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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: September 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

COMMISSION FILE NUMBER: 001-38365

EYENOVIA, INC.

(Exact name of Registrant as Specified in Its Charter)

DELAWARE	**47-1178401**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
295 Madison Avenue, Suite 2400 NEW YORK, NY	**10017**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (917) 289-1117

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 Par Value	EYEN	Nasdaq Capital Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any news or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The number of outstanding shares of the registrant's common stock was 28,398,789 as of November 10, 2021.

EYENOVIA, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2021

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

EYENOVIA, INC.

Condensed Balance Sheets

	September 30, 2021 (unaudited)	December 31, 2020
Assets		
Current Assets:		
Cash and cash equivalents	$ 13,500,871	$ 28,371,828
Restricted cash	7,875,000	—
Deferred license costs	—	1,600,000
License fee and expense reimbursements receivables	960,180	2,966,039
Prepaid expenses and other current assets	1,123,289	453,478
Total Current Assets	23,459,340	33,391,345
Property and equipment, net	1,413,201	396,380
Security deposit	119,035	119,035
Total Assets	$ 24,991,576	$ 33,906,760
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 1,684,733	$ 1,461,665
Accrued compensation	1,184,236	1,150,672
Accrued expenses and other current liabilities	552,336	1,480,692
Deferred rent - current portion	16,037	7,809
Deferred license fee	10,000,000	14,000,000
Notes payable - current portion	7,282,037	97,539
Total Current Liabilities	20,719,379	18,198,377
Deferred rent - non-current portion	26,059	38,684
Notes payable - non-current portion	—	365,814
Total Liabilities	20,745,438	18,602,875
Commitments and contingencies (Note 7)		
Stockholders' Equity:		
Preferred stock, $0.0001 par value, 6,000,000 shares authorized; 0 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	—	—
Common stock, $0.0001 par value, 90,000,000 shares authorized; 25,963,185 and 24,978,585 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	2,597	2,498
Additional paid-in capital	97,446,125	92,742,306
Accumulated deficit	(93,202,584)	(77,440,919)
Total Stockholders' Equity	4,246,138	15,303,885
Total Liabilities and Stockholders' Equity	$ 24,991,576	$ 33,906,760

The accompanying notes are an integral part of these condensed financial statements.

EYENOVIA, INC.

Condensed Statements of Operations
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Operating Income				
Revenue	$ —	$ —	$ 4,000,000	$ —
Cost of revenue	—	—	(1,600,000)	—
Gross Profit	—	—	2,400,000	—
Operating Expenses:				
Research and development	3,470,188	3,363,759	11,334,296	9,913,296
General and administrative	2,435,141	1,728,366	7,082,659	5,669,311
Total Operating Expenses	5,905,329	5,092,125	18,416,955	15,582,607
Loss From Operations	(5,905,329)	(5,092,125)	(16,016,955)	(15,582,607)
Other Income (Expense):				
Small Business Administration Economic Injury Disaster Grant	—	—	—	10,000
Extinguishment of PPP 7(a) loan	463,353	—	463,353	—
Other expense	(8,010)	—	(8,010)	—
Interest expense	(119,212)	(4,945)	(202,407)	(14,977)
Interest income	600	540	2,354	24,579
Net Loss	$ (5,568,598)	$ (5,096,530)	$ (15,761,665)	$ (15,563,005)
Net Loss Per Share				
- Basic and Diluted	$ (0.21)	$ (0.23)	$ (0.61)	$ (0.79)
Weighted Average Number of Common Shares Outstanding				
- Basic and Diluted	26,053,532	22,206,195	25,773,098	19,802,999

The accompanying notes are an integral part of these condensed financial statements.

EYENOVIA, INC.

Condensed Statements of Changes in Stockholders' Equity
(unaudited)

	For the Three and Nine Months Ended September 30, 2021				
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance - January 1, 2021	24,978,585	$ 2,498	$ 92,742,306	$ (77,440,919)	$ 15,303,885
Exercise of stock warrants	644,992	65	1,530,925	—	1,530,990
Stock-based compensation	—	—	656,913	—	656,913
Net loss	—	—	—	(5,351,667)	(5,351,667)
Balance - March 31, 2021	25,623,577	2,563	94,930,144	(82,792,586)	12,140,121
Exercise of stock warrants	232,022	23	572,978	—	573,001
Exercise of stock options	91,047	9	130,081	—	130,090
Issuance of SVB warrants [1]	—	—	351,390	—	351,390
Stock-based compensation	—	—	637,355	—	637,355
Net loss	—	—	—	(4,841,400)	(4,841,400)
Balance - June 30, 2021	25,946,646	2,595	96,621,948	(87,633,986)	8,990,557
Exercise of stock options	16,539	2	46,710	—	46,712
Stock-based compensation	—	—	777,467	—	777,467
Net loss	—	—	—	(5,568,598)	(5,568,598)
Balance - September 30, 2021	25,963,185	$ 2,597	$ 97,446,125	$ (93,202,584)	$ 4,246,138

[1] Allocated fair value of warrants of $354,539, less allocated issuance costs of $3,149.

EYENOVIA, INC.

Condensed Statements of Changes in Stockholders' Equity (Continued)
(unaudited)

	For the Three and Nine Months Ended September 30, 2020				
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance - January 1, 2020	17,100,726	$ 1,710	$ 69,409,949	$ (57,671,052)	$ 11,740,607
Issuance of common stock and warrants in private placement [1]	2,675,293	267	5,451,475	—	5,451,742
Stock-based compensation	—	—	583,865	—	583,865
Net loss	—	—	—	(5,450,910)	(5,450,910)
Balance - March 31, 2020	19,776,019	1,977	75,445,289	(63,121,962)	12,325,304
Exercise of stock warrants	167,664	17	376,404	—	376,421
Stock-based compensation	—	—	633,146	—	633,146
Net loss	—	—	—	(5,015,565)	(5,015,565)
Balance -June 30, 2020	19,943,683	1,994	76,454,839	(68,137,527)	8,319,306
Issuance of common stock in public offering [2]	3,833,334	383	12,495,325	—	12,495,708
Exercise of stock warrants	1,080,497	108	2,269,562	—	2,269,670
Exercise of stock options	26,737	3	52,134	—	52,137
Stock-based compensation	—	—	609,930	—	609,930
Net loss	—	—	—	(5,096,530)	(5,096,530)
Balance – September 30, 2020	24,884,251	$ 2,488	$ 91,881,790	$ (73,234,057)	$ 18,650,221

[1] Includes gross proceeds of $5,984,931, less total issuance costs of $533,189.
[2] Includes gross proceeds of $13,800,002, less total issuance costs of $1,304,294.

The accompanying notes are an integral part of these condensed financial statements.

EYENOVIA, INC.

Condensed Statements of Cash Flows
(unaudited)

	For the Nine Months Ended September 30,	
	2021	**2020**
Cash Flows From Operating Activities		
Net loss	$ (15,761,665)	$ (15,563,005)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property and equipment	148,245	71,628
Amortization of debt discount	41,944	—
Extinguishment of PPP 7(a) Loan	(463,353)	—
Stock-based compensation	2,071,735	1,826,941
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	35,549	(231,194)
License fee and expense reimbursements receivables	2,005,859	—
Deferred license costs	1,600,000	(1,600,000)
Accounts payable	223,068	(76,596)
Accrued compensation	33,564	(172,318)
Accrued expenses and other current liabilities	(928,356)	(106,471)
Deferred license fee	(4,000,000)	4,000,000
Security deposit	—	(1,235)
Deferred rent	(4,397)	(1,119)
Net Cash Used In Operating Activities	(14,997,807)	(11,853,369)
Cash Flows From Investing Activities		
Purchases of property and equipment	(1,165,066)	(202,046)
Net Cash Used In Investing Activities	(1,165,066)	(202,046)
Cash Flows From Financing Activities		
Proceeds from sale of common stock and warrants in private placement [1]	—	5,569,136
Proceeds from sale of common stock in public offering [2]	—	12,734,002
Proceeds from exercise of stock warrants	2,103,991	2,646,091
Proceeds from PPP 7(a) Loan	—	463,353
Proceeds from SVB loan	7,500,000	—
Repayments of notes payable	(547,259)	(368,289)
Payment of offering issuance costs	—	(329,038)
Payment of loan issuance costs	(66,618)	—
Proceeds from exercise of stock options	176,802	52,137
Net Cash Provided By Financing Activities	9,166,916	20,767,392
Net (Decrease) Increase in Cash and Cash Equivalents	(6,995,957)	8,711,977
Cash and cash equivalents - Beginning of Period	28,371,828	14,152,601
Cash and cash equivalents - End of Period	$ 21,375,871	$ 22,864,578

[1] Includes gross proceeds of $5,984,931, less issuance costs of $415,795 deducted directly from the private placement.
[2] Includes gross proceeds of $13,800,002, less issuance costs of $1,066,000 deducted directly from the offering proceeds.

EYENOVIA, INC.

Condensed Statements of Cash Flows (Continued)
(unaudited)

Cash and restricted cash consisted of the following:		
Cash	$ 13,500,871	$ 22,864,578
Restricted cash	7,875,000	—
	$ 21,375,871	$ 22,864,578
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the periods for:		
Interest	$ 131,839	$ 7,961
Income taxes	$ —	$ —
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Accrual of public offering costs	$ —	$ (26,650)
Purchase of insurance premium financed by note payable	$ (705,360)	$ (475,216)
Issuance of SVB stock warrants	$ (351,390)	$ —

The accompanying notes are an integral part of these condensed financial statements.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Note 1 – Business Organization, Nature of Operations and Basis of Presentation

Eyenovia, Inc. ("Eyenovia" or the "Company") is a clinical stage ophthalmic biopharmaceutical company developing a pipeline of microdose array print (MAP™) therapeutics. Eyenovia aims to achieve clinical microdosing of next-generation formulations of well-established ophthalmic pharmaceutical agents using its high-precision targeted ocular delivery system branded the Optejet®, which has the potential to replace conventional eye dropper delivery and improve safety, tolerability, patient compliance and topical delivery success for ophthalmic eye treatments. In the clinic, the Optejet has demonstrated the ability to horizontally deliver ophthalmic medication with a success rate significantly higher than that of traditional eye drops (~ 90% vs. ~ 50%). Using its proprietary delivery technology, Eyenovia is developing the next generation of smart ophthalmic therapies which target new indications or new combinations where there are currently no comparable drug therapies approved by the U.S. Food and Drug Administration (the "FDA"). Eyenovia's microdose therapeutics follow the FDA-designated pharmaceutical registration and regulatory process.

On October 25, 2021, the Company announced the reclassification of the Company's proprietary, first-in-class combination microdose formulation of tropicamide and phenylephrine for in-office pupil dilation, ("MydCombi" or "MicroStat") as a drug-device combination product by the FDA in a Complete Response Letter ("CRL") received on October 22, 2021, following a change in the agency's legal interpretation of its authorities imposed by a recent court ruling. The Company is preparing the necessary documents for expedited resubmission of the new drug application for MydCombi in response to the CRL. The Company believes that its other product candidates will similarly be classified by the FDA as drug-led combination products that would be subject to marketing approval via new drug applications.

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required by U.S. GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the condensed financial statements of the Company as of September 30, 2021 and for the three and nine months ended September 30, 2021 and 2020. The results of operations for the three and nine months ended September 30, 2021 are not necessarily indicative of the operating results for the full year ending December 31, 2021 or any other period. These unaudited condensed financial statements should be read in conjunction with the audited financial statements and related disclosures of the Company as of December 31, 2020 and for the year then ended, which were included in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 30, 2021.

Note 2 – Summary of Significant Accounting Policies

Since the date of the Company's Annual Report on Form 10-K for the year ended December 31, 2020, there have been no material changes to the Company's significant accounting policies, except as disclosed below.

Liquidity and Going Concern

As of September 30, 2021, the Company had unrestricted cash and cash equivalents of approximately $13.5 million and an accumulated deficit of approximately $93.2 million. For the nine months ended September 30, 2021 and 2020, the Company incurred net losses of approximately $15.8 million and $15.6 million, respectively, and used cash in operations of approximately $15.0 million and $11.9 million, respectively. Pursuant to the At-The-Market Offering (see Note 9 – Stockholders' Equity – At-The-Market Offering and Note 11 – Subsequent Events – At-The-Market Offering), the Company commenced sales of its common stock on October 6, 2021. As of the filing date, the Company has received approximately $12.8 million in gross proceeds and $12.4 million in net proceeds from the sale of 2,435,604 shares of its common stock. The Company does not have recurring revenue and has not yet achieved profitability. The Company expects to continue to incur cash outflows from operations. The Company expects that its research and development and general and administrative expenses will continue to increase and, as a result, it will eventually need to generate significant product revenues to achieve profitability. These circumstances raise substantial doubt about the Company's ability to continue as a going concern for at least one year from the date that these financial statements are issued. Implementation of the Company's plans and its ability to continue as a going concern will depend upon the Company's ability to generate sufficient recurring revenues or the Company's ability to raise further capital, through the sale of additional equity or debt securities or otherwise, to support its future operations.

