL

12.1 Capital issued

As of 30 June 2023, the share capital totalled to €2,980,403.72 (Two million nine hundred and eighty thousand four hundred and three euros and seventy-two cents). It is divided into 149,020,186 fully subscribed and paid-in shares with a nominal value of €0.02 each.

This number excludes authorised and unissued free shares (AGAs), stock options (SOs), and share warrants (BSAs) granted to certain investors and individuals who may or may not be group employees.

All the shares give their owners the right to a proportional share of the net income and net assets of the Company.

At its meeting on 16 March 2023, the Company's Board of Directors decided to make use of the authorization granted to it under the terms of the First Resolution of the Extraordinary General Meeting of 8 March 2023, and decided to reduce the share capital by 3,257,856.68 euros, due to losses by reduction of nominal value from €0.06 to €0.02.

(Amounts in euros)	Share capital	Additional paid-in capital	Number of shares
At 31 December 2021	**3,521,198**	**24,063,232**	**58,686,633**
Share warrants (BSA)/Founders' warrants (BSPCE)	-	-	-
ORNAN 2022	629,453	847,163	10,490,891
Free shares (AGA)	6,567	-	109,443
Allocation of retained earnings to additional paid-in capital	-	(20,000,000)	-
At 31 December 2022	**4,157,218**	**4,910,395**	**69,286,967**
ORNAN 2022	2,080,532	278,968	79,724,719
Free shares (AGA)	510	-	8,500
Capital decrease	(3,257,857)	-	-
At 30 June 2023	**2,980,404**	**5,189,363**	**149,020,186**

During the first 6 months of 2023, the Company issued a total number of 79,724,719 ordinary shares related to conversions of ORNAN 2022, whereby 242 ORNAN 2022 notes issuing 78,169,165 ordinary shares were converted in 2023 and 14 ORNAN 2022 notes issuing 1,555,554 ordinary shares were converted in December 2022, which were recorded by the Board in February 2023.

Furthermore, the Company issued 8,500 ordinary shares for the free share plan AGA2020.

In 2022, in order to apply for European and French grants, and in accordance with the requirements of the French Commercial Code, the Company reclassified €20 million losses recognised within retained earnings as additional paid-in capital.

12.2 Share warrants, and free shares

The Group has issued share warrants (BSAs), stock options (SOs) and free shares (AGAs) as follows:

Type	Date	Total number of instruments originally issued	Number of instruments exercised	Number of lapsed instruments	Number of outstanding instruments	Number of potential shares
BSA						
BSA 2013	18/03/2013	1,978,020	(1,871,903)	(106,117)	0	0
New BSA 2016 KREOS	27/06/2017	140,935	0	0	140,935	422,805**
BSA 2018 KREOS	25/07/2018	1	0	0	1	167,084*
BSA HCW	12/07/2021	566,802	0	0	566,802	566,802
BSA 2021 US	12/07/2021	4,048,584	0	0	4,048,584	4,048,584
BSA 2021	26/11/2021	731,670	0	0	731,670	731,670
AGA		,	,	,	,	,
AGA 2020	17/02/2021	17,000	(17,000)	0	0	0
AGA 2022-01	17/02/2022	959,763	0	(185,255)	774,508	774,508
AGA 2022-02	20/07/2022	221,988	0	(50,000)	171,988	171,988
AGA 2023-01	18/04/2023	975,000	0	(30,000)	945,000	945,000
SO						
SO 2019-01	02/10/2019	1,107,818	0	(443,127)	664,691	670,789*
SO 2019-02	12/12/2019	50,000	0	(10,417)	39,583	40,222*
SO 2020	23/07/2020	353,795	0	(141,518)	212,277	212,277
SO 2023	16/02/2023	2,000,000	0	0	2,000,000	2,000,000
Total		**13,151,376**	**(1,888,903)**	**(966,434)**	**10,296,039**	**10,751,729**

(*) The number of potential shares was adjusted following the capital increases of 7 May 2018 and 6 July 2020, in accordance with the statutes on BSA warrants (implementation of legal measures to protect the holders of securities), and in accordance with the adjustment clauses of the free share and stock option plan.
(**) See New 2016 Kreos BSAs in the general exercise requirements below.

The characteristics of these plans are described in greater detail in Note 21 (stock based compensation).

All figures are before the completion of the reverse stock split as disclosed in Note 28 (Post balance sheet date events).

General exercise requirements:

BSA plans

BSA 2013: In March 2013, the Board approved the BSA 2013 grant pursuant to which 1,978,020 warrants were originally issued entitling originally the holder to subscribe to one ordinary share before the one-for-six (6) reverse stock split decision taken at the time of the IPO. These warrants were granted to consultants of the Company. These warrants became fully vested and exercisable following the IPO in France of the Company in June 2014 and expired ten years from the grant date. On 30 June 2023, all warrants were either exercised (1,871,903) or have been forfeited (106,117) and will not affect further issuance of ordinary shares.

BSA 2016 KREOS: Under the plan BSA 2016 KREOS, Pixium Vision issued 140,935 warrants on 27 June 2016. The warrants confer the right to subscribe for 422,805 ordinary shares of the Company at an exercise price of €0.5 and may be exercised at any time until 27 June 2024. BSA 2016 KREOS is further described in Note 14 financing and financial instruments.

BSA 2018 KREOS: Under the plan BSA 2018 KREOS, Pixium Vision issued 1 warrant on 25 July 2018. The warrant confers the right to subscribe for 167,084 ordinary shares of the Company at an exercise price of €1.85 and may be exercised at any time until 27 June 2024. BSA 2018 KREOS is further described in Note 14 financing and financial instruments.

BSA HCW: In July 2021, in connection with the private placement by mainly US investors, the Company issued 566,802 warrants (BSA HCW) to H.C Wainwright & Co, as placement agent for the private placement. Each warrant confers the right to subscribe for one ordinary share of the Company at an exercise price of €1.24 and may be exercised at any time until 15

July 2026. Under certain circumstances, if the Company decides to suspend the exercise right of the holders, the expiration date of the BSA HCW shall be extended for the same duration as the suspension period. BSA HCW is further described in Note 14 financing and financial instruments.

BSA 2021 US: In July 2021, in connection with the private placement by mainly US investors, the Company issued 4,048,584 warrants (BSA 2021 US) which were attached to the 8,097,168 ordinary shares issued to those investors. Each warrant entitles the holder to subscribe for one ordinary share of the Company at an exercise price of €1.24 and may be exercised at any time until 15 July 2026. This expiration date shall be extended under same circumstances as for the BSA HCW. BSA 2021 US is further described in Note 14 financing and financial instruments.

