



Pixium Vision announces the implementation of a financing of a maximum nominal amount of €30 million, and the drawdown of a first tranche of €5.5 million.

Implementation of the delegation of authority granted by the 6th resolution of the Combined General Meeting of April 19, 2022

- Financing to support the PRIMAvera pivotal study and further development of the Prima system
- Issuance of 550 Notes under the First Tranche
- Subsequent drawdowns possible depending on financing needs (beyond the Second and Third Tranches)
- Cash runway extended through the first quarter of 2023 with the drawdown of the First Tranche

Paris, July 14, 2022 - 7:00 am CEST- Pixium Vision (Euronext Growth Paris - FR0011950641 - Mnemo: ALPIX), a bioelectronics company that develops innovative bionic vision systems to enable patients who have lost their sight to live more independent lives, announces that it has entered into a new Convertible Note financing agreement with US-based investor specializing in healthcare, European Select Growth Opportunities Fund (the "**Investor**" or "**ESGO**") on July 13, 2022, a maximum nominal amount of €30 million of notes redeemable in cash and/or new shares (the "**Notes**"), without interest and without share warrants, over a maximum period of 36 months.

This financial transaction extends Pixium Vision's cash runway through the first quarter of 2023 after the issuance of the First Tranche of a nominal amount of 5.5 million euros.

" We welcome this financing agreement and the trust ESGO has placed in us for the second time. With this flexible financing instrument, which significantly strengthens our financial outlook, we will continue to advance our pivotal PRIMAvera study and advance the development of our Prima System," said **Lloyd Diamond, Chief Executive Officer of Pixium Vision.**

Objectives of this financing transaction

- To secure financing of the PRIMAvera study and to complete patient enrollment for this study and the feasibility study in the United States;
- To prepare the next steps in the development of the Prima System.

General description of the financing transaction

The transaction will result in the issuance of several tranches of Notes to the Investor, at the discretion of the Company and the Investor (with the exception of the first three tranches representing a total amount of €9.5 million) subject to certain conditions described below, and subject to compliance with certain conditions, for a maximum nominal amount of €30 million over a period of 36 months, it being specified that:

- The Notes will have a nominal value of €10,000 each, with a maturity of 12 months from the date of issue, will be subscribed at 96% of par and will not bear interest;
- The first tranche of the Notes, for a nominal amount of €5.5 million, was issued by the Company and subscribed by the Investor on July 13, 2022 (the "**First Tranche**")¹ ;
- The other tranches of Notes are divided into two tranches of € 2,000,000 each (the "**Second and Third Tranches**") and the subsequent Tranches of €1,000,000 each (unless Pixium Vision and the Investor modify the amount) which will be issued by Pixium Vision upon exercise of Tranche warrants (the "**Tranche Warrants**") by the Investor, it being specified that 1,225 Tranche Warrants were issued by Pixium Vision and subscribed by the Investor on July 13, 2022. The balance of the Tranche Warrants, i.e. 1,225 Tranche Warrants, will be issued by Pixium Vision at the latest on the date of the drawdown request (*Request*) relating to the exercise of the last Tranche Warrants issued July 13, 2022² .

It is not the policy of the Investor to participate in the governance of the companies in which it invests, and consequently does not intend to seek representation within the governance of Pixium Vision . Furthermore, the Investor does not intend to remain a shareholder of Pixium Vision on a long-term basis. The shares resulting from the conversion of the Notes are intended to be sold in the short term on the market.

The Investor will have the option of requesting Pixium Vision to exercise the Tranche Warrants, at its sole discretion and subject to compliance with certain conditions, up to a maximum nominal amount of Notes of €2,000,000.

Pixium Vision will have the option of early termination of the financing without penalty only in the following events:

- (i) provided that the financing has been drawn down to a total of €12 million;
- (ii) in the event of the issuance of shares represented by *American Depositary Shares* and/or *American Depositary Receipts* in connection with the listing of shares to trading on a foreign stock exchange;
- (iii) in the event of a change in control;
- (iv) if it is impossible to drawdown the Second and/or Third Tranches, given certain price condition.

In the event that Pixium Vision obtains financing in the form of debt, equity-linked or equity financing, and subject to certain exceptions related in particular to the amount received by Pixium Vision, the Investor may request that Pixium Vision allocate up to 30% of the proceeds of such financing to the redemption of up to 50% of the outstanding Notes.

¹ It is specified that the Company will receive a net amount of € 4,615,000 corresponding to the subscription price of the First Tranche (i.e. 96% of the total nominal amount), i.e. €5,280,000 reduced by (i) € 165,000 Commitment Fee, and (ii) the receivable held by the Investor against the Company corresponding to the balance of the bond loan granted by the Investor to the Company under the terms of an issuance agreement entered into on November 5, 2019 corresponding to 50 ORNAN 2019 with a par value of €10,000 which expired on May 13, 2022, i.e. €500,000.

