EDISON

Pixium Vision

Clinical update

Encouraging signs in Prima EU feasibility study

Healthcare equipment & services

Pixium has been reporting encouraging signs of visual response and safety in the EU feasibility study for its Prima implant in recent conferences. The firm plans to report full interim data by early Q119, which, if positive, can support a regulatory filing towards an EU pivotal study, with the first implantations potentially occurring in Q319. Using a risk-adjusted NPV model, we obtain a pipeline rNPV of €88.7m, vs €90.6m previously.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/16	2.5	(12.4)	(0.98)	0.0	N/A	N/A
12/17	2.5	(13.2)	(1.00)	0.0	N/A	N/A
12/18e	2.2	(6.5)	(0.36)	0.0	N/A	N/A
12/19e	2.5	(12.5)	(0.59)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Activation achieved in all five implantations to date

Pixium completed the fifth and final Prima implantation in July 2018 as part of its EU feasibility study in advanced dry age-related macular degeneration (Dry-ARMD). All five implantations resulted in successful activations and light perception. A majority of patients have been able to identify different visual patterns and symbols, and some patients have reported visual acuity (VA) measures of up to 20/460, which is better than management anticipated. Safety measures to date suggest the implant is stable and does not impair peripheral vision. The firm believes that the demonstrated level of perception and resolution is close to the expected performance with the current pixel size of the Prima device.

EU pivotal study implantations may start in Q319

Full interim (six-month, post-implantation) data from the EU feasibility study are expected by January 2019. The data may support the design of the protocol for a larger CE Mark-enabling European pivotal study. Initial implantations as part of the EU pivotal study could start in Q319. We now estimate that 12-month EU pivotal study data will be available in H221 (from H121 previously), leading to potential EU commercialisation (CE Mark approval) in H222 (from H122 previously).

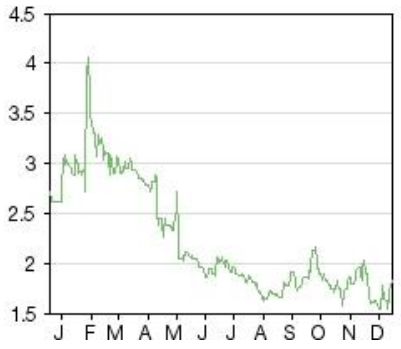
Valuation: €95.5m in equity, or €4.42 per share

Pixium reported Q318 gross cash and equivalents of €18.4m, which we believe should be sufficient for Pixium to maintain its operations into early-2020. Our model continues to estimate that Pixium will raise €20m in 2019, €30m in 2020 and €25m in 2021. As per Edison policy, we model these as debt financing. We continue to value Pixium using an rNPV approach, employing a 12.5% cost of capital and applying a 15% probability of success estimate for Prima. After rolling forward our estimates, adjusting forex assumptions and pushing back the EU Prima launch date to H222 (from H122, previously), we now obtain a pipeline rNPV (enterprise value) of €88.7m, down from €90.6m, previously. After including €6.8m in estimated net cash (inclusive of €8.2m gross debt) at 31 December 2018, we obtain an equity valuation of c €95.5m, or €4.42 per share (compared to €4.75 previously).

17 December 2018

Price	**€1.82**
Market cap	**€39m**
	$1.13/€
Net cash (€m) at 30 June 2018	8.5
Shares in issue	21.6m
Free float	49%
Code	PIX
Primary exchange	Euronext Paris
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(7.5)	(1.2)	(27.3)
Rel (local)	(2.8)	10.1	(19.4)
52-week high/low		€3.8	€1.5

Business description

Pixium Vision develops bionic vision systems for patients with severe vision loss. Its lead product, Prima, a wireless sub-retinal implant system designed for Dry-ARMD, is already in a human feasibility study in Europe and is expected to start implantations in a US feasibility study by Q119.