BSA 2021: In July 2021, the Board approved the BSA 2021 grant pursuant to which 731,670 warrants were issued entitling the holder to subscribe to one ordinary share. The warrants were granted to a consultant of the Company. The vesting period is three years from the first anniversary of the grant date (award of 25% at the end of the first year and the balance at the rate of 1/36th per month of continued presence as from the first anniversary of the grant date). The exercise price for BSA 2021 is €0.93 and may be exercised at any time after vesting until 22 July 2028.

AGA plans

AGA 2020

In February 2021, the Board granted 17,000 free shares to a single beneficiary under AGA 2020 plan entitling the holder to obtain one ordinary share of the Company for each free share granted. These shares are subject to the following performance conditions:

- Fitting all patients still enrolled in the PRIMA feasibility study in France and the United States with PRIMA 2 glasses and obtaining clinical data at six months, no later than 31 March 2021; and
- Implanting 100% of PRIMAvera patients no later than 31 December 2021.

These conditions are independent of each other and each one is a condition for 50% of the grant. These shares vest over a one-year period and have a one-year lock-up period.

On 8 April 2021, the Board recorded the completion of the first performance condition before 31 March 2021. On 2 December 2021, the Board decided to waive the second performance condition and to extend the vesting period for this second performance condition by one year, until 17 February 2023.
Consequently, all AGA 2020 free shares have vested and ordinary shares related have been issued.

AGA 2022-1

On 17 February 2022, the Board granted 959,763 free shares under the AGA 2022-1 plan to employees and officers of the Company entitling the holder to receive one ordinary share of the Company for each free share granted. The grant of the free shares is subject to performance conditions outlined below and is divided into three tranches (Tranche 1, Tranche 2 and Tranche 3). In addition to the performance conditions, the duration of the Vesting Period for the AGA 2022-1 free shares has been set at two (2) years and will, therefore, end on 17 February 2024, and will be followed by a one (1)-year Lock-up Period, which will end on 17 February 2025.
Performance conditions specific to each tranche, which are independent of each other, and are fulfilled within the deadlines specified below:

- Tranche 1 (representing 25% of the grant): Implantation of all patients in the US feasibility study to be achieved by 31 December 2022;
- Tranche 2 (representing 50% of the grant): Implantation of all patients in the PRIMAvera study to be achieved by 31 December 2022;
- Tranche 3 (representing 25% of the grant): Completion of Design Review 1 for Prima 3.0 before 30 June 2023.

In addition, the vesting of the AGA 2022-1 free performance shares will be conditioned on (i) the beneficiary's presence in the Company (or in an Affiliate) throughout the Vesting Period and (ii) the existence of sufficient reserves to allow the vesting of the shares to be issued or in existence at the expiry of the Vesting Period, regardless of whether the Performance Conditions have been met.
In June 2023 the Board waived the performance condition of Tranche 3 and recognized the achievement of the performance conditions for Tranche 1 as well as Tranche 2.
On 30 June 2023 the Company anticipates to issue 774,508 ordinary shares on 17 February 2024, subject to the terms and conditions of the plan of AGA 2022-1.

AGA 2022-2

On 20 July 2022, the Board granted 221,988 free shares under the AGA 2022-2 plan to employees and officers of the Company entitling the holder to receive one ordinary share of the Company for each free share granted. These shares are subject to

the same terms (2 years for the Vesting Period, one year for the Lock-up Period, performance conditions and waiver to the performance condition for Tranche 3) as outlined for the AGA 2022-1 plan above. The vesting of AGA 2022-2 starts with the date of the grant.
On 30 June 2023 the Company anticipates to issue 171,988 ordinary shares on 20 July 2024, subject to the terms and conditions of the plan of AGA 2022-1.

AGA 2023-1

On 18 April 2023, the Board granted 975,000 free shares under the AGA 2023-1 plan to employees and officers of the Company, entitling the holder to receive one ordinary share of the Company for each free share granted. The grant of the free shares is subject to performance conditions outlined below and is divided into three tranches (Tranche 1, Tranche 2 and Tranche 3). In addition to the performance conditions, the duration of the Vesting Period for the AGA 2023-1 free shares has been set at two (2) years and will, therefore, end on 18 April 2025, and will be followed by a one (1)-year Lock-up Period, which will end on 18 April 2026.
Performance conditions specific to each tranche, which are independent, must be fulfilled within their respective deadlines.

In addition, the vesting of the AGA 2023-1 free performance shares will be conditioned on (i) the beneficiary's presence in the Company (or in an Affiliate) throughout the Vesting Period and (ii) the existence of sufficient reserves to allow the vesting of the shares to be issued or in existence at the expiry of the Vesting Period, regardless of whether the Performance Conditions have been met.
On 30 June 2023 the Company anticipates to issue 945,000 ordinary shares on 18 April 2025, subject to the terms and conditions of the plan of AGA 2023-1.

Stock options plans

SO 2019-1

On 2 October 2019, the Board granted 1,107,818 stock options to the Company's CEO. These stock options entitle the holder to originally purchase one ordinary share of the Company for each stock option granted. The grant was split in 3 tranches with individual conditions:

- Tranche 1 (representing 20% of the grant): No performance conditions and fully vested by May 2020
- Tranche 2 (representing 40% of the grant): No performance conditions and vesting ratably over a three-year term starting May 2020
- Tranche 3 (representing 40% of the grant): Subject to various performance targets that must be achieved by May 2023 and vest ratably over three years as from May 2020

Vested stock options may be exercised at any time for up to seven full years from award date, until 2 October 2026 at an exercise price of €1.09.

On 30 June 2023, the Board of the Company recognized that the conditions of Tranche 3 can no longer be achieved. A total of 670,789 ordinary shares can potentially be issued upon the request of the holder under the terms and conditions of SO 2019-1.

SO 2019-2

On 12 December 2019, the Board granted 50,000 stock options to a single beneficiary. These stock options entitled the holder originally to purchase one ordinary share of the Company for each stock option granted. The grant was split in 2 tranches with individual conditions:

- Tranche 1 (representing 25% of the grant): Fully vested at the end of the first year
- Tranche 2 (representing 75% of the grant): Vesting ratably over a three-year term starting with the first anniversary

All options will vest and will be exercisable on the fourth anniversary of the award. Vested stock options may be exercised at any time for up to seven full years from award date.

Vested stock options may be exercised at any time for up to seven full years from award date until 12 December 2026 at an exercise price of €0.62.

After the beneficiary's departure of the Company 10,417 stock options were forfeited. A total of 40,222 ordinary shares can potentially be issued upon the request of the holder under the terms and conditions of SO 2019-2.

