
**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: June 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

(State or Other Jurisdiction of
Incorporation or Organization)

295 Madison Avenue, Suite 2400
NEW YORK, NY

(Address of Principal Executive Offices)

47-1178401

(I.R.S. Employer
Identification No.)

10017

(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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 new 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 25,947,832 as of August 10, 2021.

EYENOVIA, INC.
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2021

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

EYENOVIA, INC.
Condensed Balance Sheets

	June 30, 2021 (unaudited)	December 31, 2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 27,176,843	\$ 28,371,828
Deferred license costs	—	1,600,000
License fee and expense reimbursements receivables	899,332	2,966,039
Prepaid expenses and other current assets	1,418,834	453,478
Total Current Assets	29,495,009	33,391,345
Property and equipment, net	968,881	396,380
Security deposit	119,035	119,035
Total Assets	<u>\$ 30,582,925</u>	<u>\$ 33,906,760</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 1,667,634	\$ 1,461,665
Accrued compensation	870,666	1,150,672
Accrued expenses and other current liabilities	1,054,923	1,480,692
Deferred rent - current portion	6,857	7,809
Deferred license fee	10,000,000	14,000,000
Notes payable - current portion	959,763	97,539
Total Current Liabilities	14,559,843	18,198,377
Deferred rent - non-current portion	37,632	38,684
Notes payable - non-current portion	6,994,893	365,814
Total Liabilities	21,592,368	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 June 30, 2021 and December 31, 2020, respectively	—	—
Common stock, \$0.0001 par value, 90,000,000 shares authorized; 25,946,646 and 24,978,585 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	2,595	2,498
Additional paid-in capital	96,621,948	92,742,306
Accumulated deficit	(87,633,986)	(77,440,919)
Total Stockholders' Equity	8,990,557	15,303,885
Total Liabilities and Stockholders' Equity	<u>\$ 30,582,925</u>	<u>\$ 33,906,760</u>

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

EYENOVIA, INC.

Condensed Statements of Operations
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Operating Income				
Revenue	\$ 2,000,000	\$ —	\$ 4,000,000	\$ —
Cost of revenue	(800,000)	—	(1,600,000)	—
Gross Profit	1,200,000	—	2,400,000	—
Operating Expenses:				
Research and development	3,616,382	2,915,250	7,864,108	6,549,537
General and administrative	2,347,191	2,104,163	4,647,518	3,940,945
Total Operating Expenses	5,963,573	5,019,413	12,511,626	10,490,482
Loss From Operations	(4,763,573)	(5,019,413)	(10,111,626)	(10,490,482)
Other Income (Expense):				
Small Business Administration Economic Injury Disaster Grant	—	10,000	—	10,000
Interest expense	(78,047)	(6,351)	(83,195)	(10,032)
Interest income	220	199	1,754	24,039
Net Loss	\$ (4,841,400)	\$ (5,015,565)	\$ (10,193,067)	\$ (10,466,475)
Net Loss Per Share				
- Basic and Diluted	\$ (0.19)	\$ (0.25)	\$ (0.40)	\$ (0.56)
Weighted Average Number of Common Shares Outstanding				
- Basic and Diluted	25,927,303	19,821,215	25,630,572	18,563,864

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 Six Months Ended June 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	<u>25,946,646</u>	<u>2,595</u>	<u>\$ 96,621,948</u>	<u>\$ (87,633,986)</u>	<u>\$ 8,990,557</u>

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

	For the Three and Six Months Ended June 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 public offering [2]	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	<u>19,943,683</u>	<u>\$ 1,994</u>	<u>\$ 76,454,839</u>	<u>\$ (68,137,527)</u>	<u>\$ 8,319,306</u>

[2] Includes gross proceeds of \$5,984,931, less total issuance costs of \$533,189.

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

EYENOVIA, INC.
Condensed Statements of Cash Flows
(unaudited)

	For the Six Months Ended June 30,	
	2021	2020
Cash Flows From Operating Activities		
Net loss	\$ (10,193,067)	\$ (10,466,475)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property and equipment	75,243	49,343
Amortization of debt discount	15,514	—
Stock-based compensation	1,294,268	1,217,011
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(259,996)	(137,187)
License fee and expense reimbursements receivables	2,066,707	—
Deferred license costs	1,600,000	—
Accounts payable	205,969	—
Accrued compensation	(280,006)	(462,658)
Accrued expenses and other current liabilities	(425,769)	(342,967)
Deferred license fee	(4,000,000)	227,795
Security deposit	—	(1,235)
Deferred rent	(2,004)	(6)
Net Cash Used In Operating Activities	(9,903,141)	(9,916,379)
Cash Flows From Investing Activities		
Purchases of property and equipment	(647,744)	(132,243)
Net Cash Used In Investing Activities	(647,744)	(132,243)
Cash Flows From Financing Activities		
Proceeds from sale of common stock and warrants in private placement [1]	—	5,569,136
Proceeds from exercise of stock warrants	2,103,991	376,421
Proceeds from PPP 7(a) Loan	—	463,353
Proceeds from SVB loan	7,500,000	—
Repayments of notes payable	(311,563)	(209,324)
Payment of offering issuance costs	—	(117,394)
Payment of loan issuance costs	(66,618)	—
Proceeds from exercise of stock options	130,090	—
Net Cash Provided By Financing Activities	9,355,900	6,082,192
Net Decrease in Cash and Cash Equivalents	(1,194,985)	(3,966,430)
Cash and cash equivalents - Beginning of Period	28,371,828	14,152,601
Cash and cash equivalents - End of Period	\$ 27,176,843	\$ 10,186,171

[1] Includes gross proceeds of \$5,984,931, less issuance costs of \$415,795 deducted directly from the private placement.