Next events

Interim (six-month) data from EU feasibility study	H119
Initial implantations for US feasibility study	Q119

Analysts

Pooya Hemami +1 646 653 7026

Maxim Jacobs +1 646 653 7027

healthcare@edisongroup.com

Edison profile page

Early signs of visual response in EU feasibility study

Pixium has been reporting encouraging signs of visual response and safety in the EU feasibility study for its Prima implant in recent ophthalmology and retina conferences in the US and Europe. The firm is gearing to report full interim data, including quantifiable objective end points, towards year-end 2018 or January 2019. The data, if positive, can be used to support a regulatory filing to commence an EU pivotal study in mid-2019 (the first implantations could occur in Q319), which, in our view, can support a potential EU market approval and launch in H222.

Pixium system overview

Pixium's Prima is a miniaturised photovoltaic wireless sub-retinal implant that is implanted underneath the retina in a surgical procedure that may take less than 90 minutes under local anaesthesia. The current Prima iteration under human clinical development is a 2mm x 2mm wireless chip consisting of 378 electrodes (pixels) in total, with each pixel being roughly 100 microns (0.1mm) in length and width. Each photovoltaic pixel is independently controlled and self-powered by near-infrared light projected from glasses worn by the patient (the glasses consist of a camera and digital mirror projector, which emit a near infrared light pattern through the patient's eyes, designed to be processed by the Prima pixels).

Located underneath the retina, the pixels embedded on the device aim to stimulate the patient's bipolar cells, which are located mid-stream in physiological visual signal processing. In normal visual function, photoreceptor cells (located on the outer portion of the retina, or closer to the choroid) send information to bipolar cells (located within the retina), which then relay information into retinal ganglion cells (RGCs, which are on the inner portion of the retina), and onto the brain through the optic nerve. The Pixium system is designed to restore the function of individuals whose retinal photoreceptors have been damaged by retinal disease such as severe geographic atrophy associated with Dry-ARMD. The Prima system is powered by pulsed near infrared light projected through a miniaturised projector integrated in a pair of augmented reality-like glasses (incorporating a mini-camera) worn by the patient.

Exhibit 1: Diagram of Prima including camera integrated into specialised glasses

Source: Pixium Vision presentation

EU feasibility interim data to date shows signs of perception

In late 2017, Pixium started the five-patient, single-site,[1] 36-month European feasibility study for its Prima device in patients with advanced Dry-ARMD. In January 2018, it announced the first human Prima activation as part of this feasibility study following a device implantation approximately one month previously (as per study protocol). In July 2018, Pixium announced that it had completed the fifth and final implantation, and on 30 August 2018 it confirmed that all five implantations in the EU study resulted in successful consecutive activations and light perception, including the perception of white-yellow patterns with adjustable brightness, in areas where no central vision remained prior to implantation. Following activation, all patients proceeded to the visual re-education stage of the study, implemented as per study protocol, which is intended to assist patients in interpreting the new light perception patterns emitted by Prima.

Pixium presented preliminary impressions on the Prima implantations, including initial experiences of the involved surgical technique and observations on patient responses, at recent conferences including EURETINA and the American Academy of Ophthalmology (AAO) annual meetings.

In September 2018, Pixium's medical advisory board and study investigators announced the positive review of the first clinical results of the study, which includes an assessment of the safety data and patients' performance during the first months of rehabilitation. In October 2018, Pixium indicated that the implant remains stable under the retina and the implantation procedure did not affect the residual peripheral vision. Study investigators specified that while the study was still ongoing, early results indicate that photovoltaic restoration of central vision with Prima appears to be demonstrated with overall perception and resolution being close to the expected performance with the current pixel size of the Prima device. During the training and rehabilitation follow-up visits

1 All surgical implantations at the EU feasibility study took place at the Fondation Ophtalmologique A de Rothschild/Hopital des Quinze Vingts, based in Paris, France.

to date (as of October 2018), a majority of the (five) patients were able to correctly identify different visual patterns, including letters and numbers and other symbols. Study investigators reported during the AAO 2018 meeting that some patients have reported VA measures of up to 20/460 (4.4% of the 20/20 optimal VA observed in healthy individuals), which appears to be better than management anticipated.

All together, we view these successful activations as encouraging and an early suggestion of proof-of-concept that the device can interface with retinal cells to restore some visual perception in an area where vision had been lost due to prolonged degenerative disease.