The Company's operating needs include the planned costs to operate its business, including amounts required to fund working capital and capital expenditures. The Company's future capital requirements and the adequacy of its available funds will depend on many factors, including the Company's ability to successfully commercialize its products and services, competing technological and market

developments, and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement its product and service offerings. If the Company is unable to generate sufficient recurring revenues or secure additional capital, it may be required to curtail its research and development initiatives and take additional measures to reduce costs in order to conserve its cash.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents in the financial statements.

Cash and cash equivalents that are restricted as to withdrawal or use under the terms of certain executed agreements are recorded as Restricted Cash on the balance sheets, such as the collateralized money market account pursuant to the Loan and Security Agreement, dated May 7, 2021 with Silicon Valley Bank ("SVB"), as amended on September 29, 2021 by the First Amendment to the Loan and Security Agreement. See Note 6 - Notes Payable - Silicon Valley Bank Loan. In connection with which the Company pledged to establish and maintain a collateralized money market account in the amount of $7,875,000.

The Company has cash deposits in a financial institution which, at times, may be in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits. The Company has not experienced losses in such accounts and periodically evaluates the creditworthiness of its financial institutions. As of September 30, 2021 and December 31, 2020, the Company had cash balances in excess of FDIC insurance limits of $21,125,871 and $28,121,828, respectively.

Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period, plus weighted average vested but unsettled restricted stock units. Diluted earnings per share reflects the potential dilution that could occur if securities or other instruments to issue common stock were exercised or converted into common stock.

The following securities are excluded from the calculation of weighted average diluted common shares because their inclusion would have been anti-dilutive:

	September 30,	
	2021	2020
Options	4,305,980	3,410,540
Warrants	1,226,183	2,095,993
Total potentially dilutive shares	5,532,163	5,506,533

Revenue Recognition

Our revenues are generated primarily through research, development and commercialization agreements. The terms of such agreements may contain multiple promised goods and services, which may include (i) licenses to our intellectual property, and (ii) in certain cases, payment in connection with the manufacturing and delivery of clinical supply materials. Payments to us under these arrangements typically include one or more of the following: non-refundable, upfront license fees; milestone payments; payments for clinical product supply, and royalties on future product sales.

We analyze our arrangements to assess whether such arrangements involve joint operating activities. For collaboration arrangements that are deemed to be within the scope of Accounting Standards Codification ("ASC") Topic 808, "Collaborative Arrangements" ("ASC 808"), we allocate the contract consideration between such joint operating activities and elements that are reflective of a vendor-customer relationship and, therefore, within the scope of ASC Topic 606, "Revenue from Contracts with Customers" ("ASC 606"). Our policy is to recognize amounts allocated to joint operating activities as a reduction in research and development expense.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Under ASC 606, we recognize revenue when our customers obtain control of promised goods or services, in an amount that reflects the consideration which we expect to receive in exchange for those goods or services. To determine revenue recognition for arrangements that we determine are within the scope of ASC 606, we perform the following five steps:

- Step 1: Identify the contract with the customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when the company satisfies a performance obligation.

We must make significant judgments in our revenue recognition process, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each performance obligation. In addition, arrangements that include rights to additional goods or services that are exercisable at a customer's discretion are generally considered discretionary purchase options. We assess if these options provide a material right to the customer and if so, they are considered performance obligations.

For upfront license fees, we must consider how many performance obligations are in the contract and, if more than one, how to allocate the fee to those performance obligations upon satisfaction of the performance obligation(s). Milestone payments represent variable consideration that will be recognized when the performance obligation is achieved. Sales-based royalty payments derived from usage of intellectual property are recognized when those sales occur.

During 2020, the Company entered into a license agreement (the "Arctic Vision License Agreement") with Arctic Vision (Hong Kong) Limited ("Arctic Vision") and a license agreement (the "Bausch License Agreement") with Bausch Health Companies, Inc. ("Bausch Health"). Each license has three revenue components: 1) an upfront license fee; 2) milestone payments; and 3) royalty payments. See Note 7 – Commitments and Contingencies for additional details.

Recently Adopted Accounting Standards

In August 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-13 "Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13"). The amendments in ASU 2018-13 modify the disclosure requirements on fair value measurements based on the concepts in the FASB Concepts Statement, including the consideration of costs and benefits. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The amendments are effective for fiscal years beginning after December 15, 2020. The Company adopted ASU 2018-13 effective January 1, 2021. This standard did not have a material impact on the Company's financial position, results of operations or cash flow.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02 "Leases (Topic 842)" ("ASU 2016-02"). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02, as amended, is now effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The FASB issued ASU No. 2019-01 "Leases (Topic 842) Codification Improvements" in March 2019 and ASU No. 2018-10 "Codification Improvements to Topic 842, Leases" and ASU No. 2018-11 "Leases (Topic 842) Targeted Improvements" in July 2018, and ASU No.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

2018-20 “Leases (Topic 842) - Narrow Scope Improvements for Lessors” in December 2018. ASU 2019-01, ASU 2018-10 and ASU 2018-20 provide certain amendments that affect narrow aspects of the guidance issued in ASU 2016-02. ASU 2018-11 allows all entities adopting ASU 2016-02 to choose an additional (and optional) transition method of adoption, under which an entity initially applies the new leases standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The Company is currently evaluating ASU 2016-02 and its impact on its financial position, results of operations, and cash flows.

On May 3, 2021, the Financial Accounting Standards Board (the “FASB”) issued ASU No. 2021-04, “Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options.” This new standard provides clarification and reduces diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (such as warrants) that remain equity classified after modification or exchange. This standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Issuers should apply the new standard prospectively to modifications or exchanges occurring after the effective date of the new standard. Early adoption is permitted, including adoption in an interim period. If an issuer elects to early adopt the new standard in an interim period, the guidance should be applied as of the beginning of the fiscal year that includes that interim period. The Company is currently evaluating ASU 2021-04 and its impact on its financial position, results of operations, and cash flows.

Note 3 – Prepaid Expenses and Other Current Assets

As of September 30, 2021 and December 31, 2020, prepaid expenses and other current assets consisted of the following:

	September 30, 2021	December 31, 2020
Payroll tax receivable	$ 297,494	$ 151,942
Prepaid insurance expenses	413,648	110,094
Prepaid research and development expenses	30,542	—
Prepaid general and administrative expenses	105,941	—
Prepaid licenses and subscriptions	31,440	57,051
Prepaid patent expenses	34,809	
Prepaid conference expenses	52,041	29,403
Prepaid board of directors fees	77,000	68,250
Prepaid rent and security deposit	32,254	25,004
Other	48,120	11,734
Total prepaid expenses and other current assets	$ 1,123,289	$ 453,478

Note 4 – Accrued Compensation

As of September 30, 2021 and December 31, 2020, accrued compensation consisted of the following:

	September 30, 2021	December 31, 2020
Accrued bonus expenses	$ 895,253	$ 938,873
Accrued payroll expenses	288,983	211,799
Total accrued compensation	$ 1,184,236	$ 1,150,672

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Note 5 – Accrued Expenses and Other Current Liabilities

As of September 30, 2021 and December 31, 2020, accrued expenses and other current liabilities consisted of the following:

	September 30, 2021	December 31, 2020
Accrued research and development expenses	$ 181,241	$ 348,254
Accrued consulting and professional services	243,979	235,355
Credit card payable	44,204	50,002
Accrued franchise tax	39,300	32,480
Accrued licensing fees	—	804,447
Accrued interest	31,250	3,068
Accrued expense reimbursements	6,441	5,459
Other	5,921	1,627
Total accrued expenses and other current liabilities	$ 552,336	$ 1,480,692

Note 6 – Notes Payable

As of September 30, 2021 and December 31, 2020, notes payable consisted of the following:

	September 30, 2021			December 31, 2020		
	Current Portion	Non-Current Portion	Total	Current Portion	Non-Current Portion	Total
BankDirect Capital Finance loan	$ 158,101	$ —	$ 158,101	$ —	$ —	$ —
Paycheck Protection Program loan	—	—	—	97,539	365,814	463,353
Silicon Valley Bank loan	7,123,936	—	7,123,936	—	—	—
Total	$ 7,282,037	$ —	$ 7,282,037	$ 97,539	$ 365,814	$ 463,353

BankDirect Capital Finance Loan

On February 24, 2021, the Company issued a note payable for the purchase of a directors and officers liability insurance policy. The note payable is payable in nine monthly payments consisting of principal and interest amounting to $79,343 for an aggregate principal amount of $705,360. The note accrues interest at a rate of 2.96% per year and matures on November 24, 2021.

Paycheck Protection Program Loan

On May 8, 2020, the Company received cash proceeds of $463,353 pursuant to a loan provided in connection with the Paycheck Protection Program under the CARES Act (the “PPP Loan”). The PPP Loan provided for monthly installment payments of $19,508 beginning in August 2021 with the remaining balance due on May 3, 2022, the maturity date. The PPP Loan incurred interest at a fixed rate of 1.00% per annum.

Under the terms of the CARES Act, as amended by the Paycheck Protection Program Flexibility Act of 2020, the Company was eligible to apply for and receive forgiveness for all or a portion of its PPP Loan. The Company applied for loan forgiveness on the PPP Loan in March 2021. The Company received notification in August 2021 that it had received approval for full loan forgiveness of the PPP Loan in the amount of $463,353. The Company has recorded this extinguishment as other income in the condensed statement of operations for the three and nine months ended September 30, 2021. The Company also received notification of forgiveness of accrued interest payable of $5,738, which has been reversed from interest expense.

Silicon Valley Bank Loan

On May 7, 2021 (the “Effective Date”), the Company entered into a Loan and Security Agreement (the “Loan”) with Silicon Valley Bank (“SVB”) for an aggregate principal amount of up to $25.0 million. The Loan bears interest at an annual rate equal to the greater of (a) the sum of 1.25% plus the prime rate as reported in The Wall Street Journal and (b) 5.00%. The Loan is secured by all of the Company’s tangible assets. The Loan matures on May 1, 2025. The Loan requires monthly interest-only payments until June 1, 2022. The interest-only period can be extended to June 1, 2023, upon the occurrence of a milestone event. Upon the end of the interest-only

period, the Company will make regular monthly amortizing payments of principal and interest through the maturity date. The Loan indicates a prepayment fee of 1.0% to 3.0%, as follows: i) prepayment fee of 3.0% of the principal balance made on or prior to the first anniversary of the Effective Date; ii) prepayment fee of 2.0% of the principal balance made on or prior to the second anniversary of the Effective Date; or iii) prepayment fee of 1.0% of the principal balance made on or prior to the third anniversary of the Effective Date. The Loan also provides for a final payment. The final payment is in addition to and not a substitution for the regular monthly payments of principal plus accrued interest due on the earliest to occur of the loan maturity date, the repayment of the loan in full or the termination of the Loan Agreement, in an amount equal to the original aggregate principal amount of the multiplied by 5.0%.The Company is accreting the final payment as accrued interest over the term of the Loan.

The initial tranche of the Loan, in the amount of $7.5 million was received by the Company on May 7, 2021. In connection with the Loan, the Company issued warrants to SVB to purchase 91,884 shares of common stock at an exercise price per share equal to $4.76. The warrants are exercisable for a period of ten years from the date of issuance. At the Company's option, the Company has the ability to draw down the remaining $17.5 million in gross proceeds in two tranches over the next two years based upon the achievement of several milestones in accordance with the terms of the Loan. On September 29, 2021, the Company and SVB executed the First Amendment to the Loan and Security Agreement (the "Amendment"). In accordance with the Amendment, the Company must maintain a collateralized money market account in the amount of $7,875,000. The Company has recorded this amount as Restricted Cash. See Note 2 - Summary of Significant Accounting Policies - Cash, Cash Equivalents and Restricted Cash. This account must be maintained until the Release Event occurs (defined as when the Company has received approval by the FDA of the MydCombi product and achieved the minimum equity raise under the terms of the amended agreement, on or prior to November 30, 2021). Given the FDA's recent reclassification of MydCombi as a drug-device combination and the need to resubmit a new drug application in early 2022, (See Note 11 - Subsequent Events), the restricted cash will become callable on November 30, 2021, at SVB's election, to satisfy the Loan obligations. Therefore, the Loan has been fully classified as a current note payable.