Supplemental Disclosure of Cash Flow Information:

Cash paid during the periods for:		
Interest	\$ 70,457	\$ 6,032
Income taxes	\$ —	\$ —

Supplemental Disclosure of Non-Cash Investing and Financing Activities

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 company developing a pipeline of advanced therapeutics based on its propriety array print (MAP™) platform technology. Eyenovia aims to achieve clinical microdosing of next-generation formulations of novel and existing 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 clinical trials, the Optejet has demonstrated that Eyenovia’s targeted horizontal microdose delivery can achieve a significantly higher rate of successful ocular topical delivery compared to the established rate reported with 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. Its products are classified by the FDA as drugs, and not medical devices or drug-device combination products.

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 June 30, 2021 and for the three and six months ended June 30, 2021 and 2020. The results of operations for the six months ended June 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 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 June 30, 2021, the Company had cash of approximately \$27.2 million and an accumulated deficit of approximately \$87.6 million. For the six months ended June 30, 2021 and 2020, the Company incurred net losses of approximately \$10.2 million and \$10.5 million, respectively, and used cash in operations of approximately \$9.9 million and \$9.9 million, respectively. 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 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 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.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Cash and Cash Equivalents

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

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 June 30, 2021 and December 31, 2020, the Company had cash balances in excess of FDIC insurance limits of \$26,676,843 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 fully vested shares that are subject to issuance for little or no monetary consideration. 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:

	June 30,	
	2021	2020
Options	4,104,519	3,290,357
Warrants	1,226,183	3,344,154
Total potentially dilutive shares	5,330,702	6,634,511

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.

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.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

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.

Deferred License Fee

The Company enters into license agreements which provide for the receipt of non-refundable, upfront licensing payments. These payments are recorded as deferred license fees and will be earned and recognized as revenue upon the satisfaction of performance obligations. See Note 7 – Commitments and Contingencies for additional details.

Deferred License Costs

The Company enters into license agreements which provide for payment of license costs in connection with the Company's receipt of license fees. These payments are recorded as deferred license costs and will be recorded as an expense when the related license fee revenue is recognized. See Note 8 – Related Party Transactions 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.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 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 2019-01 “Leases (Topic 842) Codification Improvements” in March 2019 and ASU 2018-10 “Codification Improvements to Topic 842, Leases” and ASU 2018-11 “Leases (Topic 842) Targeted Improvements” in July 2018, and ASU 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 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 June 30, 2021 and December 31, 2020, prepaid expenses and other current assets consisted of the following:

	June 30, 2021	December 31, 2020
Payroll tax receivable	\$ 272,008	\$ 151,942
Prepaid insurance expenses	647,710	110,094
Prepaid research and development expenses	91,625	—
Prepaid general and administrative expenses	130,025	—
Prepaid licenses and subscriptions	—	57,051
Prepaid conference expenses	70,340	29,403
Prepaid board of directors fees	77,000	68,250
Prepaid rent and security deposit	32,254	25,004
Other	97,872	11,734
Total prepaid expenses and other current assets	<u>\$ 1,418,834</u>	<u>\$ 453,478</u>

Note 4 – Accrued Compensation

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

	June 30, 2021	December 31, 2020
Accrued bonus expenses	\$ 571,670	\$ 938,873
Accrued payroll expenses	298,996	211,799
Total accrued compensation	<u>\$ 870,666</u>	<u>\$ 1,150,672</u>

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Note 5 – Accrued Expenses and Other Current Liabilities

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

	June 30, 2021	December 31, 2020
Accrued research and development expenses	\$ 712,062	\$ 348,254
Accrued consulting and professional services	221,303	235,355
Credit card payable	32,509	50,002
Accrued franchise tax	26,200	32,480
Accrued licensing fees	—	804,447
Accrued interest	36,636	3,068
Accrued expense reimbursements	—	5,459
Other	26,213	1,627
Total accrued expenses and other current liabilities	\$ 1,054,923	\$ 1,480,692