EU pivotal study implantations could start in Q319

Full interim (six-month, post-implantation) data from the EU feasibility study, which should include safety and some functional vision measures, are expected near the end of Q418 or in early January 2019. The primary end point is the elicitation of visual perception through the Prima implant as measured through micro-perimetry using the Octopus Visual Field device.

If the trends revealed to date remain positive, the study data can be used to enable the design of the protocol for a larger, multi-centre, CE Mark-enabling European pivotal study, which can proceed in parallel to the 36-month EU feasibility study (once the six-month feasibility study's interim analysis is completed). Initial implantations as part of the EU pivotal study could start in Q319.

US feasibility study to commence implantations shortly

A single-centre, five-patient US feasibility trial (PRIMA FS-US), conducted at the University of Pittsburgh Medical Center, is actively recruiting and screening potentially eligible patients. We believe the first implantations are expected to occur in early 2019. This is a few months later than originally anticipated, as US regulatory requirements limiting the amount of information the firm can disclose to prospective patients on the implant's ability to provide possible visual benefit have made recruitment more challenging. Once interim results from the European feasibility study are released in early 2019, we believe the public data (likely suggestive of visual perception provided by the implant) can be used to encourage the recruitment of patients for the US feasibility study. The study's primary end point will be elicitation of visual perception of the Prima device, while secondary end points will include VA, measured by methods such as Early Treatment Diabetic Retinopathy Study and Freiburg Visual Acuity & Contrast Test scales. Pixium believes that 12-month safety and performance data on all five patients will likely be sufficient for US regulators to allow a larger US (pilot) study to be started. We anticipate that study data from the US feasibility study would be available in H120 and that recruitment for the US pilot study can begin in H220 (vs our prior estimate of H120).

Follow-on implant could have much higher pixel densities

The current Prima iteration in clinical trials (378 electrode) uses electrodes (or 'pixels') that are individually approximately 100 microns (0.1mm) in length, but the company and its researchers have been researching higher-density chips that use smaller individual electrodes and that can hold higher electrode/pixel densities, and that can theoretically provide higher visual resolution when implanted in patients. A higher level of VA can potentially extend the market reach of Prima to patients with less severe forms of atrophic ARMD, as the current 378-electrode iteration is only appropriate for those who already have severe forms of geographic atrophy (and incoming VA of under 5%).

Using the current manufacturing process used for Prima, it may be possible to reduce the individual electrode size down to 50 or 75 microns, whereas using even smaller electrode sizes (such as 10 microns, which would result in up to 40,000 pixels for a 2mm x 2mm chip) would require a different manufacturing process.

However, using higher-density Prima chips may entail some added risk, as the activation energy thresholds required to the device to function (as emitted through the pulsed near-IR light projected by the specialised AR glasses worn by the patient) will increase, given the need to stimulate a significantly increased amount of electrodes in the implant. Furthermore, even if a Prima device can theoretically emit signals corresponding to a higher level of resolution, the ability of the patient to resolve such fine details will depend on many factors, including the precision in the communication between the Prima chip and the external projection transmitted by the glasses worn by the patient; and the efficacy and precision of communication and interfacing between retinal cells and the electrical signals emitted by the Prima chip. Hence, it is not assured that a higher-density Prima chip would necessarily provide improved vision to the patient.

Another consideration is that even if the current EU feasibility study is successful, EU regulators may require yet another feasibility trial if a higher-density Prima device iteration is to be tested, prior to permitting a registration-enabling EU pivotal study. Management is keen to bring a Prima device to commercialisation and starting yet another EU feasibility study could add another 12 months (or longer) to the commercialisation timelines and is not management's preferred approach.

Therefore, assuming the six-month data from the current EU feasibility study is positive, Pixium may discuss with regulators the possibility of using a mildly more-dense chip (with electrode lengths and widths of around 75 microns instead of 100 microns)[2] that uses the same design/manufacturing process as the current (378-pixel) iteration, for a pivotal study. However, if EU regulators require another feasibility trial for such a change, then management will continue to use the 378-electrode iteration for the pivotal study phase, as its priority is to bring a Prima device to market (and then refine the device after approval if needed).