During the three and nine months ended September 30, 2021, the Company recorded interest expense relating to the Loan of $95,833 and $150,349, respectively.

The Company determined that the warrants should be equity-classified and that the relative fair value was $354,539, by using the Black-Scholes option pricing methodology using the following assumptions: stock price of $4.76; expected term of 10.0 years; volatility of 89.0% and a risk-free interest rate of 1.60%. The Company incurred $66,618 of debt issuance costs, of which $63,469 was allocated to the debt and $3,149 was allocated to the warrants. The relative fair value of the warrants and the issuance costs allocated to the debt were recorded as debt discount and are being amortized over the four-year term of the note. See the table below for additional details:

	September 30, 2021
Gross loan proceeds	$ 7,500,000
Debt discount:	
Relative fair value of warrants	(354,539)
Relative fair value of issuance costs	(63,469)
Amortization of debt discount	41,944
	$ 7,123,936

Note 7 – Commitments and Contingencies

See Note 8 - Related Party Transactions for certain commitments and contingencies entered into with certain related parties.

Litigations, Claims and Assessments

The Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. The Company records legal costs associated with loss contingencies as incurred and accrues for all probable and estimable settlements.

Arctic Vision License Agreement

On August 10, 2020, the Company entered into the Arctic Vision License Agreement pursuant to which Arctic Vision may develop and commercialize MicroPine for the treatment of progressive myopia and MicroLine for the treatment of presbyopia in Greater China (mainland China, Hong Kong, Macau and Taiwan) and South Korea.

Under the terms of the Arctic Vision License Agreement, the Company received a non-refundable, upfront payment of $4.0 million, before any payments to Senju Pharmaceutical Co., Ltd. (“Senju”), due under the Exclusive License Agreement between the Company and Senju, as amended on April 8, 2020 and a Letter Agreement dated August 10, 2020 (the “Senju License Agreement”). The Company had recorded the $4.0 million payment as a deferred license fee until the payment is earned. The Company considers payment earned once certain trial data has been fully submitted to Arctic Vision, permitting Arctic Vision to seek regulatory approval with the National Medical Products Administration of China. The trial data for one of the two products (MicroPine) was fully submitted to Arctic Vision in March 2021. As a result, the Company recognized $2.0 million of deferred license fees (one-half of the $4.0 million upfront license fee) and recognized $0.8 million of deferred license costs related to the Senju payment during the three months ended March 31, 2021. The trial data for the other product (MicroLine) was fully submitted to Arctic Vision in June 2021. As a result, the Company recognized the remaining $2.0 million of deferred license fees and recognized the remaining $0.8 million of deferred license costs related to the Senju payment during the three months ended June 30, 2021.

In addition, the Company may receive up to a total of $43.75 million in additional payments, based on various development and regulatory milestones, including the initiation of clinical research and regulatory approvals in Greater China and South Korea (up to $39.75 million), and development costs (up to $4.0 million). In December 2020, the Company satisfied a performance obligation which resulted in the Company recognizing $2.0 million of milestone revenues, pursuant to the Arctic Vision License Agreement. The $2.0 million was received from Arctic Vision in December 2020.

The milestone revenue referred to above includes $2.0 million related to the MicroStat product resulting from Amendment 1 to the Arctic Vision License Agreement. On September 14, 2021, the Company and Arctic Vision executed this amendment which provides for a one-time upfront payment of $250,000 and milestone payments of $2.0 million based on the achievement of filing for and receiving regulatory approval separately from China and South Korea for the MicroStat Product. The Company anticipates the Marketing Authorization Application (MAA) filings to occur in December 2023 and the receipt of regulatory approval to occur in December 2024. The Company didn’t recognize revenue for the $250,000 upfront payment because it was passed through to Senju. See Note 8 - Related Party Transactions for additional information.

Arctic Vision also will purchase its supply of MicroPine, MicroLine and MicroStat from the Company or, for such products not supplied by the Company, pay the Company a mid-single digit percentage royalty on net sales of such products, subject to certain adjustments. No royalty payments were earned through September 30, 2021. The Company will pay a mid-double digit percentage of such payments, royalties, or net proceeds of such supply to Senju pursuant to the Senju License Agreement. See Note 8 – Related Party Transactions-Senju License Agreement for additional details.

Bausch License Agreement

On October 9, 2020, the Company entered into the Bausch License Agreement pursuant to which Bausch Health may develop and commercialize the Bausch Licensed Product in the Licensed Territory.

In connection with the Bausch License Agreement, Bausch Health paid the Company a non-refundable, upfront payment of $10.0 million. The Company has recorded this payment as a deferred license fee until the payment is earned. The Company will consider payment earned once certain administrative functions are transferred to Bausch Health, permitting Bausch Health to assume supervisory oversight of the ongoing MicroPine study (the CHAPERONE study). The upfront payment has not been earned as of September 30, 2021.

Bausch Health could also pay the Company up to an aggregate of approximately $35.0 million in additional payments, depending on the achievement of certain regulatory and launch-based milestones. No milestone payments were earned through September 30, 2021.

Under the terms of the Bausch License Agreement, on a country-by-country basis and Bausch Licensed Product-by- Bausch Licensed Product basis, Bausch Health will pay the Company royalties on a tiered basis (ranging from mid-single digit to mid-teen percentages) on gross profits from the sales of the Bausch Licensed Product in the Licensed Territory, subject to certain adjustments in the event of generic entry, negative gross profits or patent expiration, for a period of the later to occur of the 10th anniversary of the first commercial sale of a Bausch Licensed Product in such country in the Licensed Territory or the expiration of the last valid patent claim for a Bausch Licensed Product in such country in the Licensed Territory. No royalty payments were earned through September 30, 2021.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Note 8 – Related Party Transactions

Lease Agreements

The Company's Vice President of Research and Development and Manufacturing ("VP of R&D") owns a company that entered into a lease agreement with the Company on September 15, 2016 to lease 953 square feet of space located in Reno, NV with respect to its research and development activities. The initial monthly base rent was $3,895 per month over the term of the lease and the security deposit was $3,895. On September 15, 2018, the Company amended the lease agreement to extend it until September 14, 2020 and increase the monthly base rent and security deposit to $4,012. The lease agreement was amended again on April 6, 2020 to lease additional space and increase the monthly base rent and security deposit to $5,247. On September 15, 2020, the Company agreed to extend the lease term until September 14, 2022 and increase the monthly base rent and security deposit to $5,404. The Company made $122,298 of leasehold improvements related to this lease which are included on the balance sheet. The Company's rent expense amounted to $16,212 and $15,982 for the three months ended September 30, 2021 and 2020, respectively, and $48,636 and $43,512 for the nine months ended September 30, 2021 and 2020, respectively.

Senju License Agreement

During 2015, the Company entered into an Exclusive License Agreement with Senju whereby the Company agreed to grant to Senju an exclusive, royalty-bearing license for its microdose product candidates for Asia to sublicense, develop, make, have made, manufacture, use, import, market, sell, and otherwise distribute the microdose product candidates. In consideration for the license, Senju agreed to pay to Eyenovia five percent (5%) royalties for the term of the license agreement. The agreement will continue in full force and effect, on a country-by-country basis, until the latest to occur of: (i) the tenth (10th) anniversary of the first commercial sale of a microdose product candidate in Asia; or (ii) the expiration of the licensed patents. As of the date of this filing, there had been no commercial sales of a microdose product candidate in Asia, such that no royalties had been earned. Senju is owned by the family of a former member of the Company's Board of Directors and, together, they beneficially own greater than 5% of the Company's common stock.

On April 8, 2020, the Company entered into an amendment (the "License Amendment") to the Exclusive License Agreement. Pursuant to the License Amendment, the Company can license to any third party the right to research, develop, commercialize, manufacture or use certain products identified below (the "Senju Licensed Products") previously licensed to Senju in China (including the People's Republic of China, Hong Kong, Macao, and Taiwan) and South Korea (the "Territory") if such a license was executed by the Company by April 8, 2021. The Senju Licensed Products are those using piezo-print technology in a microdose dispenser with (i) atropine sulfate as its sole active ingredient to treat myopia in humans and (ii) pilocarpine as its sole active ingredient to treat presbyopia in humans.

Pursuant to the License Amendment, the Company must pay Senju (a) close to a mid-double digit percentage of revenue on any lump-sum payments the Company receives from the third party, revenue (net of costs) obtained by the Company from contract research and/or development of the Senju Licensed Product in the Territory, and revenue (net of costs) obtained by the Company from contract manufacture for the device of the Senju Licensed Product in the Territory, the aggregate of which must be at least a high seven figure dollar amount minimum payment to Senju; and (b) a lower-double digit percentage of any sales royalty revenue the Company receives from the third party. Since the Company executed a third-party license prior to April 8, 2021, the License Amendment will remain in effect for the duration of the license, subject to early termination.

The Exclusive License Agreement was further amended in a Letter Agreement by and between the Company and Senju on August 10, 2020 (the "Letter Agreement"). Pursuant to the Letter Agreement, the Company will pay a mid-double digit percentage of certain payments, royalties, or net proceeds received from Arctic Vision in connection with the Arctic Vision License Agreement to Senju.

The Exclusive License Agreement was amended further by the License Amendment 2, effective September 14, 2021 (the "Amendment 2"). The Amendment 2 excludes Greater China and South Korea from the territory in which Senju was granted an exclusive royalty-bearing license from the Company. In consideration for this exclusion, and upon and after the execution of Amendment 1 with Arctic Vision, the Company must make payments to Senju based on non-royalty license revenue and sales revenue, including a one-time upfront payment of $250,000 which represented an inducement to Senju to approve Amendment 1 of the Arctic Vision License Agreement related to the MicroStat product. This upfront payment to Senju was in addition to and separate from the previously established 40% payment on milestone revenue. See Note 7 – Commitments and Contingencies – Arctic Vision License Agreement for additional details.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

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Note 9 – Stockholders' Equity

Securities Purchase Agreement

On March 24, 2020, the Company closed on a private placement of approximately $6.0 million of Units. Each Unit consists of (i) one share of the Company's common stock, (ii) a one-year warrant to purchase 0.5 of a share of common stock ("Class A Warrant"), and (iii) a five-year warrant to purchase 0.75 of a share of common stock ("Class B Warrant") (collectively, the Class A Warrants and Class B Warrants, the "Warrants"). The Units were sold to the public at a price of $2.21425 per Unit and to certain directors and executive officers at a price of $2.42625 per Unit. The Company generated approximately $5.45 million of net proceeds in the offering after deducting placement agent fees and offering expenses of $0.53 million. In the offering, the Company issued an aggregate of 2,675,293 shares of common stock, Class A Warrants to purchase up to 1,337,659 shares of common stock, and Class B Warrants to purchase up to 2,006,495 shares of common stock. The exercise price of the Class A Warrants issued to the public is $2.058 per share and the exercise price of the Class A Warrants issued to the directors and officers is $2.27 per share. The exercise price of the Class B Warrants issued to the public is $2.4696 per share and the exercise price of the Class B Warrants issued to the directors and officers is $2.724 per share. See "Warrants" below for additional details.

In connection with the private placement, on March 23, 2020, the Company also entered into a Registration Rights Agreement with the investors. Pursuant to the Registration Rights Agreement, the Company agreed to file with the SEC, no later than 30 days following the date on which the Company files its Form 10-K for the year ended December 31, 2019 with the SEC, a registration statement on Form S-3 covering the shares of common stock issued in the offering and the shares of common stock underlying the Warrants. The Company timely filed the registration statement on Form S-3 (Registration Statement No. 333-237790), which was declared and has remained effective with the SEC since May 13, 2020.