Note 6 – Notes Payable

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

	June 30, 2021			December 31, 2020		
	Current Portion	Non- Current Portion	Total	Current Portion	Non- Current Portion	Total
BankDirect Capital Finance loan	\$ 393,797	\$ —	\$ 393,797	\$ —	\$ —	\$ —
Paycheck Protection Program loan	463,353	—	463,353	97,539	365,814	463,353
Silicon Valley Bank loan	102,613	6,994,893	7,097,506	—	—	—
Total	\$ 959,763	\$ 6,994,893	\$ 7,954,656	\$ 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 provides 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 bears 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 is 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. Such forgiveness will be determined, subject to limitations, based on the use of the loan proceeds for certain permissible purposes as set forth in the PPP Loan, including, but not limited to, payroll costs and mortgage interest, rent or utility costs (collectively, “Qualifying Expenses”) incurred during the 24 weeks subsequent to funding, and on the maintenance of employee and compensation levels following the funding of the PPP Loan. The Company has used the proceeds of its PPP Loan for Qualifying Expenses. However, no assurance is provided that the Company will be able to obtain forgiveness of its PPP Loan in whole or in part. Any amounts that are not forgiven incur interest at 1.0% per annum and monthly repayments of principal and interest are deferred until six months after the Small Business Administration makes a determination on forgiveness. While the PPP Loan currently has a two-year maturity, the amended law permits the borrower to request a five-year maturity from its lender. During the three months ended June 30, 2021 and 2020, the Company recorded interest expense of \$4,481 and \$4,333, respectively. During the six months ended June 30, 2021 and 2020, the Company recorded interest expense of \$6,963 and \$6,032, respectively.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

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 (the “Lender”, or “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 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 the Lender 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, Eyenovia 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. During the period ended June 30, 2021, the Company recorded interest expense relating to the Loan of \$54,516.

The following are the scheduled future annual maturities, subject to an extension of the interest-only period:

Remainder of 2021	\$	—
2022		1,458,333
2023		2,500,000
2024		2,500,000
2025		1,041,667
		<u>\$ 7,500,000</u>

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.

	<u>June 30, 2021</u>
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	15,514
	<u>7,097,506</u>
Note payable - current portion	102,613
Note payable - non-current portion	<u>\$ 6,994,893</u>

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

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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 \$41.75 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, and development costs. 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.

Arctic Vision also will purchase its supply of MicroPine and MicroLine 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 June 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 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 June 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 June 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

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

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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 June 30, 2021.

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, Nevada with respect to 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. On September 15, 2020, the Company amended the lease agreement to extend it until September 14, 2022 and increase the monthly base rent and security deposit to \$5,404. The Company made \$82,500 of leasehold improvements related to this lease which are included on the condensed balance sheet. The Company's rent expense for this space is recorded in Research and Development on the condensed statement of operations and amounted to \$16,212 and \$15,494 for the three months ended June 30, 2021 and 2020, respectively, and \$32,424 and \$27,530, respectively, for the six months ended June 30, 2021 and 2020.

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, Eyenovia 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.

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’ EquitySecurities 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 \$5.3 million of net proceeds in the offering after deducting placement agent fees and offering expenses. 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.

In connection with the private placement, on March 24, 2020, the Company also entered into a Registration Rights Agreement with the investors. Pursuant to the Registration Rights Agreement, the Company was obligated to file with the SEC, no later than 30 days following the date on which the Company filed 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 effective by the SEC on 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 June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Expected term (years)	5.85 - 10.00	5.85	5.85 - 10.00	5.85
Risk free interest rate	0.80% - 1.58%	0.34% - 0.38%	0.45% - 1.58%	0.34% - 1.32%
Expected volatility	93 %	99 %	93% - 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 June 30, 2021 and 2020 was approximately \$3.48 and \$2.13 per share, respectively. The weighted average estimated grant date fair value of the stock options granted for the six months ended June 30, 2021 and 2020 was approximately \$4.33 and \$2.17 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 six months ended June 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	781,536	5.77		
Exercised	(104,722)	1.95		
Outstanding June 30, 2021	4,104,519	\$ 3.83	7.9	\$ 6,445,166
Exercisable June 30, 2021	2,185,978	\$ 3.52	6.9	\$ 4,241,183

The following table presents information related to stock options as of June 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	3.7	260,000
\$ 1.95	568,822	6.0	568,822
\$ 2.72	764,419	8.9	254,807
\$ 2.74	6,000	7.5	4,833
\$ 2.89	263,500	8.9	95,158
\$ 3.11	659,849	8.1	420,859
\$ 3.43	58,920	—	—
\$ 3.48	45,000	—	—
\$ 3.71	43,000	—	—
\$ 4.00	2,000	7.4	1,723
\$ 4.53	127,000	—	—
\$ 4.68	25,000	8.6	11,112
\$ 5.10	6,000	7.2	5,500
\$ 5.11	1,637	—	—
\$ 5.19	16,500	7.2	15,125
\$ 5.25	26,668	5.3	26,668
\$ 5.77	50,000	—	—
\$ 6.01	652,899	—	—
\$ 6.20	300,387	7.1	296,119
\$ 6.30	60,000	7.0	58,333
\$ 8.72	166,918	6.8	166,918
	<u>4,104,519</u>	6.9	<u>2,185,978</u>

EYENOVIA, INC.