The use of significantly smaller electrode sizes (eg below 50 microns) entailing a different manufacturing process, which would definitely require another feasibility study, is not likely to be investigated in humans until the initial Prima device reaches commercialisation.

We also highlight that Pixium is working to develop advancements in the external glasses worn by the patient. The firm anticipates that future iterations of the glasses will be integrated with improved analytics and image processing functionality that can potentially improve the artificial vision and visual perception experienced by the patient, even in patients who will have been implanted with the first-generation Prima chip.

Review of timelines for pivotal study

Once six-month data from the EU feasibility study has been attained (YE18 or early 2019), Pixium anticipates working with regulators on the design of a EU pivotal study in H119, with the aim of starting recruitment in mid-2019, with initial implantations potentially occurring before YE19. Previously, we assumed the pivotal study could commence in H119, but we now believe H219 is a more realistic estimate for initial implantations. We continue to estimate it will require 12 months of follow-up safety and efficacy data for European regulators to provide CE Mark approval.

We estimate that the EU pivotal study may require 40-60 patients. However, the true size will not be known until the current EU feasibility study is completed, as the final recruitment size for the pivotal study will likely depend upon the safety and level of visual improvement shown within the EU feasibility study.

We reiterate that to obtain CE Mark approval product safety is generally the primary consideration for regulators (it does not usually require demonstration of long-term clinical efficacy). We now estimate that 12-month data from the EU pivotal study (which we estimate is the minimum required

2 This would result in c 75–90% increases in total electrode counts compared to the 378-electrode Prima device iteration.

for approval) will be available in H221 (from H121 previously), leading to potential EU commercialisation (CE Mark approval) in H222 (from H122 previously).

Exhibit 2: Projected clinical development pathways for the EU and US

EU clinical pathway	US clinical pathway
Clinical studies needed	
1. Small-size (~5-patient) feasibility study	1. Medium-size (~30-patient) pilot study
2. Medium-size (~40-60 patient) pivotal trial	2. Larger (~60-80 patient) pivotal trial
Projected characteristics and requirements for pivotal trial	
12 months of follow-up data	18-24 months of follow-up data
Study must show product safety	Study must show safety and efficacy
Projected commercial launch timeline	
H222	2024

Source: Edison Investment Research estimates

The US regulatory pathway for medical devices is more comprehensive. Our expectation is that following the attainment of 12-month data from the current US feasibility study (likely in H120), a larger US pilot study would need to be undertaken on a larger number of subjects (we estimate approximately 30 patients in total) prior to the start of a US pivotal study. We now estimate that US recruitment for this pilot study would start in H220.

Under an ideal scenario, Pixium could potentially also include data from sites participating in the EU pivotal trial as part of the US pilot study, which would reduce the need for duplicate or overlapping studies on similar patient populations. We assume this will be the case, thus allowing for the completion of the US pilot study in H220. We assume a US registration-enabling pivotal study would then start in 2021, which we believe will likely require 60-80 subjects and 18-24 months of follow up. Hence, we continue assume the earliest possible date for US approval and launch will be 2024.

Altogether, we expect that CE Mark clearance (and EU launch) would still occur 18-24 months earlier than US pre-market approval (PMA) and launch.

Market opportunity and Prima financial forecasts

ARMD is the leading cause of blindness in adults over the age of 55 in western countries and is characterised by damage to the macular[3] region of the retina, leading to central vision loss. ARMD patients generally maintain their peripheral vision. While the exact pathophysiology is not fully understood, ARMD is believed to be caused by oxidative stress, mitochondrial dysfunction and/or inflammatory processes. There are two forms of ARMD: dry (non-exudative, accounting for 80-90% of cases) and wet (exudative). Prima is intended for instances of Dry-ARMD where there is significant central or macular retinal atrophy.