SO 2020

In 23 July 2020, the Board granted 353,795 stock options to the Company's CEO. These stock options entitle the holder to purchase one ordinary share of the Company for each stock option granted. The grant was split in 3 tranches with individual conditions:

- Tranche 1 (representing 20% of the grant): No performance conditions and fully vested by 23 July 2021
- Tranche 2 (representing 40% of the grant): No performance conditions and vesting ratably over a three-year term starting 23 July 2021
- Tranche 3 (representing 40% of the grant): Subject to various performance targets that must be achieved by May 2023 and vest ratably over three years as from May 2020

All the options will vest and will be exercisable on the fourth anniversary of the award, provided the defined performance conditions are met. Vested stock options may be exercised at any time for up to seven full years from award date.

Vested stock options may be exercised at any time for up to seven full years from award date, until 23 July 2027 at an exercise price of €0.55.

On 30 June 2023, the Board of the Company recognized that the conditions of Tranche 3 can no longer be achieved. A total of 212,277 ordinary shares can potentially be issued upon the request of the holder under the terms and conditions of SO 2020.

SO 2023

On 16 February 2023, the Board granted 2,000,000 stock options to the Company's CEO. These stock options entitle the holder to purchase one ordinary share of the Company for each stock option granted. The grant was split in 3 tranches with individual conditions:

- Tranche 1 (representing 20% of the grant): No performance conditions and will over a one-year term, starting 16 February 2023
- Tranche 2 (representing 40% of the grant): No performance conditions and vesting ratably over a three-year term, starting 16 February 2024
- Tranche 3 (representing 40% of the grant): Subject to three performance targets that must be achieved before specific deadlines and vests ratably over three years as from 16 February 2024

All options will vest and become exercisable on the fourth anniversary of the grant and if the defined performance conditions are met. Vested stock options may be exercised at any time during a maximum of seven full years from the grant date.

Vested stock options may be exercised at any time for up to seven full years from award date, until 16 February 2030 at an exercise price of €0.07.

NOTE 13: CURRENT, NON-CURRENT, AND CURRENT FINANCIAL LIABILITIES

Current, non-current, and current financial liabilities include the repayable advances and state-guaranteed loans are disclosed in accordance with IAS 20 as well as a convertible loan (ORNAN 2022) at fair market value.

The current, non-current, and current financial liabilities break down as follows:

(Amounts in euros)	**30/06/2023**	31/12/2022
Repayable advances	5,032,843	4,740,587
State-guaranteed loan	1,824,631	1,871,968
ORNAN 2022	1,031,250	3,701,562
Total financial assets and liabilities	**7,888,725**	**10,314,117**
Therein LT	*5,526,856*	*5,990,106*
Therein ST	*2,361,868*	*4,324,011*

The contractual maturity of the financial liabilities represents as follows on 30 June 2023:

(Amounts in euros)	**At**	**<1 year**	**1 to 5 years**	**<5 years**

	30 June 2023			
Repayable advances	5,032,843	500,000	4,532,843	-
State-guaranteed loan	1,824,631	830,618	994,013	-
ORNAN 2022	1,031,250	1,031,250	-	-
Total financial assets and liabilities	**7,888,725**	**2,361,868**	**5,526,856**	**-**

The contractual maturity of the financial liabilities represents as follows on 31 December 2022:

(Amounts in euros)	At 31 Dec 2022	<1 year	1 to 5 years	<5 years
Repayable advances	4,740,587	-	4,740,587	-
State-guaranteed loan	1,871,968	622,449	1,249,519	-
ORNAN 2022	3,701,562	3,701,562	-	-
Total financial assets and liabilities	**10,314,117**	**4,324,011**	**5,990,106**	**-**

BPI repayable advances

Bpifrance Financement granted Pixium Vision a refundable advance in connection with its contribution to “SIGHT AGAIN”, a fundamental competitiveness cluster R&D project.

Repayable advances were received in the total amount of €5,225,680, which breaks down as follow:

- First instalment paid when the contract was signed: €179,000 (payment received in December 2014),
- Key stage 1: €1,900,000 (payment received in July 2016)
- Key stage 2: €879,000 (payment received in July 2018)
- Key stage 3: €784,680 (payment received in July 2020)
- Key stage 4: €1,483,000 (payment received in July 2020)

In the second half of 2022, Pixium Vision requested an extension of the repayment schedule from Bpifrance, in connection with the SIGHT AGAIN project. The Bpifrance steering committee accepted the Company’s request and agreed to postpone the repayment dates by two years, i.e., the first repayment instalment will be due on 30 June 2024.

The refundable advance for a total of €5,850,000 will be repaid in accordance with the following timetable:

- Year 1 no later than 30 June 2024: €500,000
- Year 2 no later than 30 June 2025: €750,000
- Year 3 no later than 30 June 2026: €1,000,000
- Year 4 no later than 30 June 2027: €1,500,000
- Year 5 no later than 30 June 2028: €2,100,000

After the refundable advance has been repaid, Pixium Vision may be required to make additional payments over a period of two years of up to € 2,490,000 if its total sales reach €100,000,000.

As the interest embedded in the repayment schedule is lower than the market rate, the difference between the effective interest rate and an estimated market rate are recognized as a grant (IAS 20.10A).

As a result of the new payment schedule for the repayable advances, the Company recalculated the fair value of the debt. This fair value is discounted at the new rate of 12.3% based on market comparable for bond financing in the same sector in 2021 and 2022.

Therefore, at 31 December 2022, the Company recognized the debt in accordance to the new payment schedule and the fair value assessment, corresponding to the new cash flows and the new discount rate. The gain realized in the reassessment of the fair value in the amount of €1.2 million was recognized as financial income in 2022 (See Note 22).

The portion of repayable advances to be reimbursed in more than one year is disclosed as non-current financial liabilities, and

the portion to be reimbursed within one year is recognized as prepaid income within the current financial liabilities.

The impact of “unwinding” discounted advances is shown in financial expenses (See Note 22).

Repayments are owed if the project “SIGHT AGAIN” is successful. In the event of failure, a contractual revision clause allows the financial returns to be adjusted, if applicable.

The table below presents the breakdown of debt reported in the statement of financial position:

(Amounts in euros)	**Total**
Opening balance, debt 1/1/2023	**4,740,587**
(+) receipts	–
(-) repayments	–
Prepaid income upon receipt	–
Compounded interest	292,256
(+) / (–) other movements	–
Balance sheet debt 30/6/2023	**5,032,843**
Therein LT	*4,532,843*
Therein ST	*500,000*
(+) / (–) other movements	–
Interest rate	5,1%
Discount rate	12,3%

Interest rate: calculated based on the repayment schedule.
Discount rate: the market rate applied for Pixium Vision.