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Warrants

A summary of the Warrant activity for the six months ended June 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 June 30, 2021	<u>1,226,183</u>	<u>\$ 2.69</u>	<u>4.2</u>	<u>\$ 2,788,188</u>
Exercisable June 30, 2021	<u>1,226,183</u>	<u>\$ 2.69</u>	<u>4.2</u>	<u>\$ 2,788,188</u>

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

Warrants Outstanding		Warrants Exercisable	
Exercise Price	Outstanding Number of Warrants	Weighted Average Remaining Life In Years	Exercisable Number of Warrants
\$2.4696	917,919	3.7	917,919
\$2.7240	216,380	3.7	216,380
\$4.7600	91,884	9.9	91,884
	<u>1,226,183</u>	<u>4.2</u>	<u>1,226,183</u>

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

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.

Stock Warrant Exercises

During the six months ended June 30, 2021, the Company issued an aggregate of 877,014 shares of common stock pursuant to the exercise of warrants for aggregate proceeds of \$2,103,991 at exercise prices ranging from \$2.058 to \$2.4696.

Stock-Based Compensation Expense

The Company recorded stock-based compensation expense related to stock options and restricted stock units of \$637,355 (\$319,497 of which was included within research and development expenses and \$317,858 was included within general and administrative expenses on the condensed statements of operations) and \$633,146 (\$348,447 of which was included within research and development expenses and \$284,699 was included within general and administrative expenses on the condensed statements of operations) during the three months ended June 30, 2021 and 2020, respectively. During the six months ended June 30, 2021 and 2020, the Company recorded stock-based compensation expense related to stock options and restricted stock units of \$1,294,268 (\$649,210 of which was included within research and development expenses and \$645,058 was included within general and administrative expenses on the condensed statements of operations) and \$1,217,011 (\$655,856 of which was included within research and development expenses and \$561,155 was included within general and administrative expenses on the condensed statements of operations), respectively. As of June 30, 2021, there was

EYENOVIA, INC.

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\$5,796,853 of unrecognized stock-based compensation expense which the Company expects to recognize over a weighted average period of 2.2 years.

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, par value \$0.0001 per share (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 June 30, 2021, the Company has not sold any shares of common stock under the Agreement.

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, 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 June 30, 2021 and 2020, the Company recorded expense of \$46,663 and \$22,515 associated with its matching contributions, respectively. During the six months ended June 30, 2021 and 2020, the Company recorded expense of \$110,841 and \$80,486 associated with its matching contributions, respectively.

Note 11 – Subsequent Events

Employee Stock Options

On July 6, 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 224,000 shares of the Company’s common stock at an exercise price of \$4.81 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 June 30, 2021 and for the three and six months ended June 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 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 company developing a pipeline of advanced therapeutics based on our proprietary microdose array print (MAP™) platform technology. We aim to achieve clinical microdosing of next-generation formulations of novel and existing ophthalmic pharmaceutical agents using our high-precision targeted ocular delivery system, branded the Optejet®. Optejet μ-therapeutics have the potential to replace conventional eye dropper delivery and improve safety, tolerability, patient compliance and topical delivery success for ophthalmic eye treatments. In clinical trials, the Optejet has demonstrated that our targeted horizontal microdose delivery can achieve a significantly higher rate of successful ocular topical delivery compared to the established rate reported with 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, or the FDA. Our microdose therapeutics follow the FDA-designated pharmaceutical registration and regulatory process. Our products are classified by the FDA as drugs, and not medical devices or drug-device 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 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 previously 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 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 later 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 \$41.75 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. Arctic Vision also will purchase its supply of MicroPine and MicroLine 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”).

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 with an expected Prescription Drug User Fee Act, or PDUFA, date of October 28, 2021.

We have not completed development of 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. Recently we also have generated cash through licensing arrangements and our credit facility with Silicon Valley Bank. 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 \$4.8 million and \$10.2 million for the three and six months ended June 30, 2021. As of June 30, 2021, we had working capital and an accumulated deficit of \$14.9 million and \$87.6 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 initiatives and activities described above.

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 June 30, 2021 Compared with Three Months Ended June 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. 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.

Research and Development Expenses

Research and development expenses for the three months ended June 30, 2021 totaled \$3.6 million, an increase of \$0.7 million, or 24%, as compared to \$2.9 million recorded for the three months ended, June 30, 2020. Research and development expenses consisted of the following:

	For the Three Months Ended June 30,	
	2021	2020
Direct clinical and non-clinical expenses	\$ 1,493,600	\$ 1,503,565
Personnel-related expenses	1,299,090	727,519
Non-cash stock-based compensation expenses	319,497	348,447
Supplies and materials	277,557	284,908
Facilities and other expenses	226,638	50,811
Total research and development expenses	<u>\$ 3,616,382</u>	<u>\$ 2,915,250</u>

The increase in personnel-related expenses was primarily due to salary increases, costs related to staff hired late in 2020 and new hires related to manufacturing and the ramp up for the launch of the MydCombi product. The increase in costs related to facilities and other expenses was primarily due to an increase in travel-related expenses related to clinical studies as COVID restrictions have been relaxed.