The prevalence of ARMD in adults above the age of 45 is estimated at 8.0% and late-stage ARMD (with best-corrected vision acuity of 20/200, or 10% or worse) affects about 0.4% of individuals in this age group[4] This represents about 815,000 people in Europe and 517,000 in the US. We assume that 30% of this late-stage subgroup would have sufficiently poor central vision to warrant potential consideration for Prima, and that 30% of these would meet all remaining inclusion criteria (including having the dry form of the disease with significant central retinal atrophy) and/or be suitable as potential responders (ie this considers that many of the ARMD patients are in poor general health and/or have concomitant eye diseases, such as glaucoma or poor optical media transparency, which would render them ineligible for Prima). Thus, we view the current target

[3] The macula is the central region of the retina, containing the highest density of photoreceptors compared to other regions, thus accounting for the high level of resolution and colour perception associated with the central vision

[4] Wong WL, Su X, Li X et al. Lancet Glob Health. 2014 Feb;2(2):e106-16.

ARMD treatment population for Prima as about 73,200 in Europe and 46,500 in the US. We have adjusted our estimates mildly as we now anticipate, as stated previously, the EU launch will occur in H222 (vs H122, previously). We forecast a US launch in 2024.

Exhibit 3: Financial forecasts for Prima in Dry-ARMD

	2022e	2023e	2024e	2025e	2026e	2027e
Europe						
EU population (m)	518	520	521	522	524	525
Prevalence of late ARMD in >45 age group	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Number of patients withlLate ARMD (000)	829.4	831.5	833.7	835.8	838.0	840.1
Late ARMD patients meeting all Prima eligibility criteria (000)	74.6	74.8	75.0	75.2	75.4	75.6
Prima unit sales in EU	104	811	2,020	3,393	4,694	5,288
Average revenue per treatment (€)	90,000	91,290	93,041	94,860	96,747	98,634
Total EU revenue (€000) for PRIMA-ARMD	9,403	74,075	187,981	321,895	454,155	521,540
United States						
US population (m)	342	345	347	350	353	355
Prevalence of late ARMD in >45 age group	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Number of patients with late ARMD (000)	547.6	551.7	555.9	560.0	564.2	568.5
Late ARMD patients meeting all Prima eligibility criteria (000)	49.3	49.7	50.0	50.4	50.8	51.2
Prima unit sales in US	-	-	288	1,162	2,145	3,081
Average revenue per treatment ($)	na	na	154,320	157,118	160,174	163,335
Total US revenue ($000) for PRIMA-ARMD	-	-	44,511	182,505	343,587	503,189
Assumed $/€ rate	1.13	1.13	1.13	1.13	1.13	1.13
Worldwide total revenue (€000)	9,403	74,075	227,372	483,403	758,214	966,840

Source: Edison Investment Research

As stated earlier, we anticipate that the Prima iteration to be launched will be either the current (100-micron electrode version containing 378 electrodes) version or one with slightly smaller electrodes and higher density (eg a 75-micron electrode version containing c 600 electrodes). The firm's activities on substantially smaller electrode sizes (eg around 10 microns) carrying tens of thousands of total electrodes are more likely to be explored for a potential follow-on product and are not included in our forecasts. In an ideal and optimal scenario, once the first Prima iteration reaches the market, a next-generation Prima carrying tens of thousands of electrodes could theoretically deliver VA levels in the 25-50% range (20/80 to 20/40), which could make it potentially useable in a substantially larger segment of the Dry-ARMD population (that we anticipate for the current Prima iteration).

Financials

On 25 October 2018, Pixium provided an update on the status of its balance sheet and yearly cash burn rate through to 30 September 2018. It reported Q318 gross cash and equivalents of €18.4m, and a 9M18 operating cash burn rate of €5.24m, down 38% y-o-y. Costs were lower than the prior year period given that for most of 2017, Pixium had also been advancing the earlier-generation Iris II implant, which was halted to prioritise its resources on Prima. The company also announced that it received €2.1m in Q318 as part of a research tax credit (vs €1.7m in Q317).

Pixium's monthly average burn rate was c €0.6m in 9M18, and we expect a comparable rate through H119. Although we also expect that the burn rate will increase in H219 once the EU pivotal study for Prima commences, we believe that Pixium's funds on hand should be sufficient for the company to maintain its operations and fund its Prima strategy into early 2020.