(Amounts in euros)	Total
Opening balance, debt 1/1/2022	**5,473,683**
(+) receipts	–
(-) repayments	–
Prepaid income upon receipt	–
Compound interest	419,691
(+) / (–) other movements	(1,152,787)
Balance sheet debt 31/12/2022	**4,740,587**
Therein LT	*4,740,587*
Therein ST	–
(+) / (–) other movements	–
Interest rate	5,1%
Discount rate	12,3%

Interest rate: calculated based on the repayment schedule.
Discount rate: the market rate applied for Pixium Vision.

State Guaranteed Loan - PGE

On 31 July 2020, the Company received a state guaranteed loan of €2.5 million that bears interest at a preferential rate. The Company has the option to repay the full balance and any accrued interest within one year or to pay the interest only in year one and defer the principal payments to be paid in equal instalments over 5 years starting September 2022. The Company has elected to pay the loan back over 5 years beginning in September 2022. There are no covenants or collateral associated with this debt.

The difference in the value of the State-guaranteed loan is depending on the interest rates used is recognised as a grant (IAS

20.10A). The State-guaranteed loan is discounted at a rate of 8.0% with reference to the market rate applicable in 2020.

The portion of the repayable advances State-guaranteed loan to be repaid in more than one year is recognised as non-current liabilities, and the portion to be repaid within one year is recognised as current liabilities within prepaid income.

The impact of "unwinding" discounted advances is shown in financial expenses (See Note 22).

Convertible Notes (ORNAN 2019)

On 5 November 2019, the Company signed a financing contract with European Select Growth Opportunities Fund (ESGO) for a maximum of €10 million of convertible notes (ORNAN 2019) for term of 30 months. The Company also drew down of the first tranche of notes for €1.25 million, consisting of 125 convertible notes of €0.01 million each.

The notes contain certain non-financial covenants which restrict the ability of the Company to pay dividends, issue additional stock or dispose of certain assets without the permission of the investor.

The convertible notes are zero-coupon notes with a 1-year duration from the date of the tranche's respective drawdown to convert the note into ordinary shares. At conversion, the issuer can redeem either (i) in new shares, and/or (ii) in cash for the full or partial amount of the conversion. At the maturity date, ORNAN 2019 for which no conversion notice will have sent shall be redeemed by the Company at its principal amount in cash.

In July 2022, the remaining outstanding 50 ORNAN 2019 amounting to a nominal value of €500,000 were refunded through the convertible notes agreement ORNAN 2022 and there are no more convertible notes ORNAN 2019 outstanding.

Convertible Notes (ORNAN 2022)

On 13 July 2022, the Company signed a financing contract with European Select Growth Opportunities Fund (ESGO) for a maximum of €30 million of convertible notes (ORNAN 2022) for a term of 36 months. This contract replaces the ORNAN 2019 contract described above. The Company also drew down the first tranche of these notes for €5.5 million, consisting of 550 convertible notes with a value of €0.01 million each, with a maturity of 12 months from the date of issue.

On 13 February 2023, Pixium Vision announced termination of convertible note financing agreement with ESGO, leaving 316 ORNAN 2022 outstanding with a maturity until 13 July 2023.

During the first 6 months of 2023, 242 notes were converted into 79,724,719 ordinary shares. The remaining 125 convertible notes that have not yet been converted are included in the financial liabilities of the Company's statement of financial position at their fair value of €1.03 million as of 30 June 2023.

On July 11, 2023, Pixium Vision announced the extension of the maturity date of its outstanding Notes to January 13, 2024.

NOTE 14: FINANCING AND FINANCIAL INSTRUMENTS

Warrants (BSA Kreos)

2016 KREOS BSA

On 27 June 2017 and 27 September 2016, the Company issued 140,935 stock warrants (the New 2016 Kreos BSAs) to Kreos Capital to Kreos Capital in connection with the entry into the Venture Loan Agreement in replacement of stock warrants issued on 27 September 2016 at the time of the entry into the Venture Loan Agreement which were concomitantly waived and cancelled simultaneously. Each New 2016 Kreos BSA warrant (or BSA) gives rights to subscribe for N shares equal to the following formula: N = 1,100,000 / P / [Number of New BSA2016- KREOS] where P is equal to the lower of (i) €7.81, (ii) in the assumption of a new Initial Public Offering ("IPO") at a price lower than this amount, or (iii) any future issue of Transferable Securities at a lower exercise price than this amount in connection with a fund raising. In any event, the maximum number of shares to be issued was capped at 422,805.

Following the capital increase carried out in the first half of 2018 at a price of €1.87, each New 2016 Kreos BSA confers the

right to subscribe for N = 4,1738 shares, i.e., 588,235 shares. However, under the issue contract for the New 2016 Kreos BSAs, at 30 June 2023, the maximum number of shares to be created is 422,805 for a capital increase of €8,456.10. The subscription price "P" of the New 2016 Kreos BSAs is currently €0.5 on the basis of the subscription price used for the capital increases, which was definitively completed on 6 July 2020.

2018 KREOS BSA

Following the 2018 capital increase referred to above, which was carried out at a price of €1.87, the 140,935 New 2016 Kreos BSAs should have conferred the right to subscribe for 588,235 shares, a number higher than the maximum of 422,805 shares. Consequently, the Board of Directors decided to issue a 2018 Kreos BSA share warrant conferring initially the right to subscribe for 165,430 ordinary shares with a value of €0.02, corresponding to the difference between the number of shares to be subscribed and the maximum number of shares authorized under the New 2016 Kreos BSAs. Following the completion of the 2020 capital increase, the subscription price of the 167,084 shares obtained by exercising the 2018 KREOS is now €1.85.

The value of the KREOS BSA warrants is recognized at fair value in derivative financial instruments as a liability on the statement of financial position. At 30 June 2023, the KREOS BSA warrants were valued at €0,001, compared to €1,07 at the end of December 2022.

BSA issued at the time of the completion of the private placement of July 2021 reserved to mainly US investors (BSA 2021 US) and to HCW (BSA 2021 HCW)

In July 2021, in connection with the private placement done with mainly US investors, the Company issued 4,048,584 warrants, which were attached to the 8,097,168 ordinary shares issued to mainly US investors and 566,802 additional warrants (BSA HCW) to H.C Wainwright & Co, as placement agent for the private placement. All these warrants are governed by the same terms and conditions.

Each warrant entitles the holder to subscribe to one ordinary share of the Company at an exercise price of €1.24 and may be exercised at any time until 15 July 2026. Under certain circumstances, if the Company decides to suspend the exercise right of the holders, the expiration date of the BSA HCW and BSA 2021 US shall be extended for the same duration as the suspension period.

The terms and conditions of the warrants require the Company to pay a net cash settlement if it fails to deliver the shares to the holders. In accordance with IAS 32, this instrument is defined as a derivative instrument and has been classified as a liability on the statement of financial position. The warrants are recognized at their fair value with subsequent changes in fair value recognized as a financial gain or loss.