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2021 totaled \$2.3 million, an increase of \$0.2 million, or 12%, as compared to \$2.1 million recorded for the three months ended June 30, 2020. This increase was primarily attributable to a \$0.1 million increase in the cost of directors & officers insurance and a \$0.1 million increase in sales and marketing expense mainly due to the MydCombi dosing study.

Six Months Ended June 30, 2021 Compared with Six Months Ended June 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 six months ended June 30, 2021. There was no revenue for the six months ended June 30, 2020.

Research and Development Expenses

Research and development expenses for the six months ended June 30, 2021 totaled \$7.9 million, an increase of \$1.3 million, or 20%, as compared to \$6.5 million recorded for the six months ended, June 30, 2020. Research and development expenses consisted of the following:

	For the Six Months Ended	
	June 30,	
	2021	2020
Direct clinical and non-clinical expenses	\$ 3,878,381	\$ 3,330,782
Personnel-related expenses	2,500,081	1,642,668
Non-cash stock-based compensation expenses	649,210	655,856
Supplies and materials	439,828	782,504
Facilities and other expenses	396,608	137,727
Total research and development expenses	<u>\$ 7,864,108</u>	<u>\$ 6,549,537</u>

The increase in direct clinical and non-clinical expenses was primarily due to further testing and commercialization of the MydCombi product. The increase in personnel-related expenses was primarily due to salary increases, costs related to staff hired late in 2020 and new hires related to manufacturing and the ramp up for the MydCombi launch. The decrease in costs related to supplies and materials was primarily due to the fact that the bulk of dispensers needed for clinical cartridge supply in 2021 were produced in 2020. The increase in costs related to facilities and other expenses was primarily due to an increase in travel-related expenses as COVID restrictions have been relaxed and costs related to new hires (human resources and information technology-related expenses).

General and Administrative Expenses

General and administrative expenses for the six months ended June 30, 2021 totaled \$4.6 million, an increase of \$0.7 million, or 18%, as compared to \$3.9 million recorded for the six months ended June 30, 2020. This increase was primarily attributable to an increase of \$0.2 million for sales and marketing expenses related to the MydCombi dosing study, an increase of \$0.3 million due to new hires which included a new project management director, an increase of \$0.1 million for officer option grants and a \$0.1 million increase in directors and officers insurance.

Liquidity and Capital Resources

Since inception, we have experienced negative cash flows from operations. As of June 30, 2021, our accumulated deficit since inception was \$87.6 million.

As of June 30, 2021, we had a cash balance of \$27.2 million, working capital of \$14.9 million and stockholders' equity of \$9.0 million. As of June 30, 2021 and December 31, 2020, we had \$8.0 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 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 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 six months ended June 30, 2021 and 2020, our sources and uses of cash were as follows:

Net cash used in operating activities for the six months ended June 30, 2021 was \$9.9 million, which includes cash used to fund a net loss of \$10.2 million, reduced by \$1.4 million of net non-cash expenses, plus \$1.1 million of cash used to fund changes in operating assets and liabilities. Net cash used in operating activities for the six months ended June 30, 2020 was \$9.9 million, which includes cash used to fund a net loss of \$10.5 million, reduced by \$1.3 million of net non-cash expenses, plus \$0.7 million of cash used to fund changes in operating assets and liabilities.

Cash used in investing activities for the six months ended June 30, 2021 was \$0.6 million, which was related to purchases of property and equipment. Cash used in investing activities for the six months ended June 30, 2020 was \$0.1 million, which was also related to purchases of property and equipment.

Net cash provided by financing activities for the six months ended June 30, 2021 totaled \$9.4 million, which was attributable to aggregate net proceeds from the Silicon Valley Bank loan of \$7.4 million, the exercise of stock warrants of \$2.1 million and the exercise of stock options of \$0.1 million. This was slightly offset by the repayment of \$0.3 million of notes payable. Net cash provided by financing activities for the six months ended June 30, 2020 totaled \$6.1 million, which was attributable to aggregate net proceeds from the sale of common stock and warrants in our private placement of \$5.5 million, \$0.5 million in proceeds from a loan in connection with the Paycheck Protection Program under the Cares Act and \$0.4 million of proceeds from the exercise of stock warrants. This was slightly offset by the repayment of notes payable of \$0.2 million.

On May 7, 2021, the Company entered into a Loan and Security Agreement (the "Loan") with Silicon Valley Bank (the "Lender") for an aggregate principal amount of up to \$25.0 million. The Loan bears interest at 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 matures on May 1, 2025. The initial tranche 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 the Lender 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 agreement.

