



Pixium Vision announces issue of € 1.25 million new tranche from ESGO financing agreement to continue to accelerate its clinical programs

Paris, 19 February 2020 – 7.00 am CEST– Pixium Vision (FR0011950641 - ALPIX), a bioelectronics company that develops innovative bionic vision systems to enable patients who have lost their sight to live more independently, announces that it has issued 875 warrants (the “**Tranche Warrants**”) giving access to convertible notes (“**Bonds**”) as agreed with the US-based, healthcare specialized investor, European Select Growth Opportunities Fund (ESGO) (the “**Investor**”). Pixium Vision has also issued a tranche of €1.25 million nominal value corresponding to 125 Bonds following its request to ESGO to exercise 125 Tranche Warrants out of the 875 issued.

The financing contract with ESGO specifies a maximum nominal amount of €10 million, without interest over a period of no more than 30 months announced on November 6, 2019¹, of which a first tranche of €1.25 million, drawdown on the same date, has already been executed. These 875 Tranche Warrants announced today may lead to a maximum number of 875 Bonds for up to €8,750,000 nominal value in case all the Tranche Warrants are exercised. This release is in accordance with the agreement which provided for the issuance of the Tranche Warrants five trading days following the transfer of listing of Company shares on Euronext Growth Paris.

“This flexible financial instrument adds significantly to Pixium Vision’s financing options. It helps us actively pursuing the development of our Prima system which is on track with the recent important milestones of the first patient implanted in the US and the initially encouraging results from the patients equipped with second-generation Prima glasses. In the coming weeks we expect to announce the clinical results with the second-generation Prima glasses, which will serve as the basis of filing for PRIMAVERA, the pivotal trial, ahead of its start expected by year-end 2020.” stated **Lloyd Diamond, Chief Executive Officer of Pixium Vision**. *“This accelerated request for the second tranche further demonstrates ESGO’s confidence in Pixium Vision management to execute on its strategic commitments.”*

As a reminder, no share warrants are attached to the Bonds. Moreover, this financing does not grant any guarantee or security to the investor. The characteristics of the Bonds and the detailed terms and conditions of the transaction are set out in the appendix below and will also be available on the Company’s website.

Bryan Garnier & Co acted as financial advisor of Pixium Vision.

¹ See Company’s press release dated November 6, 2019

Contacts

Pixium Vision

Didier Laurens

Chief Financial Officer

investors@pixium-vision.com

+33 1 76 21 47 68

Media relations

LifeSci Advisors

Sophie Baumont

sophie@lifesciadvisors.com

+33 6 27 74 74 49

Investor relation

LifeSci Advisors

Guillaume van Renterghem

gvanrenterghem@lifesciadvisors.com

+33 6 69 99 37 83

Pixium Vision is creating a world of bionic vision for those who have lost their sight, enabling them to regain visual perception and greater autonomy. Pixium Vision's bionic vision systems are associated with a surgical intervention and a rehabilitation period. Prima System sub-retinal miniature photovoltaic wireless implant is in clinical testing for patients who have lost their sight due to outer retinal degeneration, initially for atrophic dry age-related macular degeneration (dry AMD). Pixium Vision collaborates closely with academic and research partners, including some of the most prestigious vision research institutions in the world, such as: Stanford University in California, Institut de la Vision in Paris, Moorfields Eye Hospital in London, Institute of Ocular Microsurgery (IMO) in Barcelona, University hospital in Bonn, and UPMC in Pittsburgh, PA. The company is EN ISO 13485 certified and qualifies as "Entreprise Innovante" by Bpifrance.

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

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Pixium Vision is listed on Euronext Growth Paris.
Euronext ticker: ALPIX - ISIN: FR0011950641

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

Pixium Vision is included in the Euronext GROWTH ALLSHARE index

Appendix - Characteristics and terms and conditions of the transaction

– Legal framework of the transaction

Pursuant to its 6th resolution, the extraordinary general meeting of 12 December 2019 delegated to the Board of Directors, with the right to sub-delegate, the authority to decide to issue warrants conferring access to debt securities for a maximal nominal amount of debt of €8,750,000 and a maximal nominal capital increase of €8,750,000 in case of full conversion of the debt securities into ordinary shares, eliminating the shareholders' pre-emptive subscription rights in favor of EUROPEAN SELECT GROWTH OPPORTUNITIES FUND (the "Investor").

During its meeting of 18 February 2020, the Board of Directors (i) exercised the authority delegated to it, (ii) approved the issuance of 875 Tranche Warrants giving access to Bonds under the terms and conditions of the financing agreement signed on 6 November 2019 (the "Agreement") authorizing the subsequent issuance of tranches as provided in the Agreement.

The Board of Directors requested ESGO to immediately exercise 125 Tranche Warrants leading to the issuance of 125 Bonds equal to a tranche of €1,250,000 nominal value ("Second Tranche").

As a consequence, it remains 750 Tranche Warrants to be exercised at the Company's (or for some at the Investor's) request provided that certain conditions are met, for a total nominal amount of up to €7,500,000. The issue of new tranches will be disclosed accordingly.

– Main characteristics of the Bonds²

Subject to certain conditions³, the Bonds will be issued in several tranches, of which 125 Bonds were issued today following the exercise of 125 Tranche Warrants by ESGO following Company's request.

The 125 Bonds issued today have the same characteristics as the one issued on November 2019 from the first tranche. The Bonds to be potentially issued from the subsequent exercise of the remaining 750 Tranche Warrants, freely issued to ESGO, will have the same characteristics:

- The Bonds will have a nominal value of €10,000 each, a maturity of 12 months from their issue date and will be subscribed at 97.5% of par. They will not bear interest.
- The Bonds will be registered in the holder's name in the securities registers kept by the Company and will be transferable without the Company's prior approval (i) to the Investor's affiliates and, under certain conditions, (ii) to third parties. No application for admission to trading will be submitted for the Bonds.
- The Bonds will entitle the holder thereof to receive, upon conversion, at the Company's election: (i) an allotment of new shares and/or (ii) a sum in cash equal to all or part of the amount whose conversion the Investor requests.