On 30 June 2023, the BSA 2021 US were valued at €275, compared to €1,794 at the end of December 2022.

The BSA 2021 US warrants were detached upon issue. BSA 2021 US and BSA HCW are freely negotiable and can be held in registered form (*au nominatif*) or (ii) in bearer form (*au porteur*). Warrants are not listed on Euronext Growth market or on any other stock exchange.

NOTE 15: NON-CURRENT PROVISIONS

Non-current provisions comprise primarily pension liabilities due in more than one year.

(Amounts in euros)	**30/06/2023**	31/12/2022
Pension liabilities	113,482	95,229
Other provisions	–	–
Net total	**113,482**	**95,229**

Retirement benefit obligations break down as follows:

(Amounts in euros)	**30/06/2023**	31/12/2022
At the opening	**95,229**	**102,429**
Cost of services rendered (operating expense)	9,587	16,845
Interest expense (financial expense)	1,795	1,127
Actuarial losses/gains	6,870	(25,172)
At the closing	**113,482**	**95,229**

The following assumptions have been used to estimate the retirement obligations for all categories of employees:

	30/06/2023	31/12/2022
Social security contribution rate	45 %	45 %
Salary increase rate	3 %	3 %
Discount rate*	3.60 %	3.77 %

* The discount rates are taken from the Bloomberg F66710Y IND Euros Composite Zero Coupon Yield AA index.

Further assumptions used:

- Retirement age: 67 years
- Departure arrangements: voluntary departure
- Mortality table: TGF05-TGH05
- Collective agreement: National collective agreement for engineers and management employees in the metallurgy industry
- Lower employee turnover depending on age
- Long-term defined benefit plans

There were no retirements from the Group during 2023.

NOTE 16: CURRENT PROVISIONS

At the end of June 2023, the Company recognized a current provision of 95,896 euros corresponding to pending salary increases. In December 2022, these amounted to 441 euros, representing provisions for social security charges.

NOTE 17: LEASE LIABILITIES

Lease liabilities break down as follows:

(Amounts in euros)	Non-current	Current	**Total**
At 30 June 2023			
Lease liabilities - real estate	375,815	222,787	588,602
Lease liabilities - other	9,121	13,681	22,802
Total - Lease liabilities	**374,937**	**236,467**	**611,404**

(Amounts in euros)	Non-current	Current	**Total**
At 31 December 2022			
Lease liabilities - real estate	427,212	307,915	735,127
Lease liabilities - other	12,964	17,574	30,537
Total - Lease liabilities	**440,175**	**325,489**	**765,664**

The maturities of the lease liabilities break down as follows:

(Amounts in euros)	**30 June 2023**
N +1	236,467
N +2	137,004
N +3	133,541
N +4	104,393
N +5	-
Over 5 years	-
Total	**611,404**

NOTE 18: TRADE PAYABLES, RELATED ACCOUNTS AND OTHER CURRENT LIABILITIES

No discounting was applied to trade payables as the payment terms do not exceed one year at the end of each period presented.

Trade payables, related accounts and other current liabilities break down as follows:

(Amounts in euros)	**30/06/2023**	31/12/2022
Trade payables	1,881,304	2,128,913
Social security liabilities	1,900,024	1,139,774
Tax liabilities	87,364	266,937
Prepaid income	399,522	462,970
Other payables	42,617	48,727
Net total	**4,310,831**	**4,047,320**

The Group recognised prepaid income of €0.4 million corresponding to the economic benefit mainly from the preferential interest rate applied to the State-guaranteed loan. The proceeds are recognised as a grant over the entire repayment period of the State-guaranteed loan, i.e. over a period of six years (See Note 19).

NOTE 19: OPERATING REVENUE

Operating revenue breaks down as follows:

(Amounts in euros)	**30/06/2023**	30/06/2022
Research Tax Credit	827,421	983,205
Grants	63,448	60,818
Other revenues	5,958	(227)
Net total	**896,827**	**1,043,797**

Research Tax Credit: In the first half of 2023, we recognised a research tax credit of €0.83 million, compared to €0.98 million for the first half of 2022.

Grants: Grant proceeds recognised in the first half of 2023 totalled €0.06 million, consisting primarily of grants received in

connection with the State-guaranteed loan, and is accounted for in accordance with IAS 20.

Other revenues: In the first half of 2023, other revenues are insignificant and mainly represent training grants.

NOTE 20: OPERATING EXPENSES

Research and development expenses break down as follows:

(Amounts in euros)	**30/06/2023**	30/06/2022
Wages and salaries	2,178,241	2,341,367
Subcontracting, collaborations, and consultants	1,125,677	923,896
Research supplies	155,466	264,062
Leases [1]	1,323	1,895
Amortisation of use rights	133,474	126,056
Conferences, travel expenses	272,964	141,557
Licence fees	41,811	43,833
Provisions and amortisation allowances	49,909	56,606
Miscellaneous - Services provided [2]	170,080	160,606
Other	4,908	26,213
Net total	**4,133,852**	**4,086,091**

(1) Lease expenses correspond to non-capitalised leases

(2) Service contracts associated with leases

On 30 June 2023, research and development expenditure amounted to 4.1 million euros, representing a similar level to June 2022. Research and development expenditure is mainly driven by the PRIMAvera clinical trial in Europe and by the development of its Prima bionic system.

A breakdown of general and administrative expenses by type is shown below:

(Amounts in euros)	**30/06/2023**	30/06/2022
Wages and salaries	698,757	725,879
Fees	1,086,783	1,585,683
Leases [1]	54,062	12,806
Amortisation of use rights	35,057	33,538
Insurance	25,265	24,919
Communication, travel and entertainment expenses	57,901	311,487
Postage and telecommunication costs	125,825	48,844
Administrative supplies and equipment leases	5,556	7,409
Provisions and amortisation allowances	180,256	187,050
Miscellaneous - Services provided [2]	39,283	34,466
Other	131,294	90,344
Net total	**2,440,039**	**3,062,425**

(1) Lease expenses correspond to non-capitalised leases

(2) Service contracts associated with leases

In June 2023, general and administrative expenses amounted to 2.4 million euros, compared to 3.1 million euros in June 2022. These expenses mainly relate to costs incurred by the Company for legal and accounting services in analysing and preparing various financing options such as convertible notes, private placement with French or international investors on Euronext Growth or a foreign stock exchange.

Payroll expense

At end June 2023, the Group employed 40 individuals, compared to 43 in 2022.