Stock Options

In applying the Black-Scholes option pricing model to stock options granted, the Company used the following approximate assumptions:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Expected term (years)	5.85	5.85 - 10.00	5.85 - 10.00	5.85 - 10.00
Risk free interest rate	0.81%	0.26% - 0.69%	0.45% - 1.58%	0.26% - 1.32%
Expected volatility	92%	98% - 99%	92% - 94%	96% - 99%
Expected dividends	0.00%	0.00%	0.00%	0.00%

The Company has computed the fair value of stock options granted using the Black-Scholes option pricing model. Option forfeitures are accounted for at the time of occurrence. The expected term is the estimated period of time that options granted are expected to be outstanding. The Company utilizes the "simplified" method to develop an estimate of the expected term of "plain vanilla" employee option grants. The Company uses a blended volatility calculation, the components of which are the Company's historical volatility for the period from its initial public offering through the valuation date and the average peer-group data of six comparable entities to supplement the Company's own historical data for the preceding years in computing the expected volatility. Accordingly, the Company is utilizing an expected volatility figure based on a review of the historical volatility of comparable entities over a period of time equivalent to the expected life of the instrument being valued. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

The weighted average estimated grant date fair value of the stock options granted for the three months ended September 30, 2021 and 2020 was approximately $3.56 and $2.71 per share, respectively. The weighted average estimated grant date fair value of the stock options granted for the nine months ended September 30, 2021 and 2020 was approximately $4.16 and $2.24 per share, respectively.

On June 17, 2021, an employee exercised an option to purchase common shares on a cashless basis, which resulted in 13,675 shares being withheld and not issued, to cover the cost to exercise and all payroll taxes.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

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A summary of the option activity during the nine months ended September 30, 2021 is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding January 1, 2021	3,427,705	$ 3.37		
Granted	1,003,536	5.56		
Exercised	(121,261)	2.07		
Forfeited	(4,000)	2.89		
Outstanding September 30, 2021	4,305,980	$ 3.89	7.8	$ 6,253,367
Exercisable September 30, 2021	2,364,074	$ 3.50	6.8	$ 4,448,222

The following table presents information related to stock options as of September 30, 2021:

Options Outstanding		Options Exercisable	
Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
$ 1.24	260,000	3.5	260,000
$ 1.95	567,636	5.8	567,636
$ 2.72	764,419	8.7	318,509
$ 2.74	667	7.3	0
$ 2.89	253,251	8.7	106,868
$ 3.11	656,078	7.9	468,301
$ 3.43	58,920	8.9	19,644
$ 3.48	45,000	8.9	15,001
$ 3.71	43,000	8.8	16,723
$ 4.00	2,000	7.1	1,890
$ 4.53	127,000	—	—
$ 4.68	25,000	8.3	13,196
$ 4.81	222,000	—	—
$ 5.10	6,000	6.9	5,833
$ 5.11	1,637	—	—
$ 5.19	16,500	6.9	16,500
$ 5.25	26,668	5.0	26,668
$ 5.77	50,000	—	—
$ 6.01	652,899	—	—
$ 6.20	300,387	6.8	300,387
$ 6.30	60,000	6.8	60,000
$ 8.72	166,918	6.5	166,918
	4,305,980	6.8	2,364,074

Restricted Stock Units

On September 11, 2020 and March 31, 2021, the Company granted members of its Board of Directors an aggregate of 44,951 RSUs under its Amended and Restated 2018 Omnibus Stock Incentive Plan. Each RSU is subject to settlement into one share of the Company's common stock. The RSUs provided that vesting would occur on the earlier of (i) the one-year anniversary of the date of grant and (ii) the date of the 2021 annual stockholders meeting, subject to the grantee remaining on the Board until then. The 2021 annual stockholders meeting took place on June 16, 2021 which triggered the vesting of the RSUs. The RSUs had an aggregate grant date fair value of $156,200, which was recognized over the vesting period. Pursuant to the terms of the grants, vested RSUs are not issued until (a) termination of the director's service to the Company; or (b) upon a change-of-control transaction (as specified).

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

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Stock-Based Compensation Expense

The Company recorded stock-based compensation expense related to stock options and RSUs. During the three months ended September 30, 2021 and 2020, the Company recorded expense of $777,467 ($489,121 of which was included within research and development expenses and $288,346 of which was included within general and administrative expenses on the condensed statement of operations) and $609,930 ($346,294 of which was included within research and development expenses and $263,636 of which was included within general and administrative expenses on the condensed statement of operations), respectively. During the nine months ended September 30, 2021 and 2020, the Company recorded expense of $2,071,735 ($1,138,331 of which was included within research and development expenses and $933,404 was included within general and administrative expenses on the condensed statement of operations) and $1,826,941 ($1,002,150 of which was included within research and development expenses and $824,791 was included within general and administrative expenses on the condensed statement of operations), respectively. As of September 30, 2021, there was $5,787,351 of unrecognized stock-based compensation expense which the Company expects to recognize over a weighted average period of 2.1 years.

Warrants

A summary of warrant activity for the nine months ended September 30, 2021 is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding January 1, 2021	2,011,313	$ 2.43		
Granted	91,884	4.76		
Exercised	(877,014)	2.40		
Outstanding September 30, 2021	1,226,183	$ 2.69	4.0	$ 2,714,617
Exercisable September 30, 2021	1,226,183	$ 2.69	4.0	$ 2,714,617

The following table presents information related to Warrants as of September 30, 2021:

Warrants Outstanding			Warants Exercisable	
Exercise Price	Outstanding Number of Warrants	Weighted Average Remaining Life In Years	Exercisable Number of Warrants	
$2.4696	917,919	3.5	917,919	
$2.7240	216,380	3.5	216,380	
$4.7600	91,884	9.6	91,884	
	1,226,183	4.0	1,226,183	

See Note 6 – Notes Payable – for details on the warrant issued in connection with the SVB loan.

During the three months ended September 30, 2020, warrants for the purchase of 1,080,497 shares of the Company's common stock, with exercise prices of either $2.058 or $2.4696 per share, were exercised for aggregate proceeds of approximately $2.3 million, while no warrants were exercised during the three months ended September 30, 2021. During the nine months ended September 30, 2021 and 2020, warrants for the purchase of 877,014 and 1,248,161 shares of the Company's common stock, respectively, with exercise prices of either $2.058 or $2.4696 per share, were exercised for aggregate proceeds of approximately $2.1 million and $2.6 million, respectively.

At-The-Market Offering

On May 14, 2021, the Company entered into a Sales Agreement (the "Agreement") with SVB Leerink LLC ("SVB Leerink") under which the Company may offer and sell, from time to time at its sole discretion, shares of its common stock (the "Common Stock"), having an aggregate offering price of up to $30 million through SVB Leerink as its sales agent. Subject to the terms and conditions of

the Agreement, SVB Leerink may sell the Common Stock by any method permitted by law deemed to be an "at-the-market offering". SVB Leerink will use commercially reasonable efforts to sell the Common Stock from time to time, based upon instructions from the Company (including any price, time or size limits or other customary parameters or conditions the Company may impose). The Company will pay SVB Leerink a commission equal to three percent (3.0%) of the gross sales proceeds of any Common Stock sold through SVB Leerink under the Agreement.

The Company is not obligated to make any sales of Common Stock under the Agreement. through September 30, 2021, the Company had not sold any shares of common stock under the Agreement. See Note 11 - Subsequent Events - At-The-Market Offering for additional details.

Note 10 – Employee Benefit Plans

401(k) Plan

In April 2019, the Company adopted the Eyenovia 401(k) Plan (the "Plan"), which went into effect in May 2019. All Company employees are able to participate in the Plan, subject to eligibility requirements as outlined in the Plan documents. Under the terms of the Plan, eligible employees are able to defer a percentage of their pay every pay period up to annual limitations set by Congress and the Internal Revenue Service under Section 401(k) of the Internal Revenue Code. For 2021 and 2020, the Company's Board of Directors has approved a matching contribution equal to 100% of elective deferrals up to 4% of eligible earnings with the matching contribution subject to certain vesting requirements as outlined in the Plan documents. During the three months ended September 30, 2021 and 2020, the Company recorded expense of $34,076 and $25,535 associated with its matching contributions, respectively. During the nine months ended September 30, 2021 and 2020, the Company recorded expense of $144,917 and $106,021 associated with its matching contributions, respectively.

Note 11 – Subsequent Events

At-The-Market Offering

Pursuant to the At-The-Market Offering (see Note 9 – Stockholders' Equity – At-The-Market Offering) the Company commenced sales of its common stock on October 6, 2021. As of the filing date, the Company has received approximately $12.8 million in gross proceeds and $12.4 million in net proceeds from the sale of 2,435,604 shares of its common stock.

MydCombi FDA Application

On October 25, 2021, the Company announced the reclassification of the Company's proprietary, first-in-class combination microdose formulation of tropicamide and phenylephrine for in-office pupil dilation, MydCombi, as a drug-device combination product by the FDA in a CRL received on October 22, 2021, following a change in the agency's legal interpretation of its authorities imposed by a recent court ruling. The Company is preparing the necessary documents for expedited resubmission of the new drug application for MydCombi in response to the CRL. See Note 1 – Business Organization, Nature of Operations and Basis of Presentation and Note 6 – Notes Payable – Silicon Valley Bank Loan.

Employee Stock Options

On October 27, 2021, the Company granted ten-year stock options to employees, pursuant to its Amended and Restated 2018 Omnibus Stock Incentive Plan, to purchase an aggregate of 35,000 shares of the Company's common stock at an exercise price of $4.06 per share. The options expire on the tenth anniversary of the grant date and they vest with respect to one-third of the shares underlying the awards on the first anniversary of the grant date and, with respect to the remaining two-thirds of the shares underlying the awards, in equal monthly installments over the subsequent two years.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of the results of operations and financial condition of Eyenovia, Inc. ("Eyenovia," the "Company," "we," "us" and "our") as of September 30, 2021 and for the three and nine months ended September 30, 2021 and 2020 should be read in conjunction with our unaudited condensed financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2020 as filed with the U.S. Securities and Exchange Commission ("SEC") on March 30, 2021.

Forward Looking Statements

This report contains "forward-looking statements." Specifically, all statements other than statements of historical facts included in this report, including regarding our financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements are based on the beliefs of management at the time these statements were made, as well as assumptions made by and information currently available to management. When used in this report, the words "anticipate," "believe," "estimate," "expect," "may," "might," "will," "continue" "intend," and "plan" and words or phrases of similar import are intended to identify forward-looking statements. These statements reflect our current view with respect to future events and are subject to risks, uncertainties and assumptions related to various factors that could cause actual results and the timing of events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled "Risk Factors" included in our most recent Annual report on Form 10-K filed with the SEC. Furthermore, such forward-looking statements speak only as of this Quarterly Report on Form 10-Q. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

Overview

We are a clinical stage ophthalmic biopharmaceutical company developing a pipeline of advanced therapeutics based on our proprietary microdose array print (MAP™) therapeutics. We aim to achieve clinical microdosing of next-generation formulations of well-established ophthalmic pharmaceutical agents using our high-precision targeted ocular delivery system, branded the Optejet® which has the potential to replace conventional eye dropper delivery and improve safety, tolerability, patient compliance and topical delivery success for ophthalmic eye treatments. In the clinic, the Optejet has demonstrated the ability to horizontally deliver ophthalmic medication with a success rate significantly higher than that of traditional eye drops (~ 90% vs. ~ 50%). Our technology is designed to achieve single-digit µl-volume physiologic drug delivery with up to a 75% reduction in ocular drug and preservative topical dosing and has demonstrated significant improvement in the therapeutic index in drugs used for mydriasis and IOP lowering through three Phase II and Phase III trials. Conventional eye formulations lack high-precision micro-volume delivery and expose the ocular surface to approximately 300% more medication and preservatives than are physiologically indicated leading to clinically recognized ocular and non-ocular side effects. Using the Optejet, we are developing the next generation of smart ophthalmic therapeutics which target new indications or new combinations where there are currently no comparable drug therapies approved by the U.S. Food and Drug Administration, (the "FDA"). Our microdose therapeutics follow the FDA-designated pharmaceutical registration and regulatory process. Consistent with the recent FDA reclassification of MydCombi, we believe that most of our product candidates are, or will be, classified by the FDA as drug-led combination products.

Our pipeline is currently focused on the late-stage development of novel, potential first-in-class therapeutic indications for over an estimated five million potential patients with progressive myopia in the United States and over an estimated one hundred million potential patients with age-related near vision impairment, or presbyopia – indications where there is tremendous unmet need and no known existing FDA-approved therapies. We are also developing the first microdose fixed combination ophthalmic pharmaceutical for mydriasis to address the estimated over 100 million annual comprehensive eye exams with pupil dilation.