The firm reported €8.2m in total gross debt on 30 June 2018 (€1.6m in conditional advances and €6.6m in long-term debt) and €16.7m in gross cash. While it did not provide a formal Q318 balance sheet, we forecast Q418e net cash of €6.8m.

With the start the EU pivotal study pushed into H219 (vs our prior estimate of H119), we have lowered our 2019 R&D expense assumption to €10.5m (from €15.0m). We now forecast 2018 and

2019 operating cash burn rates (excluding net interest) of €7.3m and €12.5m respectively, versus our prior estimates of €7.9m and €17.1m respectively.

We anticipate Pixium will seek to raise funds, likely in Q219 or mid-2019, in order to expand its financial runway to fund the EU pivotal study. Our model continues to estimate that Pixium will raise €20m in 2019, €30m in 2020 and €25m in 2021. As per usual Edison policy, our model assumes these sources will be in debt. We forecast that all this funding should enable Pixium to complete the registration-enabling Prima clinical studies in the EU to reach commercialisation in Europe. In addition, positive cash flows resulting from EU sales should enable the completion of the US pivotal study. We assume that Pixium will only start to become cash flow positive on a sustainable basis once Prima is launched (in H222).

Valuation

We continue to value Pixium using an rNPV approach, employing a 12.5% cost of capital. Our valuation is based solely on the Prima opportunity in Dry-ARMD. We continue to apply a probability of success estimate for Prima-ARMD in our model of 15%. We have also adjusted our forex assumptions for US sales, by using a spot rate of $1.13/€ vs $1.16/€ previously.

After rolling forward our estimates and pushing back the EU Prima launch date to H222 (from H122, previously), we now obtain a pipeline rNPV (enterprise value) of €88.7m, down from €90.6m previously. After including €6.8m in estimated net cash at 31 December 2018, we obtain an equity valuation of c €95.5m, or €4.42 per share (compared to €4.75 previously). The lower per-share valuation is also due to the increase in share count from our 9 August 2018 research note (21.6m as of 30 November 2018, compared to 20.9m in our prior report).

Exhibit 4: Pixium Vision rNPV assumptions

Product contributions (net of R&D and Marketing costs)	Indication	Status	rNPV (€m)	rNPV/share (€)	Probability of success	Launch year	Peak WW sales (€m)
Prima (net of R&D and marketing costs)	Age-related Macular degeneration	Human feasibility trials	170.1	7.87	15.00%	H222 in EU and 2024 in US	1,064 in 2028
Corporate costs & expenses							
G&A expenses			(17.8)	(0.82)			
Net capex, NWC & taxes			(63.6)	(2.95)			
Total rNPV			88.7	4.10			
Net cash/(debt) (Q418e)			6.8	0.32			
Total equity value			95.5	4.42			
FD shares outstanding (000) (Q418e)			21,606				