We filed a universal shelf registration on Form S-3 with the SEC on January 25, 2019, which was declared effective on February 12, 2019, pursuant to which we registered for sale up to \$75.0 million of any combination of our common stock, preferred stock, debt securities, warrants, rights and/or units from time to time and at prices and on terms that we may determine, which we refer to as the 2019 Form S-3. In addition, on May 14, 2021, we entered into a sales agreement with SVB Leerink LLC, which we refer to as the 2021 Sales Agreement, with respect to an at-the-market offering program under which we may offer and sell, from time to time at our sole discretion, shares of our common stock having an aggregate value up to \$30.0 million. We make no assurances as to the continued effectiveness of the 2019 Form S-3 or as to any sales under the 2021 Sales Agreement.

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 Accounting Standards

For a description of recently adopted accounting standards, 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.

Smaller reporting companies such as Eyenovia 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 Securities Exchange Act of 1934, as amended (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 June 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 June 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 quarter ended June 30, 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.

Smaller reporting companies such as Eyenovia 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.

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference (Unless Otherwise Indicated)</u>			
		<u>Form</u>	<u>File No.</u>	<u>Exhibit</u>	<u>Filing Date</u>
4.1	Form of Warrant issued by the Company to Silicon Valley Bank	8-K	001-38365	4.1	May 10, 2021
10.1	Loan and Security Agreement, dated as of May 7, 2021, between the Company and Silicon Valley Bank	8-K	001-38365	10.1	May 10, 2021
10.2	Sales Agreement, dated as of May 14, 2021, between Eyenovia, Inc. and SVB Leerink LLC	8-K	001-38365	1.1	May 14, 2021
10.3#	Amended and Restated 2018 Omnibus Stock Incentive Plan, As Amended	—	—	—	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 June 30, 2021 and December 31, 2020; (ii) Condensed Statements of Operations for the Three and Six Months Ended June 30, 2021 and 2020; (iii) Condensed Statements of Changes in Stockholders' Equity for the Three and Six Months Ended June 30, 2021 and 2020; Condensed Statements of Cash Flows for the Six Months Ended June 30, 2021 and 2020; and (iv) Notes to Condensed Financial Statements	—	—	—	Filed herewith
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit)	—	—	—	Filed herewith.

#Management contract or other compensatory plan.

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.

Date: August 12, 2021

By: /s/ John Gandolfo

John Gandolfo

Chief Financial Officer

(Principal Financial and Accounting Officer)

EYENOVIA, INC.

**AMENDED AND RESTATED
2018 OMNIBUS STOCK INCENTIVE PLAN, AS AMENDED**

**2018 Omnibus Stock Incentive Plan Approved by
the Board and Stockholders on March 6, 2018 and June 11, 2018, respectively**

**Amendment to 2018 Omnibus Stock Incentive Plan Approved by
the Board and Stockholders on April 5, 2019 and June 11, 2019, respectively**

**Amendment and Restatement of 2018 Omnibus Stock Incentive Plan Approved by
the Board and Stockholders on April 7, 2020 and June 30, 2020, respectively**

**Amendment to Amended and Restated 2018 Omnibus Stock Incentive Plan Approved by
the Board and Stockholders on March 31, 2021 and June 16, 2021, respectively**

1. **Purposes of the Plan.** The purposes of this Plan are to attract and retain the best available personnel; to provide additional incentives to Employees, Directors and Consultants to contribute to the successful performance of the Company and any Related Entity; to promote the growth of the market value of the Company's Common Stock; to align the interests of Grantees with those of the Company's stockholders; and to promote the success of the Company's business.
2. **Definitions.** The following definitions shall apply as used herein and in all individual Award Agreements except as a term may be otherwise defined in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.
 - (a) **"Administrator"** means the Plan Administrator as described in Section 4.
 - (b) **"Applicable Laws"** means the legal requirements relating to the Plan and the Awards under applicable provisions of federal and state securities laws, the corporate laws of Delaware, and, to the extent other than Delaware, the corporate law of the state of the Company's incorporation, the Code, the rules of any applicable stock exchange or national market system, and the rules of any non-U.S. jurisdiction applicable to Awards granted to residents therein.
 - (c) **"Assumed"** means, with respect to an Award, that pursuant to a Corporate Transaction either (i) the Award is expressly affirmed by the Company or (ii) the contractual obligations represented by the Award are expressly assumed (and not simply by operation of law) by the successor entity or its Parent in connection with the Corporate Transaction with appropriate adjustments to the number and type of securities of the successor entity or its Parent subject to the Award and the exercise or purchase price thereof which at least preserves the compensation element of the Award existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Award.
 - (d) **"Award"** means the grant of an Option, SAR, Dividend Equivalent Right, Restricted Stock, Restricted Stock Unit, or other right or benefit under the Plan.
 - (e) **"Award Agreement"** means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto.
 - (f) **"Board"** means the Board of Directors of the Company.
 - (g) **"Cause"** means, with respect to the termination by the Company or a Related Entity of a Grantee's Continuous Service:

(i) that such termination is for “Cause” as such term (or word of like import) is expressly defined in a then-effective written employment agreement, consulting agreement, service agreement or other similar agreement between the Grantee and the Company or such Related Entity, provided, however, that with regard to any agreement that defines “Cause” on the occurrence of or in connection with a Corporate Transaction, such definition of “Cause” shall not apply until a Corporate Transaction actually occurs; or