MicroPine is our investigational first-in-class topical therapy for the treatment of progressive myopia, a back-of-the-eye ocular disease associated with pathologic axial elongation and sclero-retinal stretching. In the United States, myopia is estimated to affect approximately 25 million children, with up to five million considered to be at risk for high myopia. In February 2019, the FDA accepted our investigational new drug application, or IND, to initiate a Phase III registration trial of MicroPine (the CHAPERONE study) to reduce the progression of myopia in children. We enrolled the first patient in the CHAPERONE study in June 2019. Due to the COVID-19 pandemic, we experienced delays in trial enrollment and initiation as a result of reduced clinical trial activities and operations at investigator sites. However, we have since been able to resume enrollment in the CHAPERONE study.

On October 9, 2020, we entered into a License Agreement (the "Bausch License Agreement") with a subsidiary of Bausch Health Companies Inc. ("Bausch Health") pursuant to which Bausch Health may develop and commercialize MicroPine in the United

States and Canada. Under the terms of the Bausch License Agreement, we received an upfront payment of $10.0 million and we may receive up to a total of $35.0 million in additional payments, based on the achievement of certain regulatory and launch-based milestones. Bausch Health also will pay us royalties on a tiered basis (ranging from mid-single digit to mid-teen percentages) on gross profits from sales of MicroPine in the United States and Canada, subject to certain adjustments. Under the terms of the Bausch License Agreement, Bausch Health is in the process of assuming oversight for, and has assumed the costs related to the ongoing CHAPERONE study.

MicroLine is our investigational pharmacologic treatment for presbyopia. Presbyopia is a non-preventable, age-related hardening of the lens, which causes the gradual loss of the eye's ability to focus at near and impairs near visual acuity. There currently are no known FDA-approved drugs for the improvement of near vision in patients with presbyopia, although other companies have related therapies in their pipeline. We have two planned Phase III VISION trials for MicroLine, and initiated the first of these trials in December 2020. On May 25, 2021, we announced positive topline data from the Phase III VISION-1 study evaluating MicroLine for the temporary improvement of near vision in adults with presbyopia. The study achieved its primary endpoint and preparations are underway for a second Phase III registration study, VISION-2, targeted to be initiated by the end of this year. VISION-2 will be a double-masked, placebo-controlled, cross-over superiority trial designed to enroll 120 patients randomized between 2% pilocarpine and placebo cohorts. Topline data from VISION-2 is anticipated in mid-2022. These studies will serve as the basis for a planned New Drug Application (NDA) submission to FDA. VISION-1 results will be presented at a future ophthalmic-focused medical meeting.

On August 10, 2020, we entered into a License Agreement (the "Arctic Vision License Agreement") with Arctic Vision (Hong Kong) Limited ("Arctic Vision"), pursuant to which Arctic Vision may develop and commercialize MicroPine and MicroLine in Greater China (mainland China, Hong Kong, Macau and Taiwan) and South Korea. Under the terms of the Arctic Vision License Agreement, we received an upfront payment of $4.0 million before any payments to Senju Pharmaceutical Co., Ltd. ("Senju"). In addition, we may receive up to a total of $43.75 million in additional payments, based on various development and regulatory milestones, including the initiation of clinical research and approvals in Greater China and South Korea, and development costs. Milestone revenue includes $2.0 million related to the MicroStat product resulting from Amendment 1 to the Arctic Vision License Agreement between the Company and Arctic Vision which was executed on September 14, 2021. Arctic Vision also will purchase its supply of MicroPine, MicroLine and MicroStat from us or, for such products not supplied by us, pay us a mid-single digit percentage royalty on net sales of such products, subject to certain adjustments. We will pay a mid-double digit percentage of such payments, royalties, or net proceeds of such supply to Senju pursuant to the Exclusive License Agreement with Senju dated March 8, 2015, as amended by the License Amendment dated April 8, 2020, and a Letter Agreement dated August 10, 2020 (the "Senju License Agreement").

The Senju License Agreement was amended further by the License Amendment 2, effective September 14, 2021 (the "Amendment 2"). The Amendment 2 excludes Greater China and South Korea from the territory in which Senju was granted an exclusive royalty-bearing license from the Company. In consideration for this exclusion, and upon and after the execution of Amendment 1 with Arctic Vision, the Company must make payments to Senju based on non-royalty license revenue and sales revenue, including a one-time upfront payment of $250,000 which represented an inducement to Senju to approve Amendment 1 of the Arctic Vision License Agreement related to the MicroStat Product. This upfront payment to Senju was in addition to and separate from the previously established 40% payment on milestone revenue.

MydCombi™ (or MicroStat) is our fixed combination formulation of phenylephrine-tropicamide for mydriasis, designed to be a novel approach for the estimated over one hundred million office-based comprehensive and diabetic eye exams performed every year in the United States. We have completed two Phase III trials for MydCombi and announced positive results from these studies, known as MIST-1 and MIST-2. In March 2021, the FDA accepted our NDA, for MydCombi for use to achieve mydriasis in routine diagnostic procedures and in conditions where short-term pupil dilation is desired. On October 25, 2021, the Company announced the reclassification of the Company's proprietary, first-in-class combination microdose formulation of tropicamide and phenylephrine for in-office pupil dilation, MydCombi, as a drug-device combination product by the FDA in a Complete Response Letter ("CRL") received on October 22, 2021, following a change in the agency's legal interpretation of its authorities imposed by a recent court ruling. The Company is preparing the necessary documents for expedited resubmission of the new drug application for MydCombi in response to the CRL.

We have not received U.S. marketing approval for any product candidate and we have therefore not generated any revenues from product sales.

Historically, we have financed our operations principally through equity offerings, including our initial public offering, numerous public offerings in 2018, 2019 and August 2020, and our private placement that closed in March 2020. We have also generated cash through licensing arrangements and our credit facility with Silicon Valley Bank ("SVB"). However, based upon our current operating plan, there is substantial doubt about our ability to continue as a going concern for a period of at least the next twelve months. Our ability to continue as a going concern depends on our ability to raise additional capital, through the sale of equity or debt securities

to support our future operations. If we are unable to secure additional capital, we may be required to curtail our research and development initiatives and take additional measures to reduce costs.

Our net losses were $5.6 million and $15.8 million for the three and nine months ended September 30, 2021. As of September 30, 2021, we had working capital and an accumulated deficit of $2.7 million and $93.2 million, respectively.

Financial Overview

Revenue and Cost of Revenue

In August and October 2020, we entered into the Arctic Vision License Agreement and Bausch License Agreement, respectively. Both of these agreements provide for the Company to earn revenue from an upfront licensing fee, the achievement of various development and regulatory milestones, and royalty income on sales of licensed products. Pursuant to the Senju License Agreement, we will pay a mid-double digit percentage of such payments from the Arctic Vision License Agreement to Senju. See Note 7 – Commitments and Contingencies and Note 8 – Related Party Transactions.

Research and Development Expenses

Research and development expenses are incurred in connection with the research and development of our microdose-therapeutics and consist primarily of contract service expenses. Given where we are in our life cycle, we do not separately track research and development expenses by project. Our research and development expenses consist of:

- direct clinical and non-clinical expenses, which include expenses incurred under agreements with contract research organizations, contract manufacturing organizations, and costs associated with preclinical activities, development activities and regulatory activities;
- personnel-related expenses, which include expenses related to consulting agreements with individuals that have since entered into employment agreements with us as well as salaries and other compensation of employees that is attributable to research and development activities; and
- facilities and other expenses, which include direct and allocated expenses for rent and maintenance of facilities, marketing, insurance and other supplies used in research and development activities.

We expense research and development costs as incurred. We record costs for some development activities, such as clinical trials, based on an evaluation of the progress to completion of specific tasks using data such as subject enrollment, clinical site activations or other information our vendors provide to us.

In addition, our license agreements with Arctic Vision and Bausch Health require them to assume or reimburse us for specified research and development costs.

We expect that our research and development expenses will increase with the continuation of the aforementioned initiatives.

General and Administrative Expenses

General and administrative expenses consist primarily of payroll and related expenses, legal and other professional services, as well as non-cash stock-based compensation expense. We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research and development and the potential commercialization of our product candidates. We also anticipate increased expenses related to audit, legal, regulatory, and tax-related services associated with maintaining compliance with exchange listing and SEC requirements. In addition, director and officer insurance premiums and investor relations costs associated with being a public company are expected to increase in future periods.

Results of Operations

Three Months Ended September 30, 2021 Compared with Three Months Ended September 30, 2020

Research and Development Expenses

Research and development expenses for the three months ended September 30, 2021 totaled $3.5 million, an increase of $0.1 million, or 3%, as compared to $3.4 million recorded for the three months ended, September 30, 2020. Research and development expenses consisted of the following:

	For the Three Months Ended September 30,	
	2021	2020
Direct clinical and non-clinical expenses	$ 818,015	$ 1,745,880
Personnel-related expenses	1,386,602	890,771
Non-cash stock-based compensation expenses	489,121	346,294
Supplies and materials	496,738	325,517
Facilities and other expenses	279,712	55,297
Total research and development expenses	$ 3,470,188	$ 3,363,759

The decrease in direct clinical and non-clinical expenses was primarily due to the Vision I Study having concluded in early 2021 and significantly higher cost reimbursements from Bausch Health and Arctic Vision. The cost reimbursements are booked as contra expense. The increase in personnel-related expenses was primarily due to new hiring in preparation for commercialization. The increase in non-cash stock-based compensation was due to new option grants. The increase in supplies and materials resulted from an increase in spending on device inventory. The increase in facilities and other expenses was primarily due to rent and utilities related to the Redwood City facility. The main factor in these increases was the preparation for commercialization.

General and Administrative Expenses

General and administrative expenses for the three months ended September 30, 2021 totaled $2.4 million, an increase of $0.7 million, or 41%, as compared to $1.7 million recorded for the three months ended September 30, 2020. This increase was primarily attributable to a $0.3 million increase in salaries and benefits resulting from new hiring in preparation for commercialization, a $0.3 million increase in sales and marketing, primarily related to the MydCombi promotional campaign, a $0.1 million increase in insurance expense related to Directors & Officer insurance and a $0.1 million increase in other G&A expense, primarily due to increased travel resulting from the lifting of COVID-19 restrictions. This was slightly offset by a decrease of $0.1 million in professional services, primarily due to legal fees incurred for the Bausch Health and Arctic Vision licensing deals in 2020.

Nine Months Ended September 30, 2021 Compared with Nine Months Ended September 30, 2020

Revenue and Cost of Revenue

In August 2020, we received a $4.0 million upfront payment under the Arctic Vision License Agreement, and made a related payment of $1.6 million to Senju. This upfront payment was recorded as $4.0 million of deferred license fee and $1.6 million of deferred cost of revenue. The trial data for one of the two products (MicroPine) was fully submitted to Arctic Vision in March 2021 and the trial data for the other product (MicroLine) was fully submitted to Arctic Vision in June 2021. As a result, the Company recognized the $4.0 million of deferred license fees and recognized $1.6 million of deferred license costs related to the Senju payment during the nine months ended September 30, 2021. There was no revenue for the nine months ended September 30, 2020.

Research and Development Expenses

Research and development expenses for the nine months ended September 30, 2021 totaled $11.3 million, an increase of $1.4 million, or 14%, as compared to $9.9 million recorded for the nine months ended September 30, 2020. Research and development expenses consisted of the following:

	For the Nine Months Ended September 30,	
	2021	2020
Direct clinical and non-clinical expenses	$ 4,696,396	$ 5,076,662
Personnel-related expenses	3,886,683	2,533,439
Non-cash stock-based compensation expenses	1,138,331	1,002,150
Supplies and materials	936,566	1,108,021
Facilities and other expenses	676,320	193,024
Total research and development expenses	$ 11,334,296	$ 9,913,296

The decrease in direct clinical and non-clinical expenses was primarily due to significantly higher cost reimbursements from Bausch Health and Arctic Vision which are booked as contra expense. The increase in personnel-related expenses was primarily due to new hiring in preparation of commercialization. The increase in non-cash stock-based compensation was due to new option grants. The decrease in supplies and materials resulted from higher costs incurred for the clinical cartridge supply in 2020. The increase in facilities and other expenses was primarily due to rent and utilities related to the Redwood City facility and increased travel due to the lifting of COVID-19 restrictions.