Source: Edison Investment Research

Exhibit 5: Financial summary

€(000)	2015	2016	2017	2018e	2019e	2020e
31-December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS						
Revenue	3,296	2,516	2,535	2,163	2,500	0
Cost of Sales	0	(141)	(1,254)	(37)	0	0
General & Administrative	(2,680)	(2,953)	(4,526)	(1,869)	(1,842)	(3,600)
Research & Development	(15,169)	(10,869)	(8,486)	(6,049)	(10,500)	(16,000)
EBITDA	(14,552)	(11,448)	(11,397)	(5,792)	(9,842)	(19,600)
Depreciation	(1,144)	(1,051)	(936)	(931)	(870)	(863)
Amortization	0	0	0	0	0	0
Operating Profit (before exceptionals)	(15,697)	(12,499)	(12,333)	(6,723)	(10,712)	(20,463)
Exceptionals	0	0	0	0	0	0
Other	0	0	0	0	0	0
Operating Profit	(15,697)	(12,499)	(12,333)	(6,723)	(10,712)	(20,463)
Net Interest	52	58	(876)	236	(1,768)	(4,538)
Profit Before Tax (norm)	(15,644)	(12,441)	(13,208)	(6,487)	(12,480)	(25,002)
Profit Before Tax (FRS 3)	(15,644)	(12,441)	(13,208)	(6,487)	(12,480)	(25,002)
Tax	0	0	0	0	0	0
Profit After Tax and minority interests (norm)	(15,644)	(12,441)	(13,208)	(6,487)	(12,480)	(25,002)
Profit After Tax and minority interests (FRS 3)	(15,644)	(12,441)	(13,208)	(6,487)	(12,480)	(25,002)
Average Number of Shares Outstanding (m)	12.7	12.7	13.3	17.9	21.3	20.8
EPS - normalised (€)	(1.23)	(0.98)	(1.00)	(0.36)	(0.59)	(1.20)
EPS - normalised and fully diluted (€)	(1.23)	(0.98)	(1.00)	(0.36)	(0.59)	(1.20)
EPS - (IFRS) (€)	(1.23)	(0.98)	(1.00)	(0.36)	(0.59)	(1.20)
Dividend per share (€)	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET						
Fixed Assets	11,087	10,184	9,649	8,721	8,651	10,187
Intangible Assets	8,822	8,205	7,680	7,417	7,417	7,417
Tangible Assets	2,265	1,979	1,970	1,304	1,234	2,770
Current Assets	27,682	17,405	14,241	18,643	23,615	25,652
Short-term investments	0	0	0	0	0	0
Cash	24,354	14,244	10,532	15,050	20,022	22,060
Other	3,328	3,161	3,710	3,592	3,592	3,592
Current Liabilities	(3,498)	(2,836)	(2,752)	(2,030)	(807)	(807)
Creditors	(3,498)	(2,836)	(2,752)	(2,030)	(807)	(807)
Short term borrowings	0	0	0	0	0	0
Long Term Liabilities	(315)	(1,505)	(9,302)	(8,368)	(28,368)	(58,368)
Long term borrowings	(164)	(1,333)	(9,130)	(8,211)	(28,211)	(58,211)
Other long term liabilities	(151)	(172)	(172)	(157)	(157)	(157)
Net Assets	34,956	23,248	11,836	16,966	3,090	(23,336)
CASH FLOW						
Operating Cash Flow	(15,584)	(11,188)	(10,605)	(7,307)	(12,461)	(21,024)
Net Interest	52	58	(876)	236	(1,768)	(4,538)
Tax	0	0	0	0	0	0
Capex	(2,106)	(148)	(191)	(70)	(800)	(2,400)
Acquisitions/disposals	0	0	0	0	0	0
Financing	56	(0)	519	12,930	0	0
Net Cash Flow	(17,582)	(11,279)	(11,153)	5,789	(15,028)	(27,963)
Opening net debt/(cash)	(41,965)	(24,190)	(12,911)	(1,401)	(6,839)	8,189
HP finance leases initiated	0	0	0	0	0	0
Other	(193)	(0)	(357)	(351)	0	0
Closing net debt/(cash)	(24,190)	(12,911)	(1,401)	(6,839)	8,189	36,152

Source: Pixium accounts, Edison Investment Research

General disclaimer and copyright

This report has been commissioned by Pixium Vision and prepared and issued by Edison, in consideration of a fee payable by Pixium Vision. Edison Investment Research standard fees are £49,500 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the Edison analyst at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Myonlineadvisers Pty Ltd who holds an Australian Financial Services Licence (Number: 427484). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

Neither this document and associated email (together, the "Communication") constitutes or form part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Any decision to purchase shares in the Company in the proposed placing should be made solely on the basis of the information to be contained in the admission document to be published in connection therewith.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document (nor will such persons be able to purchase shares in the placing).

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

The Investment Research is a publication distributed in the United States by Edison Investment Research, Inc. Edison Investment Research, Inc. is registered as an investment adviser with the Securities and Exchange Commission. Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a) (11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
295 Madison Avenue, 18th Floor
10017, New York
US

Sydney +61 (0)2 8249 8342
Level 4, Office 1205
95 Pitt Street, Sydney
NSW 2000, Australia