(ii) in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator: (A) the Grantee’s performance of any act, or failure to perform any act, in bad faith and to the detriment of the Company or a Related Entity; (B) the Grantee’s dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity; (C) the Grantee’s material breach of any noncompetition, confidentiality or similar agreement with the Company or a Related Entity, as determined under such agreement; (D) the Grantee’s commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; (E) if the Grantee is an Employee or Consultant, the Grantee’s engaging in acts or omissions constituting gross negligence, misconduct or a willful violation of a Company or a Related Entity policy which is or is reasonably expected to be materially injurious to the Company and/or a Related Entity; or (F) if the Grantee is an Employee, the Grantee’s failure to follow the reasonable instructions of the Board or such Grantee’s direct supervisor, which failure, if curable, is not cured within 10 days after notice to such Grantee or, if cured, recurs within 180 days.

(h) **“Code”** means the Internal Revenue Code of 1986, as amended, or any successor statute.

(i) **“Committee”** means the Compensation Committee of the Board or another committee appointed by the Board to administer the Plan in accordance with Section 4(a) below.

(j) **“Common Stock”** means the Company’s voting common stock, \$0.0001 par value per share.

(k) **“Company”** means Eyenovia, Inc., a Delaware corporation, or any successor entity that adopts the Plan in connection with a Corporate Transaction.

(l) **“Consultant”** means any person (other than an Employee or a Director, solely with respect to rendering services in such person’s capacity as a Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.

(m) **“Continuous Service”** means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. A Grantee’s Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Award Agreement). An approved leave of absence for purposes of this Plan shall include sick leave, military leave, or any other authorized personal leave, so long as the Company or Related Entity has a reasonable expectation that the individual will return to provide services for the Company or Related Entity, and provided further that the leave does not exceed six months, unless the individual has a statutory or contractual right to re-employment following a longer leave. For purposes of each Incentive Stock Option granted under the Plan, if such leave exceeds three months, and reemployment upon expiration of such leave is not guaranteed by statute or contract, then the Incentive Stock Option shall be treated as a Non-Qualified Stock Option beginning on the day three months and one day following the expiration of such three month period.

(n) **“Corporate Transaction”** means any of the following transactions, provided, however, that the Administrator shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

- (i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;
- (ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;
- (iii) the complete liquidation or dissolution of the Company;
- (iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the Shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than 50% of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger; or
- (v) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than 50% of the total combined voting power of the Company's outstanding securities.
- (o) **"Data"** has the meaning set forth in Section 22 of this Plan.
- (p) **"Director"** means a member of the Board or the board of directors of any Related Entity.
- (q) **"Disability"** means a "disability" (or word of like import) as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides service does not have a long-term disability plan in place, "Disability" means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than 90 consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator.
- (r) **"Disqualifying Disposition"** means any disposition (including any sale) of Common Stock received upon exercise of an Incentive Stock Option before either (i) two years after the date the Employee was granted the Incentive Stock Option, or (ii) one year after the date the Employee acquired Common Stock by exercising the Incentive Stock Option. If the Employee has died before such stock is sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.
- (s) **"Dividend Equivalent Right"** means a right entitling the Grantee to compensation measured by dividends paid with respect to Common Stock.
- (t) **"Effective Date"** has the meaning set forth in Section 15 below.
- (u) **"Employee"** means any person, including an Officer or Director, who is in the employ of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a director's fee by the Company or a Related Entity shall not be sufficient to make such person an "Employee" of the Company or a Related Entity.
- (v) **"Exchange Act"** means the Securities Exchange Act of 1934, as amended.
- (w) **"Fair Market Value"** means, as of any date, the value of the Common Stock determined as follows.

(i) If the Common Stock is listed on one or more established stock exchanges or national market systems, including without limitation The NASDAQ Global Select Market, The NASDAQ Global Market, or The NASDAQ Capital Market of The NASDAQ Stock Market LLC, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Common Stock is listed (as determined by the Administrator) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such stock as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock of the type described in (i) and (ii), above, the Fair Market Value thereof shall be determined by the Administrator in good faith by application of a reasonable valuation method consistently applied and taking into consideration all available information material to the value of the Company in a manner in compliance with Section 409A, or in the case of an Incentive Stock Option, in a manner in compliance with Section 422 of the Code.

(x) **“Grantee”** means an Employee, Director or Consultant who receives an Award under the Plan.

(y) **“Incentive Stock Option”** means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(z) **“Non-Qualified Stock Option”** means an Option not intended to qualify as an Incentive Stock Option.

(aa) **“Officer”** means a person who is an officer of the Company or a Related Entity within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(bb) **“Option”** means an option to purchase one or more Shares pursuant to an Award Agreement granted under the Plan.

(cc) **“Parent”** means a “parent corporation,” whether now or hereafter existing, as defined in Section 424(e) of the Code.