Payroll expenses breaks down as follows:

(Amounts in euros)	**30/06/2023**	30/06/2022
Wages and salaries	1,866,904	1,978,040
Social contributions	800,134	824,077
Pension liability expenses [1]	11,382	8,986
Share-based payments [2]	125,953	196,225
Net total	**2,804,373**	**3,007,327**

(1) Further information on retirement obligations is disclosed in Note 15

(2) Further information on share-based compensation is disclosed in Note 21

NOTE 21: SHARE-BASED COMPENSATION

Stock based compensation relate to all financial instruments (warrants (BSA) / free shares (AGA) / stock options (SO)) awarded to employees, members of the Board of Directors and scientific advisors, all being accounted for in accordance to IFRS 2.

The expense representing the benefit awarded is recognised as a payroll expense on a straight-line basis over the vesting period.

The BSA warrants in connection with the Kreos bonds (BSA 2016 Kreos and BSA 2018 Kreos) and the BSA 2021 US are accounted for at fair value as a liability on the statement of financial position in the “Derivative financial instruments" item (See Note 14).

The accounting expense in connection with all share-based payments breaks down as follows:

	30/06/2023			**30/06/2022**		
(Amounts in euros)	R&D	G&A	**Total**	R&D	G&A	**Total**
BSA	**0**	**13,668**	**13,668**	**0**	**37,776**	**37,776**
BSA 2021 –26/11/2021	0	13,668	**13,668**	0	37,776	**37,776**
AGA	**137,215**	**9,301**	**146,516**	**119,222**	**6,224**	**125,446**
AGA 2020 – 17/02/2021	579	0	**579**	3,341	0	**3,341**
AGA 2022-01 –17/02/2022	122,837	6,707	**129,543**	115,880	6,224	**122,104**
AGA 2022-02 – 20/07/2022	7,925	1,486	**9,410**	0	0	**0**
AGA 2023-01 – 18/04/2023	5,875	1,108	**6,983**	0	0	**0**
SO	**(2,488)**	**(31,743)**	**(34,231)**	**996**	**32,007**	**33,003**
SO 2019-01 –02/10/2019	0	(40,964)	**(40,964)**	0	20,611	**20,611**
SO 2019-02 – 12/12/2019	(2,488)	0	**(2,488)**	996	0	**996**
SO 2020 – 23/07/2020	0	(5,892)	**(5,892)**	0	11,395	**11,395**
SO 2023 – 16/02/2023	0	15,114	**15,114**	0	0	**0**
Total	**134,727**	**(8,774)**	**125,953**	**120,218**	**76,007**	**196,225**

The key features of the BSA plans are shown in the tables below:

	BSA	
Award date (CA)	**12/07 2021**	**26/11 2021**
Vesting period	–	–
Contractual duration	5 years	7 years
Average expected duration of instrument	–	–
Total number of instruments as at 30/06/2023 (*)	566.802	731.670
Instrument/share ratio (*)	1	1
Strike price (€) (*)	1.24 €	0,93 €
Fair value of share at award date (*)	0,99 €	0,85 €
Expected volatility (1)	62,70 %	60,40 %
Expected dividends	–	
Performance conditions	N/A	N/A
Fair value of option (*)	**0,31 €**	**0,25 €**

Evaluation model applied - Black and Scholes

The key features of the AGA plans are shown in the tables below:

	AGA 2020	AGA 2022-01	AGA 2022-02	AGA 2023
Award date (CA)	**17/02 2021**	**17/02 2022**	**20/07 2022**	**18/04 2023**
Vesting period	1 year	2 years	2 years	2 years
Contractual duration	-	-	-	-
Average expected duration of instrument	-	-	-	-
Total number of instruments as at 30/06/2023 (*)	0	774.508	171.988	945.000
Instrument/share ratio (*)	1	1	1	1
Strike price (€) (*)	N/A	N/A	N/A	N/A
Fair value of share at award date (*)	1,04 €	0,72 €	0,30 €	0,00 €
Expected volatility (1)	-	-	-	-
Expected dividends	-	-	-	-
Performance conditions	N/A	OUI	OUI	OUI
Fair value of option (*)	**1,04 €**	**0.72 €**	**0,30 €**	**0,00 €**

Evaluation model applied - Black and Scholes

The key features of the SO plans are shown in the tables below:

	SO 2019-1	SO 2019-2	SO 2020	SO 2023
Award date (CA)	**02/10 2019**	**12/12 2019**	**23/07 2020**	**16/02 2023**
Vesting period	4 years	4 years	4 years	4 years
Contractual duration	7 years	7 years	7 years	7 years
Average expected duration of instrument	6 years	6 years	6 years	6 years
Total number of instruments as at 30/06/2023 (*)	664.691	39.583	212.277	2.000.000
Instrument/share ratio (*)	1.01	1.01	1	1
Strike price (€) (*)	1,09 €	0,62 €	0,55 €	0,07 €
Fair value of share at award date (*)	1,01 €	0,63 €	0,53 €	0,07 €
Expected volatility (**)	52,11 %	56,95 %	65,60%	73,98%
Expected dividends	–	–	–	–
Performance conditions	OUI	N/A	OUI	OUI
Fair value of option (*)	**0,42 €**	**0,28 €**	**0,28 €**	**0,04 €**

Evaluation model applied - Black and Scholes

(*) In order to provide clearer comparability between the instruments and the same conversion ratio, instruments issued before 17/06/2014 (the date of the six-for-one reverse stock split of the Group's shares) have been adjusted accordingly (number, strike price, share value, etc.).

(**) Based on the historical volatility of a panel of comparable companies.

Detailed information on the number of options by category and strike price is provided in Note 12.2.

NOTE 22: FINANCIAL INCOME AND EXPENSES

Financial income and expenses break down as follows:

(Amounts in euros)	**30/06/2023**	30/06/2022
Financial income	**312 330**	**829,489**
Fair value 2021 US BSAs	*1,518*	*829,489*
Reversal of daily loss on ORNAN JVs	*310,812*	*–*
Financial expenses	**(389 248)**	**(339,068)**
Interest on loans and debts	*(370,120)*	*(378,964)*
Leases	*(11,535)*	*(16,094)*
Reversal of daily loss on ORNAN JVs	*–*	*65,950*
*Other financial expenses**	*(7,592)*	*(9,960)*
Net total	**(76,918)**	**490,421**

* Including the impact of the IAS 19 (Note 3: IFRIC May 2021 – IAS 19 Retirement Benefits)

At end of June 2023, financial income includes the change in fair value of the US 2021 warrants of 1,518 euros and a reversal of expenses of the valuation difference leading to a one-day loss of €310,812 corresponding to the difference between the fair value of the unconverted ORNAN 2022 Notes as at 30 June 2023 and their issue price.

As at 30 June 2023, financial expenses consisted of interest calculated on the “Sight Again” repayable advances in the amount of €292,257, interest calculated on the State-guaranteed loan in the amount of €77,863, interest calculated on leases in the amount of €11,535.