- Payment in shares:

$$N = V_n / P$$

In which:

"N": equals the number of ordinary shares of the Company to be delivered to the Investor;

"V_n": equals the nominal value of the Bonds converted, i.e. €10,000;

"P": equals 92% of the lowest volume-weighted average price of the Company's shares on the trading days on which the Investor does not sell any shares of the Company on the market, during the 10 trading days immediately preceding the date on which the Company receives a conversion

² The detailed characteristics of the Bonds are available on the Company's website.

³ In particular, the conditions include the absence of any material adverse change, meeting the conditions relating to the liquidity of the Pixium Vision share, the share price and the number of Pixium Vision shares that may be held by the Investor.

notice, which must be at least equal to the minimum issue price of the new shares fixed by the combined general meeting⁴.

- Payment in cash:

$$M = (V_n / P) * C$$

In which:

“**M**”: equals the cash amount to be paid;

“**V_n**”: equals the nominal value of the Bonds converted, i.e. €10,000;

“**P**”: equals 92% of the lowest volume-weighted average price of the Company’s shares on the trading days on which the Investor does not sell any shares of the Company on the market, during the 10 trading days immediately preceding the date on which the Company receives a conversion notice, which must be at least equal to the minimum issue price of the new shares fixed by the combined general meeting⁵.

“**C**”: equals the volume-weighted average price of the Company’s shares on the date the Company receives a conversion notice.

- The Bonds that have matured must be repaid by the Company to the Investor in cash.
- If an event of default⁶ occurs, the Company must repay an amount equal to 107% of the nominal value of the Bonds in circulation.

– New shares created pursuant to the conversion of the Bonds

The new shares issued upon the conversion of the Bonds will carry immediate dividend rights. They will have the same rights as the Company’s existing ordinary shares, will be listed on Euronext Growth Paris market on the same listing line (ISIN FR0011950641).

A table tracking the conversion of the Bonds issued pursuant to the transaction will be updated on the Company’s website.

– Risk factors

The issuance of the Second Tranche does not materially change the Company’s liquidity risks as described in Section 4 of its 2018 Annual Report released on April 18, 2019.

The Company draws the public’s attention to the other risk factors to which the Company and its business are exposed, as described in section 4 of its 2018 registration document, which was published on 18 April 2019, and in section 2 of its half-year report, which was published on 25 July 2019, both of which are available free of charge on the Company’s website.

⁴ Must be at least equal to the 3-day VWAP preceding the pricing date (i.e. date of the conversion notice), potentially adjusted by a maximum discount of 20 %).

⁵ See above

⁶ In particular, events of default include the delisting of the Pixium Vision share the impossibility of issuing the Bonds or new shares resulting from conversion requests, the non-payment of amounts due for financing, the cessation of the activities of the Company, failure to repay matured debts and the occurrence of a significant adverse change (i.e. an event having a significant adverse effect on the Company’s assets, results or activity, the Company’s ability to meet its obligations under the Bond issuance contract or the validity of the Bond issuance contract) which would not have been remedied within 15 working days. In the event of a takeover of Pixium Vision, the Investor may request redemption on the basis of the nominal value of the Bonds (without penalty).

– Theoretical impact of the issuance of the Bonds

For information purposes, if new shares are delivered and if (i) all 875 Tranche Warrants issued under the financing program are redeemed solely in new shares and (ii) all 125 Bonds issued today (“Second Tranche”) are exclusively redeemed in new shares, the impact of the issuance of the Bonds would be as follows⁷:

- on the investment of a shareholder currently holding 1% of the Company’s share capital (based on the number of shares comprising the Company’s share capital at the date of this press release, i.e. 24,948,074 shares):

	Shareholder’s investment (%)	
	Undiluted basis	Diluted basis (after all dilutive instruments in existence to date are exercised) *
Before the issuance	1.00%	0.92%
After issuance of the new Pixium Vision shares resulting from the conversion of 125 Bonds (“Second Tranche”)	0.95%	0.88%
After issuance of the new Pixium Vision shares resulting from the conversion of all 875 Bonds and subsequent exercise of all of the 875 Tranche Warrants	0.73%	0.69%

*: Dilutive instruments are unexercised warrants (BSA and BSPCE) as described in the 2018 Reference Document; as well as Bonds issued from the financing agreement

- on the equity per share (based on equity as of 31 December 2019 adjusted from capital increases resulting from conversion of 43 Bonds since January 1, 2020 and the number of shares comprising the Company’s share capital at the date of this press release, i.e. 24,948,074 shares):

	Share of equity per share (€)	
	Undiluted basis	Diluted basis (after all dilutive instruments in existence to date are exercised)
Before the issuance	0.165	0.269
After issuance of the new Pixium Vision shares resulting from the conversion of 125 Bonds (“Second Tranche”)	0.204	0.301
After issuance of the new Pixium Vision shares resulting from the conversion of all 875 Bonds and subsequent exercise of all of the 875 Warrants	0.378	0.443

– Prospectus

It should be noted that no prospectus subject to AMF approval will be prepared for this transaction.

⁷ Dilution and share of equity are calculated assuming a conversion price of €0.96 (based on a closing share price of €1.04 as of February 18, 2020). This dilution is not a confirmation of the final number of shares that will be issued or their issue price, which will be determined based on the market price, in accordance with the terms and conditions described in this press release.