General and Administrative Expenses

General and administrative expenses for the nine months ended September 30, 2021 totaled $7.1 million, an increase of $1.4 million, or 25%, as compared to $5.7 million recorded for the nine months ended September 30, 2020. This increase was primarily attributable to a $0.8 million increase in salaries and benefits resulting from new hiring in preparation of commercialization, a $0.7 million increase in sales and marketing, primarily related to the MydCombi promotional campaign, a $0.2 million increase in insurance expense related to Directors & Officer insurance and a $0.1 million increase in other G&A expense, primarily due to increased travel resulting from the lifting of COVID-19 restrictions and higher director fees attributable to a new Board member. This was offset by a decrease of $0.4 million in professional services, primarily due to legal fees incurred for the Bausch Health and Arctic Vision licensing deals in 2020.

Liquidity and Capital Resources

Since inception, we have experienced negative cash flows from operations. As of September 30, 2021, our accumulated deficit since inception was $93.2 million.

As of September 30, 2021, we had a cash and cash equivalents balance of $21.4 million (of which $13.5 million is unrestricted), working capital of $2.7 million and stockholders' equity of $4.2 million. As of September 30, 2021 and December 31, 2020, we had $7.3 million and $0.5 million, respectively, of debt outstanding.

These conditions raise substantial doubt about our ability to continue as a going concern for at least one year from the date that the financial statements included elsewhere in this Quarterly Report on Form 10-Q are issued. Our financial statements do not include adjustments to the amounts and classification of assets and liabilities that may be necessary should we be unable to continue as a going concern. Our ability to continue as a going concern depends on our ability to generate sufficient recurring revenue or our ability to raise additional capital through the sale of equity or debt securities to support our future operations. Our operating needs include the planned costs to operate our business, including amounts required to fund research and development activities including clinical studies, working capital and capital expenditures. Our future capital requirements and the adequacy of our available funds will depend on many factors, including our ability to successfully commercialize our products and services, competing technological and market developments, and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement our product and service offerings. If we are unable to generate sufficient recurring revenue or secure additional capital, we may be required to curtail our research and development initiatives and take additional measures to reduce costs in order to conserve our cash. During the nine months ended September 30, 2021 and 2020, our sources and uses of cash were as follows:

On May 7, 2021, the Company entered into a Loan and Security Agreement (the "Loan") with SVB for an aggregate principal amount of up to $25.0 million. The Loan bears interest at an annual rate equal to the greater of (a) the sum of 1.25% plus the prime rate as reported in The Wall Street Journal and (b) 5.00%. The Loan is secured by all of the Company's tangible assets. The Loan matures on May 1, 2025. The Loan requires monthly interest-only payments until June 1, 2022. The initial tranche of the Loan, in the amount of $7.5 million was received by the Company on May 7, 2021. In connection with the Loan, the Company issued to SVB warrants to purchase 91,884 shares of common stock at an exercise price per share equal to $4.76. The warrants are exercisable for a period of ten years from the date of issuance. At the Company's option, the Company has the ability to draw down the remaining $17.5 million in gross proceeds in two tranches over the next two years based upon the achievement of several milestones in accordance with the terms of the Loan.

On September 29, 2021, the Company and SVB executed the First Amendment to the Loan and Security Agreement (the "Amendment"). In accordance with the Amendment, the Company must maintain a collateralized money market account in the amount of $7,875,000. This account must be maintained until the Release Event occurs (defined as when the Company has received approval by the FDA of the MydCombi product and achieved the minimum equity raise under the terms of the amended agreement, on or prior to November 30, 2021). Given the FDA's recent reclassification of MydCombi as a drug-device combination and the need to resubmit a new drug application in early 2022, the restricted cash will become callable on November 30, 2021, at SVB's election, to satisfy the Loan obligations. Therefore, the Loan has been fully classified as a current note payable.

Net cash used in operating activities for the nine months ended September 30, 2021 was $15.0 million, which includes cash used to fund a net loss of $15.8 million, reduced by $1.8 million of non-cash expenses, plus $1.0 million of cash generated from changes in operating assets and liabilities. Net cash used in operating activities for the nine months ended September 30, 2020 was $11.9 million, which includes cash used to fund a net loss of $15.6 million, reduced by $1.9 million of non-cash expenses and $1.8 million of cash used to fund changes in operating assets and liabilities.

Cash used in investing activities for the nine months ended September 30, 2021 was $1.2 million, which was related to purchases of property and equipment. Cash used in investing activities for the nine months ended September 30, 2020 was $0.2 million, which was related to purchases of property and equipment.

Net cash provided by financing activities for the nine months ended September 30, 2021 totaled $9.2 million, which was primarily attributable to $7.5 million of proceeds from the Loan and $2.3 million from the exercise of warrants and stock options. This was slightly offset by the repayment of notes payable and loan issuance costs of $0.6 million. Net cash provided by financing activities for the nine months ended September 30, 2020 totaled $20.8 million, which was primarily attributable to aggregate net proceeds from the sale of our common stock and warrants in our public and private offerings of $18.0 million, $2.6 million of proceeds from the exercise of stock warrants, and $0.5 million in proceeds from a loan in connection with the Paycheck Protection Program under the CARES Act. This was slightly offset by the repayment of notes payable of $0.4 million and payment of offering issuance costs of $0.3 million.

On October 6, 2021, the Company commenced sales of its common stock pursuant to the at-the-market offering. As of the filing date, the Company has received approximately $12.8 million in gross proceeds and $12.4 million in net proceeds from the sale of 2,435,604 shares of its common stock.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements between us and any other entity that have, or are reasonably likely to have, a current or future effect on financial conditions, changes in financial conditions, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Policies

For a description of our critical accounting policies, see Note 2 – Summary of Significant Accounting Policies in Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Recently Adopted and Issued Accounting Pronouncements

For a description of recently adopted and issued accounting pronouncements, including adoption dates and estimated effects, if any, on our condensed financial statements, see Note 2 – Summary of Significant Accounting Policies in Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company, as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for this reporting period and are not required to provide the information required by this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on their evaluation, our principal executive officer and principal financial and accounting officer concluded that as of September 30, 2021 our disclosure controls and procedures were designed to, and were effective to, provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial and accounting officer, as appropriate, to allow timely decisions regarding required disclosures as of September 30, 2021.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during the third quarter of 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None**.**

Item 1A. Risk Factors.

We are a smaller reporting company, as defined in Rule 12b-2 under the Exchange Act, for this reporting period and are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 3. Defaults upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference (Unless Otherwise Indicated)			
		Form	File No.	Exhibit	Filing Date
10.1+	Amendment 1 to the License Agreement between Eyenovia, Inc. and Arctic Vision (Hong Kong) Limited, dated September 14, 2021	—	—	—	Filed herewith
10.2+	Amendment 2 to the Exclusive License Agreement between Eyenovia, Inc. and Senju Pharmaceutical Co., Ltd., effective as of May 2021	—	—	—	Filed herewith
10.3+	First Amendment to Loan and Security Agreement between Eyenovia, Inc. and Silicon Valley Bank, dated September 29, 2021	—	—	—	Filed herewith
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
31.2	Certification of the Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
32.1	Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
32.2	Certification of the Principal Financial and Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
101	Inline Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Condensed Balance Sheets as of September 30, 2021 and December 31, 2020; (ii) Condensed Statements of Operations for the Three and Nine Months Ended September 30, 2021 and 2020; (iii) Condensed Statements of Changes in Stockholders' Equity for the Three and Nine Months Ended September 30, 2021 and 2020; Condensed Statements of Cash Flows for the Nine Months Ended September 30, 2021 and 2020; and (iv) Notes to Condensed Financial Statements				
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit)				

+ Certain confidential portions of this Exhibit were omitted by means of marking such portions with brackets ("[***]") because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EYENOVIA, INC.

November 12, 2021

By: /s/ John Gandolfo
John Gandolfo
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

Confidential Treatment Requested by Eyenovia, Inc.

Pursuant to 17 C.F.R. Section 200.83

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

AMENDMENT 1 TO LICENSE AGREEMENT

This **AMENDMENT 1 TO LICENSE AGREEMENT** (the "**Amendment**") is entered into on September ___, 2021 (the "**Amendment Effective Date**") by and between **EYENOVIA, INC.**, a Delaware corporation with a place of business at 295 Madison Ave., New York, NY 10017 ("**Eyenovia**"), and **ARCTIC VISION (HONG KONG) LIMITED**, a Hong Kong company with a registered office at 19th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong ("**Arctic Vision**"). Eyenovia and Arctic Vision may be referred to herein individually as a "**Party**" and collectively as the "**Parties**".

Recitals

WHEREAS, Eyenovia and Arctic Vision entered into that certain License Agreement dated August 10, 2020 (the "**License Agreement**"); and

WHEREAS, Eyenovia and Arctic Vision desire to amend the License Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Arctic Vision and Eyenovia hereby agree as follows:

AGREEMENT

1. Any capitalized terms used in this Amendment shall have the meaning assigned to them in the License Agreement, except as otherwise amended herein.

2. References in the License Agreement to "either Product" are hereby deleted and replaced with references to "any Product."

3. Section 1.4 of the License Agreement is amended and restated in its entirety as follows:

1.4 "**Additional Indication**" means any Indication other than (a) presbyopia with respect to the MicroLine Product, (b) myopia with respect to the MicroPine Product, and (c) mydriasis with respect to the MicroStat product.

4. Section 1.24 of the License Agreement is amended and restated in its entirety as follows:

1.24 **"Competitive Combination Product"** means (a) for the MicroLine Product, pilocarpine and [***], (b) for the MicroPine Product, atropine sulfate and [***], and (c) for the MicroStat Product, phenylephrine plus tropicamide fixed combination [***].

5. Section 1.25 of the License Agreement is amended and restated in its entirety as follows:

1.25 "**Competitive Senju Product**" means a Senju Product for the treatment of (a) myopia (in the case of a MicroPine Product), (b) improvement in near vision or presbyopia (in the case of a MicroLine Product) or (c) mydriasis (in the case of a MicroStat Product).

6. Section 1.50 of the License Agreement is amended and restated in its entirety as follows:

1.50 **"Initial Indications**" means, with respect to (a) the MicroLine Product, presbyopia; (b) the MicroPine Product, myopia; and (c) the MicroStat Product, mydriasis.

7. Section 1.58 of the License Agreement is amended and restated in its entirety as follows:

1.58 **"Licensed Know-How**" means, subject to Section 11.2(b), all Know-How that (a) is Controlled by Eyenovia or any of its Affiliates as of the Effective Date or at any time during the Term and (b) is necessary or reasonably useful for the Development, manufacture, use, importation, offer for sale, sale, or other Commercialization of any Product in the Field, including, for the avoidance of doubt, (i) all such Know-How in any and all Improvements, (ii) Eyenovia's and its Affiliates' interest in any Joint Invention satisfying clauses (a) and (b) above, and (iii) MicroStat Product Gen 1 and Gen 2 new drug application filings and related Know-How.

8. Section 1.76 of the License Agreement is amended and restated in its entirety as follows:

1.76 "Product" means (a) the MicroLine Product, (b) the MicroPine Product, and/or (c) the MicroStat Product, as the context dictates.

9. Section 2.6 (b) of the License Agreement is amended and restated in its entirety as follows:

(b) directly or indirectly through a Third Party, Develop or Commercialize any pharmaceutical product for the treatment of (i) myopia (in the case of a MicroPine Product), (ii) improvement in near vision or presbyopia (in the case of a MicroLine Product), or (iii) mydriasis (in the case of a MicroStat Product), in each case in such Region, except, in each case, to the extent rights to Develop or Commercialize such product in such Region are granted under the Senju License Agreement;

10. Section 2.6 (d) of the License Agreement is amended and restated in its entirety as follows:

(d) supply the Optejet Dispenser Base that is compatible for use with the cartridges included as a component in a Product, or the cartridge included as a component in such Product, to any Third Party in such Region to deliver a pharmaceutical product for the treatment of (i) myopia (in the case of a MicroPine Product), (ii) improvement in near vision or presbyopia (in the case of a MicroLine Product) or (iii) mydriasis (in the case of a MicroStat Product);

11. Section 2.6 (f) of the License Agreement is amended and restated in its entirety as follows:

(f) supply to any Third Party in such Region (other than a designee of Arctic Vision) (i) pilocarpine ([***]) formulated and loaded into a cartridge for use in the treatment of improvement in near vision or presbyopia, (ii) atropine sulfate ([***]) formulated and loaded into a cartridge for the treatment of myopia; or (iii) phenylephrine plus tropicamide fixed combination ([***]) formulated and loaded into a cartridge for the treatment of mydriasis; or

12. Section 4.4(a) of the License Agreement is amended and restated in its entirety as follows:

(a) Initial Indications. Arctic Vision (either itself or through its Affiliates and Sublicensees) shall use Commercially Reasonable Efforts to Develop and Commercialize (a) the MicroLine Product for the treatment of presbyopia in the Territory and (b) the MicroPine Product for the treatment of myopia in the Territory. Arctic Vision (either itself or through its Affiliates and Sublicensees) shall use Commercially Reasonable Efforts to file for [Clinical Trial Waiver] with the CFDA not later than [***] ([***]) months following Regulatory Approval by the FDA for the MicroStat Product in the US and thereafter use Commercially Reasonable Efforts to Develop and, once approved, Commercialize the MicroStat Product for the treatment of mydriasis in the Territory.