NOTE 23: RELATED-PARTY TRANSACTIONS

Under IAS 24, related parties include parties with the ability to control or exercise significant influence over the reporting entity. All business transactions with related parties are entered into at arm’s length terms.

The remuneration shown below, which was paid to the members of the Group’s Board of Directors, was expensed during the periods presented:

(Amounts in euros)	**30/06/2023**	30/06/2022
Wages and salaries	236,760	219,720
Directors' fees	45,000	30,000
Benefits in kind and in cash	82,614	74,659
Share-based payments	(31,188)	32,007
Net total	**333,185**	**356,386**

NOTE 24: EARNINGS PER SHARE

Net earnings per share are calculated by dividing the net profit attributable to holders of the Group's shares by the weighted average number of ordinary shares outstanding during the period.

Earnings per share	**30/06/2023**	30/06/2022
Net income for the period *(Amounts in euros)*	(5,819,944)	(5,614,298)
Weighted average number of shares in circulation	87,348,021	47,391,297
Net earnings per share *(Amounts in euros)*	**(0.07)**	**(0.12)**

Instruments giving deferred rights to equities (BSAs, AGAs, SOs) are considered anti-dilutive as they lead to an increase in earnings per share. These instruments are presented in detail in Note 12.2. Therefore, diluted earnings per share are the same as net earnings per share.

NOTE 25: FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is linked to our deposits with banks and financial institutions. The Company seeks to minimize the risk related to banks and financial institutions by placing cash deposits with highly rated financial institutions. The maximum level of the credit risk corresponds to the book value of the cash and cash equivalents.

As outstanding receivables consist primarily of the research tax credit granted by the French government, the Company is not exposed to significant credit risk.

Sources of Supply

Several of the components, materials and services used in our products are available from single suppliers, and substitutes for these items cannot be obtained easily or would require substantial design or manufacturing modifications. Any significant problem experienced by one or more of our sole source suppliers could result in a delay or interruption in the supply of components to us until that supplier cures the problem or an alternative source of the component is located and qualified. Even where we could use other qualified alternative suppliers, the substitution of suppliers may be at a higher cost and cause time delays that impede the production of our products and impact our ability to meet research and development and clinical objectives.

Operations in Foreign Countries

The Company currently operates exclusively in Europe and in the United States. Unanticipated events in foreign countries could disrupt our operations and impair the value of assets held.

The risk factors to which the Company is exposed are described in Appendix 1 of the Annual Report 2022 that was filed on 25 April 2023 with the French Financial Markets Authority (AMF). Management's assessment of the nature and level of risks has not changed during the last half-year.

The 2022 annual report is available on the Group's website:
https://www.pixium-vision.com/2023/04/annual-report-including-group-management-report-year-ended-december-31-2022/

NOTE 26: FEES PAID TO STATUTORY AUDITORS

Fees paid to statutory auditors break down as follows:

(Amounts in euros)	**30/06/2023**	30/06/2022
Audit standards expenses	189,192	204,566
Other audit expenses	–	–
Total	**189,192**	**204,566**

NOTE 27: OFF-BALANCE SHEET COMMITMENTS

941 Liabilities under contracts

Exclusive license agreements with Stanford University

In 2014, the Company entered into a worldwide exclusive license agreement with the board of trustees of Leland Stanford Junior University (the "Stanford License"), which was amended in 2017 and in June and September 2021, concerning certain patents applicable to the Prima System. Under the Stanford License, the Company agreed to pay Stanford University a fee of $100,000 upon the signature of the agreement, an annual license maintenance fee of between $15,000 and $30,000 on the first six anniversaries of the effective date of the agreement, and of $40,000 on the seventh and subsequent anniversaries, milestone payments totaling $525,000 upon achieving certain regulatory developments, as well as royalties of between 2% and 3% on net sales of licensed products. Pixium Vision has already paid three milestones totaling $325,000 in connection with the signature of the agreement, the Company becoming a listed company, and the first human trial in the licensed territory. In addition, under the September 2021 amendment, the Company also agreed to pay an additional one-time license issue fee of $30,000. The Stanford License is effective and exclusive, and includes the right to grant sublicences, subject to certain specified conditions, in the licensed field of use until 17 September 2033. The Company also agreed to pay Stanford University a portion of the consideration on all royalty-free sublicences for any licensed patents. The Company may terminate the Stanford License in its entirety for reasons of convenience by giving 30 days' written notice. Stanford University may terminate the license for breach of certain provisions, subject to specific notice and cure periods.

Exclusive licence agreement with CNRS, the University of Bordeaux and ESIEE (Paris Ile de France Chamber of Commerce and Industry)

In 2015, the Company entered into an exclusive worldwide license agreement with CNRS, the University of Bordeaux and ESIEE (Paris Ile de France Chamber of Commerce and Industry) (the "CNRS License") concerning a patent family covering the configuration of microelectrode arrays for focal stimulation of living tissue applicable to the Prima System. Under this license, the Company agreed to pay the University of Bordeaux a minimum annual fee of €30,000 as from January 2017. The CNRS License is effective and exclusive, and includes the right to grant sublicences, subject to certain specified conditions, for the life of the licensed patents. The Company is also required to pay the CNRS royalties of approximately 1% on direct net sales and a reduced royalty rate on sub-licensing revenues received in connection with the licensed patents (between 7.5% and 20% of sub-licensing revenues). The Company may terminate the CNRS License at any time by giving 30 days' written notice. The CNRS may terminate the license for breach of certain provisions, subject to specific notice and cure periods.

NOTE 28: POST-BALANCE SHEET DATE EVENTS

On 11 July 2023, Pixium Vision announced the extension of the maturity date of the outstanding bonds issued under the previously terminated financing agreement with ESGO.

On 28 July 2023, along with the announcement of a reverse stock split on a basis of 1 new share for 50 existing shares, Pixium Vision announced the implementation of a bridge financing for an amount of €3m with Bpifrance and Sofinnova, providing more flexibility to pursue the Company's longer-term funding needs to support its strategic ambitions.

On 20 September, Pixium Vision announced the implementation of a reverse stock split, exchanging 50 existing shares for 1 new share of Pixium Vision. The total number of shares before reverse stock split was 154,019,600 ordinary shares and resulted in 3,080,392 ordinary shares post reverse stock split. Pixium Vision shares are traded under ISIN code FR001400JX97 post-reverse stock split, while the Mnemonic code ALPIX remains unchanged.

On October 2, Pixium Vision applied for the opening of safeguard proceedings to the Commercial Court in Paris, in light of the short-term liquidity risk and the lack of new financing obtained to date.

On October 23, Pixium Vision filed for conversion of the safeguard proceeding into a court-ordered receivership and announced the opening of a process to find a buyer.