² Either by using delegations of authority granted by the Combined General Meeting of April 19, 2022, or by using delegations of authority that may be requested from shareholders in the future.

In the case of an event of default³, at the request of the Investor, Pixium Vision shall redeem the nominal amount of the outstanding Notes at 109% of their value or the Notes shall be converted at a price equal to 80% of the lowest of the volume-weighted average daily trading prices of Pixium Vision's shares on the trading days during which the Investor has not sold any shares of Pixium Vision in the market, among the 10 trading days immediately preceding the date of receipt of a conversion notice by Pixium Vision.

Each Tranche of Notes will give rise to the payment in cash of a commitment fee representing 3% of the nominal amount of each Tranche of Notes subscribed, deducted from the amount to be received by Pixium Vision in respect of each Tranche subscribed.

For information purposes, the interest of a shareholder holding 1% of Pixium Vision share capital prior to the capital increase that would result from the issuance of new shares upon conversion of the Notes, will amount to 0.62% assuming that all 550 Notes issued on July 13, 2022 and all 1,225 Notes resulting from 1,225 Tranches Warrants issued on July 13, 2022 would be redeemed exclusively in new shares⁴.

In the event of a conversion request by the Investor, the Notes may also, at Pixium Vision's option, be redeemed in cash and thus not have a dilutive impact on Pixium Vision's shareholders.

The characteristics of the Notes and the detailed terms and conditions of the transaction are set out below in the Annex and will also be available on Pixium Vision's website.

It should be noted that no shares warrants are attached to the Notes.

Moreover, this financing does not give rise to the granting by Pixium Vision of any other guarantee or security to the Investor.

Indicative timetable of the financing transaction

<p><u>July 13, 2022</u></p>	<p>Signature of the issuance agreement by Pixium Vision and the Investor</p> <p>Issuance by Pixium Vision of the First Tranche of Notes (€5.5 million) and 1,225 Tranche Warrants</p> <p>Subscription of the First Tranche of Notes and of 1,225 Tranche Warrants by the Investor</p> <p>Publication of the press release</p>
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³ Events of default include, in particular, failure to repay the Notes loan at maturity, failure to convene a shareholders' general meeting in breach of the terms of the Agreement, breach by Pixium Vision of its obligations under the Agreement, failure to issue new shares resulting from conversion requests, suspension or delisting of the Pixium Vision share, failure to repay existing debts, cessation of business, disposal or transfer of its main assets which has not been remedied within 5 calendar days.

⁴ Dilution is calculated assuming (i) an hypothesis of conversion price of €0.4940 (based on the closing price of July 13, 2022, which is set at €0.52) and (ii) after deduction of the 3% commission, representing 35,931,174 new shares. This dilution is without prejudice to the final number of shares to be issued and their issue price, which will be determined on the basis of the market price, pursuant to the terms and conditions as described in this press release.

<u>July 13, 2022 + 70 calendar days</u>	Drawdown of the Second Tranche of Notes of €2 million ⁵
<u>July 13, 2022 + 140 calendar days</u>	Drawdown of the Third Tranche of Notes of €2 million ⁵
<u>July 13, 2022 + 280 calendar days</u>	Drawdown of subsequent Tranches of Notes ^{5 6}

⁵ Unless the parties agree to proceed with the drawdown before the date indicated and subject to the fulfilment of the conditions allowing the drawdown mentioned below.

⁶ At the request of the Company and with a minimum of 30 days between each tranche (unless a shorter period is agreed between the Company and the Investor)

About Pixium Vision

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.

Forward-Looking Statements. This press release contains certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated. For a discussion of risks and uncertainties which could cause the Company's actual results, financial condition, performance or achievements to differ from those contained in the forward looking statements, please refer to the Risk Factors ("*Facteurs de Risques*") section of the Company's 2021 Half-Year Financial Report and other documents the Company files with the AMF, which is available on the AMF website (www.amf-france.org) or on the Company's website.

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

Follow us on [@PixiumVision](https://twitter.com/PixiumVision); www.facebook.com/pixiumvision

[Linkedin www.linkedin.com/company/pixium-vision](https://www.linkedin.com/company/pixium-vision)



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

Pixium Vision shares are eligible for investment vehicles with tax incentives PEA-PME and FCPI.

Pixium Vision is included in the Euronext GROWTH ALLSHARE index.