13. Section 4.10(a) of the License Agreement is amended and restated in its entirety as follows:

(a) Eyenovia Supply. Except as provided in Section 4.10(c) below, and subject to the Parties' execution, and the terms of, the Supply Agreement, Eyenovia shall manufacture and supply, through itself, one or more of its Affiliates, or one or more Third Party CMO(s), the Products in finished, assembled form for use in the Development and Commercialization of the Products under this Agreement. Subject to Section 4.10(c), all Products supplied by Eyenovia to Arctic Vision under the Supply Agreement shall be at a price equal to the Supply Price for such Product set forth in Section 5.3, and Eyenovia shall source such Products, and the components thereof, from one or more manufacturers (which may be any combination of Eyenovia, any Affiliates thereof, or Third Party CMOs that Eyenovia or its Affiliate reasonably determines in good faith to be appropriately qualified for such manufacture), provided that within [***] ([***]) [***] after submitting the first MAA of a Product in the U.S., Eyenovia shall have at least two (2) manufacturers (which may be any combination of Eyenovia, any Affiliates thereof, or Third Parties) able (i.e., with all technology transfer reasonably necessary to be operational completed) to manufacture and supply for each stage of the manufacturing process of the Products (for example, two (2) manufacturers providing MicroLine Product, MicroPine Product and MicroStat Product drug substance, two (2) manufacturers manufacturing MicroLine Product, MicroPine Product and MicroStat Product cartridges, two (2) manufacturers performing drug-cartridge assembly, etc.).

14. Section 5.1 of the License Agreement is amended by adding the following new terms:

In addition to payments already provided to Eyenovia per terms of the License Agreement, Arctic Vision shall pay to Eyenovia a one-time upfront payment of two hundred and fifty thousand dollars ($250,000) within [***] ([***]) Business Days after the Amendment Effective Date, with Arctic Vision initiating an irrevocable wire transfer to Eyenovia therefor, and providing Eyenovia reasonable written evidence thereof.

15. Section 5.2 of the License Agreement is amended by adding the following new rows 10 through 13 to the chart of Milestone Events:

Development and Regulatory Milestone Events	Milestone Payment
10) [***]	$[***]
11) [***]	$[***]
12) [***]	$[***]
13) [***]	$[***]

16. Section 5.5 of the License Agreement is amended to include royalty payments applicable to the MicroStat Product on the same terms and condition as applicable to the MicroPine Product and the MicroLine Product. For clarity and in accordance with the License Agreement, the royalty payments shall be calculated by multiplying the applicable royalty rate set forth in the table below by the corresponding amounts of Net Sales of such MicroPine Products, MicroLine Products or MicroStat Products, respectively, sold in the Territory in the applicable Calendar Year.

For that portion of Net Sales of MicroPine Products, MicroLine Products or MicroStat Products in the Territory in a particular Calendar Year		**Royalty Rate**
1) less than or equal to	$[***]	[***]%
2) greater than	$[***]	[***]%

but less than or equal to	$[***]	
3) greater than but less than or equal to	$[***] $[***]	[***]%
4) greater than	$[***]	[***]%

17. The introductory sentence of Section 8.1 of the License Agreement is amended as follows:

8.1 Mutual Representations and Warranties. Each Party hereby represents, warrants, and covenants (as applicable) to the other Party, as of the Amendment Effective Date, as follows:

18. The introductory sentence of Section 8.2 of the License Agreement is amended as follows:

8.2 Additional Representations and Warranties. Eyenovia hereby represents and warrants to Arctic Vision that, as of the Effective Date for the MicroLine Product and the MicroPine Product and as of the Amendment Effective Date for MicroStat Product, as follows:

19. Section 8.3(b) of the License Agreement is amended and restated in its entirety as follows:

(b) Eyenovia is, as of the Amendment Effective Date, in compliance in all material respects with the Senju License Agreement, and, to Eyenovia's knowledge, the other party to the Senju License Agreement is, as of the Amendment Effective Date, not in breach or default in any respect of the Senju License Agreement pertaining to the Product.

20. Section 8.4 of the License Agreement is amended and restated in its entirety as follows:

8.4 Arctic Vision Representations, Warranties, and Covenants Regarding the Senju License Agreement. Arctic Vision represents and warrants that, as of the

Effective Date for the MicroLine Product and the MicroPine Product and as of the Amendment Effective Date for the MicroStat Product, neither it nor any of its Affiliates is a Senju Competitor. Notwithstanding anything to the contrary, Arctic Vision shall not, and shall ensure that Sublicensees and its Affiliates do not, (i) sublicense any rights granted hereunder to any Third Party that is a Senju Competitor at the time such sublicense is granted, (ii) permit any Sublicensee to sublicense its rights to any Third Party that is a Senju Competitor at the time such sublicense is granted, or (iii) indirectly or directly sell or otherwise provide, or permit any Affiliate of Arctic Vision or Sublicensee to indirectly or directly sell or otherwise provide, any Product to any Third Party that is a Senju Competitor.

21. Section 8.6 is hereby added to the License Agreement as follows:

8.6 Updated Representations, Warranties and Covenants. The Parties hereby agree and acknowledge that the representations, warranties and covenants in this Agreement were made as of the Effective Date with respect to the MicroLine Product and the MicroPine Product. The Parties hereby agree and acknowledge that the representations, warranties and covenants in this Agreement are made as of the Amendment Effective Date with respect to the MicroStat Product and as otherwise explicitly noted in this Article 8.

22. Section 11.5 of the License Agreement is hereby amended by deleting the notice information for Wyrick Robbins Yates & Ponton LLP and replacing it with the following:

with a copy (which shall not constitute notice) to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. 3580 Carmel Mountain Road, Suite 300
San Diego, CA 92130
Attn: Fred Hernandez
Fax: (858) 314-1501

23. [***]

24. [***]

25. [***]

26. [***]

27. Except as amended by this Amendment, the License Agreement shall remain in full force and effect. This Amendment may not be modified, amended, or varied in any manner unless by a written agreement duly executed by each of the Parties.

[Signature Page Follows]

IN WITNESS WHEREOF, Eyenovia and Arctic Vision have executed this Amendment by their respective duly authorized representatives.

EYENOVIA, INC.

By: /s/ Tsontcho Ianchulev
Name: Tsontcho Ianchulev
Title: CEO
Date: 9/14/2021

ARCTIC VISION (HONG KONG) LIMITED

By: /s/ Wu Hoi Ti
Name: Wu Hoi Ti
Title: CEO
Date: 9/10/2021

Exhibit 10.2

Confidential Treatment Requested by Eyenovia, Inc.

Pursuant to 17 C.F.R. Section 200.83

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

LICENSE AMENDMENT 2

This LICENSE AMENDMENT 2 (the "LA2") by and between:

Senju Pharmaceutical Co., Ltd., a corporation duly organized and existing under the laws of Japan, having a principal place of business at 3-1-9, Kawaramachi, Chuo-ku, Osaka 541-0048, Japan ("Senju"); and

Eyenovia, Inc., a corporation organized and existing under the laws of Delaware, having a principal place of business at 295 Madison Avenue, Suite 2400, New York, NY 10017, U.S.A. ("Eyenovia");

shall be effective as of May __, 2021 (the "LA2 Effective Date"), and where Senju and Eyenovia are each individually referred to herein as a "Party" and collectively referred to as the "Parties".

RECITALS

WHEREAS, Senju and Eyenovia are parties to an Exclusive License Agreement dated March 18, 2015 (the "Agreement"), which remains in full force and effect; and

WHEREAS, Senju and Eyenovia are parties to a License Amendment (the "LA1") and a letter entitled "RE: Eye Spray Exclusive License Agreement" (the "Letter"), dated April 8, 2020 and August 7, 2020 respectively, both of which remain in full force and effect; and

WHEREAS, the Parties wish to confirm their mutual understanding of the terms of the Agreement as stated in this LA2; and

WHEREAS, it is the intentions of the Parties that the terms of the Agreement be so confirmed by way of this LA2.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the Parties hereby agree as follows:

1. Any capitalized terms in this LA2 shall have the meaning assigned to them in the Agreement, provided that the following terms are defined by this LA2:

   (1) *"China"* shall mean the People's Republic of China, and also Hong Kong, Macao, and Taiwan.

   (2) *"LA2 Licensed Products"* shall mean a Licensed Product using piezo-print technology in a microdose dispenser containing: the chemical substance atropine sulfate as its sole active ingredient and that is used for the treatment of myopia in humans; the chemical substance pilocarpine as its sole active ingredient and that is used for the treatment of presbyopia in humans; the chemical substances phenylephrine and tropicamide in combination as active ingredients that are used for pharmaceutical mydriasis in humans.

   (3) *"LA2 Term"* shall mean the period of time from the LA2 Effective Date until the end of one (1) year thereafter.

   (4) *"Senju Licensed Know-How"* shall mean any and all information, data, clinical studies, instructions, proprietary information, trade secrets, techniques or materials which are related to and generated by Senju's activities (or those performed on Senju's behalf) under the Agreement for the Licensed Product.

   (5) "*Senju Inventions*" shall mean Inventions generating from Senju's activities (or those performed on Senju's behalf) under the Agreement for the Licensed Product.

2. LA1 shall be terminated as of the LA2 Effective Date and any rights and obligations set forth in LA1 shall be transferred to and re-stated in this LA2. For clarification, the amount to be paid to Senju upon the execution of the arrangement with Eyenovia Designated Third Party for atropine product and pilocarpine product pursuant to Section 4.5(i)(b) has been already paid as of the LA2 Effective Date and shall not be refundable.

3. For the LA2 Term and only for the LA2 Licensed Products, the Territory as stated in Section 1.15 of the Agreement shall exclude China and South Korea. For the purpose of clarification, this exclusion shall not affect Senju's rights to the LA2 Licensed Product outside of China and South Korea.

4. If before the end of the LA2 Term, Eyenovia enters into a definitive arrangement with any third party which Eyenovia designates ("Eyenovia Designated Third Party") for the LA2 Licensed Products in China and South Korea, then the exclusion of Section 2 of this LA2 shall continue as long as the definitive agreement with the Eyenovia Designated Third Party is in place, unless otherwise altered by agreement of the Parties. Provided, however, that:

   (1) Eyenovia itself may not research, develop, commercialize, manufacture, or use the LA2 Licensed Products in China and South Korea (and accordingly it doing so would not extend the exclusion of Section 2 of this LA2); this restriction would not apply to the third party under terms of a license agreement; and

   (2) Subject to the terms and conditions of this LA2, and without limitation of Sections 2.1.4, 6.1.1, 7.4.3, and 7.4.4 of the Agreement, Eyenovia has a right by way of sub-license to the Eyenovia Designated Third Party, to research, develop, commercialize, manufacture, or use the LA2 Licensed Products in China and South Korea, under the Senju Licensed Know-How and Senju Inventions, as applicable.

   (3) Senju has a right, with a right to Sublicense in accordance with the Agreement, to research, develop, commercialize, manufacture, or use, under the Licensed Know-How and Inventions with respect to the Licensed Product generated from the Eyenovia Designated Third Party's activities under this LA2, (a) the Licensed Products other than LA2 Licensed Products in China and South Korea, and (b) the Licensed Products in countries of the Territory other than China and South Korea. For the purpose of clarification, Senju's right to use the Licensed Know-How and Invention under this

Section will not increase the Running Royalty in Section 6.2 of the Agreement and/or extend Royalty Term/Term under Sections 6.3 and 7.1 of the Agreement, respectively,

(4) Senju makes no representations or warranties that the Senju Licensed Know-How and/or Senju Inventions are sufficient to develop, manufacture or commercialize the Licensed Product, including LA2 Licensed Products, nor that any resulting patent applications for Senju Inventions will be granted or patents enforceable.