IV- ACTIVITY REPORT

Analysis of H1 2023

Income statement summary			
In thousands of euros	**H1 2023**	**H1 2022**	**Change**
Operating revenue	**896.8**	**1,043.8**	**(14.1) %**
Current operating expenses	**(6,573.9)**	**(7,148.5)**	**(8.0) %**
Research and Development	(4,133.9)	(4,086.1)	+1.2 %
General and administrative expenses	(2,440.0)	(3,062.4)	(20.3) %
Operating loss	**(5,677.1)**	**(6,104.7)**	**(7.0) %**
Net loss for the period	**(5,819.9)**	**(5,614.3)**	**+3.7 %**
Net earnings per share	**(0.07)**	**(0.12)**	

Operating revenue amounted to €0.9 million and is mainly comprised of Research Tax Credit (CIR).

Research and Development (R&D) expenses remained at a similar level and totalled €4.1 million in H1 2023, €48 thousand below previous year. During the first half of 2023, Pixium Vision continued to support its clinical studies, mainly the PRIMAvera study, but also the feasibility studies in Europe and the US. In addition, the Group continued to develop and manufacture its Prima bionic vision system to ensure availability for the ongoing studies.

Current general and administrative (G&A) expenses decreased in H1 2023 by €0.6 million, totalling €2.4 million, compared to €3.1 million in H1 2022. The decrease is mainly due to H1 2022 costs for legal and financial services in preparation of various financing options.

Operating result presented a loss of €5.7 million, which is €0.4 lower than in H1 2022 (€6.1 million). **Net result** was a loss of €5.8 million (compared to a loss of €5.6 million in H1 2022). The loss per share is limited to €0.07 in H1 2023 compared to €0.12 in H1 2022.

Statement of cash flows summary		
In thousands of euros	**H1 2023**	**H1 2022**
Opening cash and cash equivalents	**7,687.4**	**14,504.9**
(Decrease)/Increase in cash position	**(3,949.3)**	**(7,283.6)**
O/W net cash flows from operating activities	(3,945.7)	(7,064.1)
O/W net cash flows from investment activities	(5.3)	(26.8)
O/W net cash flows from financing activities	2.5	(196.4)
Effect of exchange rate changes on cash	(0.8)	3.7
Closing cash and cash equivalents	**3,738.1**	**7,221.2**

Net cash outflow from operating activities decreased in H1 2023 to €3.9 million, compared to €7.1 million in H1 2022. The decrease in net cash outflow mainly reflects the accelerated payment of the research tax credit of €1.8 million.

Net cash flows from financing activities totalled €3 thousand for H1 2023. In H1 2022, financing activities reflected €(0.2) million primarily related to the repayment of lease liabilities under IFRS16.

Pixium Vision ended H1 2023 with a net cash position of €3.7 million, compared to €7.2 million a year earlier.

Update on Pixium Vision's business

After the successful completion of enrolment of 38 patients in Pixium Vision's European PRIMAvera pivotal trial in December 2022, we have focused on enabling and ensuring the successful rehabilitation of all our patients in H1 2023. The European PRIMAvera pivotal trial, evaluating the safety and efficacy of the Prima System in patients affected by dry Age-related Macular Degeneration (dry AMD), is intended to restore vision, targeting to report on initial data read out of data in H1 2024.
Our French feasibility study is still ongoing and 48-month data is in the peer review process, targeted to be published by the end of 2023.

In the US Pixium Vision received breakthrough device designation from the FDA in March 2023, and we are in the process to negotiate our US pivotal study that is expected to be approved by mid-2024. Results from our US feasibility study are estimated in the first half of next year.

On October 9, Pixium Vision obtained the opening of safeguard proceedings from the Commercial Court in Paris, in light of the short-term liquidity risk and the lack of new financing received to date. Having been unable to find financial investors in the restricted timeframe, on October 18, Pixium Vision announced that it is filing for a the conversion of the safeguard proceedings into a receivership and that it is initiating a process to find an acquirer for all or parts of its assets.

Further events of H1 2023:

On 12 January 2023, Pixium Vision announced the 3 peer-reviewed publications amongst others demonstrating the potential of the next-generation PRIMA implant, with the potential to achieve up to 20/20 vision with magnification.

After 30 June 2023, Pixium Vision received a shareholder loan of €3 million from Bpifrance and Sofinnova extending the cash runway to the end of December 2023.

On 28 July 2023, a reverse stock split was announced, exchanging 50 old Pixium Vision shares for 1 new share.

Furthermore, on 11 July 2023 Pixium Vision announced the extension of the maturity of the outstanding notes amounting to €1.25 million (associated with the terminated ESGO financing facility) to 13 January 2024.

V- STATUTORY AUDITORS' REPORT ON THE 2023 HALF-YEAR FINANCIAL REPORT

PIXIUM VISION

Société Anonyme

74 rue du Faubourg Saint-Antoine
75012 PARIS

For the period from January 1 to June 30, 2023

Statutory auditor's review report on the condensed half-yearly consolidated financial statements

PIXIUM VISION

Société Anonyme

74 rue du Faubourg Saint-Antoine
75012 PARIS

Statutory auditor's review report

on the condensed half-yearly consolidated financial statements

For the period from January 1 to June 30, 2023

This is a free translation into English of the statutory auditor's review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Chief Executive Officer,

As statutory auditor of Pixium Vision and at your request, we hereby report to you on the review of the accompanying condensed half-yearly consolidated financial statements for the period from January 1 to June 30, 2023.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors.

Our role is to express a conclusion on the condensed half-yearly consolidated financial statements.

As stated in the "going concern and post-closing event" paragraph of Note 3 "Accounting policies adopted as of June 30, 2023" to the financial statements, your Company, despite the measures implemented set out in the note, has placed itself under receivership proceedings. This situation has created an uncertainty regarding the outcome of the receivership proceedings. Should the outcome of the receivership proceedings be unfavorable, the application of IFRS accounting standards as adopted in the European Union in a normal context of business continuity, notably for the valuations of assets and liabilities, could prove inappropriate.

Given the above, we are unable to express a conclusion on the condensed half-yearly consolidated financial statements.

This report is governed by French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report.

Paris, October 25, 2023

The Statutory Auditor

Deloitte & Associés

Stéphane Ménard

VI- STATEMENT OF THE PERSON RESPONSIBLE FOR THE 2022 HALF-YEAR FINANCIAL REPORT

I certify that, to my knowledge, the summary financial statements for the past half-year were prepared in accordance with applicable accounting standards and give a fair view of the assets, financial position and results of the Company at 30 June 2023, and that the half-year business report presents a fair overview of major events that occurred during the first six months of the year, their impact on the financial statements, the main transactions between related parties and a description of the principal risks and uncertainties for the remaining six months of the year.

Lloyd Diamond
Chief Executive Officer
25 October 2023