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Annex - Characteristics and terms of the operation

– Legal framework of the operation

Under the terms of its 6th resolution, the combined general meeting of April 19, 2022, the Board of Directors obtained delegation, with the option of sub-delegation, a delegation of authority to decide on the issue, on the French and/or other international stock exchanges, of ordinary shares and/or ordinary shares to which securities giving entitlement to the allocation of other ordinary shares or debt securities are attached, and/or securities (other than shares) giving access to ordinary shares, without preferential subscription rights, for the benefit of categories of persons meeting specific characteristics in the context of the implementation of equity or Note financing.

During its meeting on July 13, 2022, the Board of Directors (i) approved the principle of a Note issue representing a convertible loan of a maximum nominal amount of €30 million over a maximum period of 36 months from the date of signature of the issuance agreement, and (ii) made use of this delegation and decided to proceed with the issuance of the First Tranche of Notes in the amount of 550 Notes and of 1,225 Tranche Warrants issued free of charge allowing the drawdown of future tranches of the Note financing (representing a total amount of €17.750 million), in accordance with the terms and conditions of the financing agreement (the "**Agreement**"). The balance of the Tranche Warrants, i.e. 1,225 Tranche Warrants, (representing a total amount of €12.250 million) will be issued by the Company at the latest on the date of the drawdown request (Request) relating to the exercise of the last Tranche Warrants issued on July 13, 2022.

The Chief Executive Officer signed the Agreement on July 13, 2022 and the First Tranche of Notes and the 1,225 Tranche Warrants were subscribed by the Investor on the same day.

– Main characteristics of the Notes⁷

Subject to compliance with certain conditions⁸, the Notes will be issued in several tranches: 550 Notes were issued on July 13, 2022.

The subscription price of the 550 Notes issued on July 13, 2022 was partially utilized to repay an amount of € 500,000 corresponding to the nominal value of the 50 Notes of the financing put in place in November 2019, which matured on May 13, 2022 and which were not converted on their maturity date.

Under the First Tranche, Pixium Vision will receive a net amount of €4,615,00.

The 550 Notes issued on July 13, 2022 and those that may be issued subsequently upon exercise of the 1,225 Tranche Warrants issued on July 13, 2022 and the Tranche Warrants that may be issued subsequently will have the same characteristics:

- The Notes will have a nominal value of € 10,000 each, with a maturity of 12 months from the date of issue, will be subscribed at 96% of par. and will not bear interest.
- The Notes will be registered in Pixium Vision's securities register and will be freely transferable to affiliates of the Investor and with the prior consent of the Company in all other cases. No application will be made for admission to trading.
- Upon conversion the Notes will entitle their holders to obtain, at the Company's discretion: (i) the allocation of new shares, and/or (ii) the allocation of an amount in cash equal to all or part of the amount requested for conversion by the Investor.

⁷ The detailed characteristics of the Bonds are available on the Company's website.

⁸ The conditions include notably the absence of a material adverse change, the absence of an event of default, the satisfaction of conditions relating to the market price and amount of the Bonds that may be held by the Investor and the number of authorized shares.

- Payment in shares:

$$N = V_n / P$$

With :

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

"Vn": corresponding to the nominal value of a Note, i.e. € 10,000;

"P": corresponding to 95% of the lowest of the volume-weighted average daily prices of the Company's shares over the trading days during which the Investor has not sold any of the Company's shares on the market, out of the 10 consecutive trading days immediately preceding the date of receipt of a conversion notice by the Company, which shall be at least equal to the Minimum Issue Price of the new shares set by the Board of Directors in accordance with the terms of the shareholders general meeting⁹ and to the nominal value of one share in the Company.

- Payment in cash:

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

With :

"M": corresponding to the cash amount to be paid;

"Vn": corresponding to the nominal value of a Note, i.e. € 10,000;

"P": 95% of the lowest of the volume-weighted average daily prices of the Company's shares on the trading days during which the Investor has not sold any shares of the Company on the market, out of the 10 consecutive trading days immediately preceding the date of receipt of a conversion notice by the Company, which shall be at least equal to the Minimum Issue Price of the new shares set by the Board of Directors in accordance with the terms of the shareholders general meeting and to the nominal value of one share of the Company ;

"C" means the volume-weighted average daily trading price of the Company's shares on the date the Company receives a conversion notice.

- The Notes that have reached maturity must be repaid by the Company to the Investor in cash.
- In the event of an event of default¹⁰, at the request of the Investor, the Company shall redeem the nominal amount of the outstanding Notes at 109% of their nominal value or the Notes shall be converted at a price equal to 80% of the lowest of the volume-weighted average daily trading prices of the Company's shares on the trading days during which the Investor did not sell any shares of the Company in the market, among the 10 consecutive trading days immediately preceding the date of receipt of a conversion notice by the Company.
- New shares resulting from the conversion of the Notes

The new shares issued upon conversion of the Notes will carry dividend rights. They will have the same rights as those attached to the existing ordinary shares of the Company and will be listed on Euronext Growth Paris.