(5) In consideration for the exclusion of Section 2 of this LA2, Eyenovia shall pay to Senju the following compensation upon and after the execution of the arrangement with Eyenovia Designated Third Party:

(i) Non-Royalty License Revenue:

(a) $250,000 representing the entirety of the lump-sum payment received from Eyenovia Designated Third Party if Eyenovia licenses the phenylephrine plus tropicamide combination product;

(b) [***] percent ([***]%) of any lump-sum payment received from Eyenovia Designated Third Party if Eyenovia licenses any other LA2 Licensed Product, including, without limitation, any signing fee and, upfront;

(c) [***] percent ([***]%) of any lump-sum payment received from Eyenovia Designated Third Party if Eyenovia licenses any LA2 Licensed Product for milestones; and

(d) [***] percent ([***]%) of any net revenue obtained from contract research and/or development for the LA2 Licensed Product; and

(e) [***] percent ([***]%) of any net revenue obtained from contract manufacture for the device of the LA2 Licensed Product.

In the case of contract manufacturing, Net Revenue is defined as [***].

In the case of contract research and or development, Net Revenue is defined as [***].

Senju must receive a minimum of [***] United States Dollars (US$[***]) in payments for Non-Royalty License Revenue under this Section 3. (3) (i).

(ii) Revenue from running royalty based on sales:

[***] percent ([***]%) of all sales royalty revenues received by Eyenovia for the sale or commercialization of the LA2 Licensed Product in China and South Korea by Eyenovia Designated Third Party.

(iii) At the request of Senju, Eyenovia shall deliver to Senju a true and accurate report setting out in detail the information necessary to calculate the payments and revenues due under Section 3(3), including all deductions made under Net Revenues. Eyenovia shall retain records pertaining to such payments and revenues, which will be open for inspection by an auditor chosen by Senju, for the purpose of verifying the amounts payable by Eyenovia hereunder. Such inspections shall be at the expense of Senju, unless a variation or error producing an underpayment in amounts payable exceeding five percent (5%) of the amount paid for any period covered by the inspection is established, in which case, all reasonable costs relating to the inspection for such period and any unpaid amounts that are discovered shall be paid by Eyenovia.

5. In the event that Eyenovia fails to enter into such a definitive arrangement with Eyenovia Designated Third Party for the LA2 Licensed Product in China and South Korea during the LA2 Term, then the exclusion of Section 2 of this LA2 shall end at the end of the LA2 Term. In the event that such arrangement was to be entered into during the LA2 Term, but then expire or otherwise terminate thereafter, then the exclusion of Section 2 of this LA2 shall end upon such expiration or termination. In either such case, Senju would regain and retain full rights to the LA2 License Product in China and South Korea.

6. Any material breach by Eyenovia of the terms of this LA2 shall be grounds for Senju to terminate this LA2 upon notification to Eyenovia and after Eyenovia is given sixty (60) days to address any such material breach. If Eyenovia remains in such material breach after that time, Senju may terminate this LA2 and the rights and obligations stated herein.

7. The Parties agree and acknowledge that "LA Licensed Product" in the Letter shall be replaced in its entirety to "LA2 Licensed Product."

8. The remaining terms and conditions of the Agreement shall remain unchanged, and in full force and effect.

9. This LA2 may be executed in counterparts and signature pages may be delivered by facsimile or scanned ("PDF") form, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

Confidential Treatment Requested by Eyenovia, Inc.

Pursuant to 17 C.F.R. Section 200.83

IN WITNESS WHEREOF, Eyenovia and Senju have executed this LA2 by their respective duly authorized representatives.

EYENOVIA, INC.

/s/ Tsontcho Ianchulev
Name: Tsontcho Ianchulev
Title: CEO
Date: 9/14/2021

SENJU PHARMACEUTICAL CO., LTD.

("Senju")

By: /s/ Shuhei Yoshida
Name: Shuhei Yoshida
Title President
Date: 5/14/2021

Exhibit 10.3

Confidential Treatment Requested by Eyenovia, Inc.

Pursuant to 17 C.F.R. Section 200.83

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT

This First Amendment to Loan and Security Agreement (this "Amendment") is entered into this 29th day of September, 2021, by and between **SILICON VALLEY BANK** ("Bank") and **EYENOVIA, INC.**, a Delaware corporation ("Borrower") whose address is 295 Madison Avenue, Suite 2400, New York, New York 10017.

RECITALS

A. Bank and Borrower have entered into that certain Loan and Security Agreement dated as of May 7, 2021 (as the same may from time to time be amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to make certain revisions to the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 5.7 (Financial Covenant). Section 5.7(a) is amended in its entirety and replaced with the following:

> " **(a) Minimum Equity Raise**. Borrower shall deliver evidence to Bank, satisfactory to Bank in its sole but reasonable discretion that Borrower has received, after the Effective Date, but prior to November 30, 2021, unrestricted and unencumbered net cash proceeds in an aggregate amount of at least [***] from the issuance and sale by Borrower of its equity securities to investors reasonably acceptable to Bank."

2.2 Section 5.14 (Cash Collateralization). The following new Section 5.14 is inserted to appear immediately following Section 5.13 thereof:

> " **5.14 Cash Collateralization.** At all times prior to the occurrence of the Release Event, Borrower shall maintain unrestricted and unencumbered cash in the Cash Collateral Account in an amount equal to at least $7,875,000.00. Borrower hereby authorizes and directs Bank to transfer to the Cash Collateral Account an amount equal to $7,875,000.00 on or about the First Amendment Effective Date as required under this Section 5.14 (the "**Cash Collateralization**"). If Bank determines, in its sole and absolute discretion, that the Release Event has not occurred on or prior to November 30, 2021, Borrower further authorizes Bank, at the election of Bank, in Bank's sole and absolute discretion, upon notice thereof to Borrower, to apply the funds held in the Cash Collateral Account on account of the outstanding Obligations of Borrower to Bank (the "**Paydown Payment**"). Upon the occurrence of the Release Event, the unrestricted and unencumbered cash pledged and deposited into the Cash Collateral Account, pursuant to this Section 5.14, shall be promptly remitted to Borrower's Designated Deposit Account. For the avoidance of doubt, the Paydown Payment shall not be subject to the Prepayment Fee."

2.3 Section 12.2 (Definitions). The Loan Agreement is amended by inserting the following new terms and their respective definitions to appear alphabetically in Section 12.2 thereof:

> " "**Cash Collateral Account**" means a separate segregated collateral money market account of Borrower maintained with Bank, which is subject to the Cash Pledge Agreement."
>
> " "**Cash Collateralization**" is defined in Section 5.14."
>
> " "**Cash Pledge Agreement**" is that certain cash pledge agreement dated as of the First Amendment Effective Date, executed by Borrower in favor of Bank, as amended, modified, supplemented and/or restated from time to time."
>
> " "**First Amendment Effective Date**" means September 29, 2021."
>
> " "**Paydown Payment**" is defined in Section 5.14."
>
> " "**Release Event**" occurs if and when (if ever) Bank confirms in writing that it has received evidence, satisfactory to Bank in its sole and absolute discretion, after the First Amendment Effective Date, but on or prior to November 30, 2021, that Borrower has (a) received FDA approval of MydCombi on or prior to November 30, 2021, and (b) achieved the minimum equity raise financial covenant set forth in Section 5.7(a) hereof."

2.4 Section 12.2 (Definitions). The following term and its respective definition set forth in Section 12.2 is amended in its entirety and replaced with the following:

> " "**Loan Documents**" are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Cash Pledge Agreement, the Perfection Certificate, the Warrant, any Control Agreements, any Bank Services Agreement, any subordination agreement, any note, or notes or guaranties executed by Borrower or any Guarantor, landlord waivers and consents, bailee waivers and consents, and any other present or future agreement by Borrower and/or any Guarantor

with or for the benefit of Bank in connection with this Agreement or Bank Services, all as amended, restated, or otherwise modified in accordance with the terms thereof."

2.5 Exhibit A (Compliance Statement). The Compliance Statement appearing as **Exhibit A** to the Loan Agreement is deleted in its entirety and replaced with the Compliance Statement attached as **Schedule 1** attached hereto.

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate, and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date, remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower,

except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Ratification of Perfection Certificate. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in a certain Perfection Certificate dated as of May 7, 2021, and acknowledges, confirms and agrees that the disclosures and information Borrower provided to Bank in such Perfection Certificate have not changed, as of the date hereof.

6. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

7. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

8. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, (b) the due execution and deliver to Bank of the Cash Pledge Agreement by each party thereto, and (c) Borrower's payment to Bank of Bank's reasonable and documented legal fees and expenses incurred in connection with this Amendment.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as a sealed instrument under the laws of the Commonwealth of Massachusetts and delivered as of the date first written above.

BANK	**BORROWER**
SILICON VALLEY BANK	EYENOVIA, INC.
By: /s/ Lauren Cole	By: /s/ John Gandolfo
Name: Lauren Cole	Name: John Gandolfo
Title: Director	Title: Chief Financial Officer

Confidential Treatment Requested by Eyenovia, Inc.

Pursuant to 17 C.F.R. Section 200.83

Schedule 1

EXHIBIT A
COMPLIANCE STATEMENT

TO: SILICON VALLEY BANK Date: _____
FROM: EYENOVIA, INC.

Under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (as amended, modified, supplemented and/or restated from time to time, the "**Agreement**"), Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below. Attached are the required documents evidencing such compliance, setting forth calculations prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	Required	Complies
Monthly financial statements with Compliance Statement	Monthly within 30 days (except for the months ending March 31, June 30, September 30, and December 31)	Yes No
10-Q Report with Compliance Statement	Q1, Q2, and Q3 within 45 days	Yes No
10-K Report and Annual financial statements (CPA Audited) with Compliance Statement	FYE within 90 days	Yes No
A/R and A/P Agings	Upon the Funding Date of the Term B Loan Advance, monthly within 30 days	Yes No
Filed 10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
Board approved projections	FYE within 30 days and as amended/updated	Yes No

Financial Covenant	Required	Actual	Complies
Maintain as indicated:			
Minimum Equity Raise	[***]	**$_____**	**Yes No**
Commencing upon the Funding Date of the Term B Loan Advance maintain as indicated:			
Minimum Product Revenue	*See Section 5.7(b)*	**$_____**	**Yes No**

The following financial covenant analyses and information set forth in Schedule 1 attached hereto are true and correct as of the date of this Compliance Statement.

The following are the exceptions with respect to the statements above: (If no exceptions exist, state "No exceptions to note.")

_____

_____

_____

Confidential Treatment Requested by Eyenovia, Inc.

Pursuant to 17 C.F.R. Section 200.83

Schedule 1 to Compliance Statement

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Agreement, the terms of the Agreement shall govern.

Dated: _____

I. **Minimum Equity Raise.** (Section 5.7(a))

Required: Borrower shall deliver evidence to Bank, satisfactory to Bank in its sole but reasonable discretion, that Borrower has received, after the Effective Date, but prior to November 30, 2021, unrestricted and unencumbered net cash proceeds in an aggregate amount of at least [***] from the issuance and sale by Borrower of its equity securities to investors reasonably acceptable to Bank.

Actual: $_____

_____No, not in compliance _____Yes, in compliance

II. **Minimum Product Revenue**. (See Section 5.7(b))

Require: Commencing upon the Funding Date of the Term B Loan Advance, Borrower shall achieve, to be tested as of the last day of each month, minimum Product Revenue for the trailing 12 month period ending on such date, of at least:

Period	Minimum Product Revenue
March 31, 2022	[***]
April 30, 2022	[***]
May 31, 2022	[***]
June 30, 2022	[***]
July 31, 2022	[***]
August 31, 2022	[***]
September 30, 2022	[***]
October 31, 2022	[***]
November 30, 2022	[***]
December 31, 2022	[***]

**See Section 5.7(b) with respect to periods ending after December 31, 2022*

Actual: $_____

_____No, not in compliance _____Yes, in compliance

ny-2251995

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Tsontcho Ianchulev, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eyenovia, Inc. for the quarterly period ended September 30, 2021;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 12, 2021

/s/ Tsontcho Ianchulev

Name: Tsontcho Ianchulev
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Gandolfo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eyenovia, Inc. for the quarterly period ended September 30, 2021;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 12, 2021

/s/ John Gandolfo

Name: John Gandolfo
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report of Eyenovia, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tsontcho Ianchulev, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 12, 2021

/s/ Tsontcho Ianchulev
Name: Tsontcho Ianchulev
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report of Eyenovia, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Gandolfo, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 12, 2021

/s/ John Gandolfo
Name: John Gandolfo
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)