⁹ The Board of Directors has decided that the issue price of the shares to be issued upon conversion of the Bonds shall be at least equal to the volume-weighted average of the share price over the ten (10) consecutive trading days preceding the date of determination of the issue price, potentially less a maximum discount of 30% (the "**Minimum Price**").

¹⁰ Events of default include, in particular, failure to repay the bond loan at maturity, failure to convene a shareholders general meeting in breach of the terms of the Agreement, breach by Pixium Vision of its obligations under the Agreement, failure to issue new shares resulting from conversion requests, suspension or delisting of the Pixium Vision share, failure to repay existing debts, cessation of business, disposal or transfer of its main assets which has not been remedied within 5 calendar days.

A table tracking the exercise of the Tranche Warrants and the conversion of the Notes issued in the context of the transaction will be kept up to date on the Company's website.

– Risk factors

The issuance of the First Tranche of Notes and the 1,255 Tranche ²Warrants does not significantly alter the Company's liquidity risks as described in Appendix 1 of Section 3 of its 2021 Annual Report made public on April 20, 2022. The Company reminds that although the subscriptions of the Tranches remain with the Company (except for the First to Third Tranches representing an amount of €9.5M and the right of the Investor to request for tranches representing up to €2M), this financing remains dilutive.

In particular, the Company informs the public of the existence of the following risks related to the transaction, namely (i) the risk of non-issuance of the subsequent tranches (only the First Tranche having been issued on July 13, 2022), (ii) the risk of dilution, (iii) the risk of the Pixium Vision share price and (iv) the risk related to the implementation of the penalties or indemnities provided for in the Agreement in the event of a default by the Company.

The Company draws the public's attention to the other risk factors relating to the Company and its business detailed in Appendix 1 to Section 3 of its 2021 Annual Report, available free of charge on the Company's website.

– Theoretical impact of the issuance of the Notes

For information purposes, in the event of the delivery of new shares and in the event that all of the Notes likely to be issued under the financing program are redeemed exclusively in new shares, the impact of the issuance of the Notes would be as follows¹¹ :

- on the shareholding of a shareholder currently holding 1% of the Company's share capital (based on the number of shares comprising the Company's share capital on the date of this press release, i.e. 58,695,133 shares):

	Shareholder's interest (in %)	
	Undiluted basis	Diluted basis (after exercise of all existing dilutive instruments to date)
Before issue	1,00%	0,87%
After issuance of the new Pixium Vision shares resulting from the conversion of the First Tranche of Notes (550 Notes) (representing 11,133,603 new shares)	0,84%	0,75%
After the issue of the new Pixium Vision shares resulting from the conversion of the First Tranche (550 Notes) and the conversion of the 1,225 Notes resulting from the exercise of all 1,225 Tranches Warrants issued on July 13, 2020 (representing 35,931,174 new shares)	0,62%	0,57%

¹¹ Dilution and share of equity calculated on (i) the hypothesis of a conversion price of € 0.4940 (based on the closing price of July 13, 2022, which is set at €0.52) and (ii) after deduction of the 3% commission. This dilution is without prejudice to the final number of shares to be issued and their issue price, which will be determined on the basis of exchange share price, pursuant to the terms and conditions as described in this press release.

After issuance of the new Pixium Vision shares resulting from the conversion of the entire financing (3,000 Notes) (representing 60,728,744 new shares)	0,49%	0,46%
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* : Dilutive instruments consist of BSAs, BSPCEs and options not yet exercised and described in the 2021 annual report, as well as free shares in the course of the vesting period.

- on the proportion of equity per share (based on equity at March 31, 2022 and the number of shares comprising the Company's share capital at the date of this press release, i.e. 58.695,133 shares):

	Share of equity per share (in €)	
	Undiluted basis	Diluted basis (after exercise of all existing dilutive instruments to date)*
Before issue	0,060	0,177
After issuance of the new Pixium Vision shares resulting from the conversion of the First Tranche of Notes (550 Notes) (representing 11,133,603 new shares)	0,127	0,220
After the issue of the new Pixium Vision shares resulting from the conversion of the First Tranche (550 Notes) and the conversion of the 1,225 Notes resulting from the exercise of all 1,225 Tranches Warrants issued on July 20-2020 (representing 35,931,174 new shares)	0,219	0,282
After issuance of the new Pixium Vision shares resulting from the conversion of the entire financing (3,000 Notes) (representing 60,728,744 new shares)	0,273	0,320

* : Dilutive instruments consist of BSAs, BSPCEs and options not yet exercised and described in the 2021 annual report, as well as free shares in the course of the vesting period.

- Brochure

It is specified that this transaction will not give rise to the preparation of a prospectus subject to the approval of the AMF.