(dd) **“Performance Period”** means the time period during which specified performance criteria must be met in connection with vesting of an Award as determined by the Administrator, as described in Section 6(d) below.

(ee) **“Plan”** means this Eyenovia, Inc. Amended and Restated 2018 Omnibus Stock Incentive Plan, as the same may be amended from time to time.

(ff) **“Post-Termination Exercise Period”** means the period specified in the Award Agreement of not less than 30 days commencing on the date of termination (other than termination by the Company or any Related Entity for Cause) of the Grantee’s Continuous Service, or such longer period as may be applicable upon death or Disability.

(gg) **“Related Entity”** means any Parent or Subsidiary of the Company.

(hh) **“Restricted Stock”** means Shares issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as established by the Administrator.

(ii) **“Restricted Stock Units”** means an Award which may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator and which may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator.

(jj) **“Rule 16b-3”** means Rule 16b-3 promulgated under the Exchange Act or any successor thereto.

(kk) **“SAR”** means a stock appreciation right entitling the Grantee to Shares or cash compensation, as established by the Administrator, measured by appreciation in the value of Common Stock.

(ll) **“Section 409A”** means Section 409A of the Code, the Treasury Regulations and other guidance issued thereunder by the United States Department of the Treasury (whether issued before or after the Effective Date), and all state laws of similar effect.

(mm) **“Share”** means a share of the Common Stock.

(nn) **“Subsidiary”** means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code.

(oo) **“Tax Obligations”** means all income tax, social insurance, payroll tax, fringe benefits tax, or other tax-related liabilities related to a Grantee’s participation in the Plan and the receipt of any benefits hereunder, as determined under the Applicable Laws.

3. Stock Subject to the Plan.

(a) Subject to adjustment as described in Section 13 below, the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Stock Options) is 4,200,000 Shares. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Any Shares covered by an Award (or portion of an Award) which is forfeited, canceled or expires (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan, except that the maximum aggregate number of Shares which may be issued pursuant to the exercise of Incentive Stock Options shall not exceed the number specified in Section 3(a). Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan, except that if unvested Shares are forfeited or repurchased by the Company, such Shares shall become available for future grant under the Plan. In the event any Option or other Award granted under the Plan is exercised through the tendering of Shares (either actually or through attestation), or in the event tax withholding obligations are satisfied by tendering or withholding Shares, any Shares so tendered or withheld shall not again be available for Awards under the Plan. To the extent that cash in lieu of Shares is delivered upon the exercise of an SAR pursuant to Section 6(1), the Company shall be deemed, for purposes of applying the limitation on the number of shares, to have issued the number of Shares which it was entitled to issue upon such exercise, notwithstanding that cash was issued in lieu of such Shares. Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options shall not be available for Awards under the Plan.

4. Administration of the Plan.

(a) Plan Administrator.

(i) Administration with Respect to Directors and Officers. With respect to grants of Awards to Directors or Employees who are also Officers or Directors of the Company, the Plan shall be administered by (A)

the Board or (B) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy the Applicable Laws and to permit such grants and related transactions under the Plan to be exempt from Section 16(b) of the Exchange Act in accordance with Rule 16b-3. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board.

(ii) Administration With Respect to Consultants and Other Employees. With respect to grants of Awards to Employees or Consultants who are neither Directors nor Officers of the Company, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy the Applicable Laws and may or may not be composed of members of the Board. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board.

(b) Multiple Administrative Bodies. The Plan may be administered by different bodies with respect to Directors, Officers, Consultants, and Employees who are neither Directors nor Officers.

(c) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

- (i) to select the Employees, Directors and Consultants to whom Awards may be granted from time to time hereunder;
- (ii) to determine whether and to what extent Awards are granted hereunder;
- (iii) to determine the number of Shares or the amount of other consideration to be covered by each Award granted hereunder;
- (iv) determine the vesting schedule applicable to all Awards under the Plan, provided, however, that in any event the minimum vesting period for all Awards granted under the Plan after the Effective Date will be at least 12 months from the applicable date of grant such that no portion of any such Award will vest or become exercisable prior to the first anniversary of the date of grant of such Award;
- (v) to determine the type, terms and conditions of any Award granted hereunder;
- (vi) to accelerate vesting on any Award or to waive any forfeiture restrictions applicable thereto (notwithstanding the minimum vesting requirement set forth in Section 2(c)(iv) above), or to waive any other limitation or restriction with respect to an Award;
- (vii) to approve forms of Award Agreements for use under the Plan;
- (viii) to establish additional terms, conditions, rules or procedures to accommodate the rules or laws of applicable non-U.S. jurisdictions and to afford Grantees favorable treatment under such rules or laws; provided, however, that no Award shall be granted under any such additional terms, conditions, rules or procedures with terms or conditions which are inconsistent with the provisions of the Plan;
- (ix) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent; provided, however, that an amendment or modification that may cause an Incentive Stock Option to become a Non-Qualified Stock Option shall not be treated as adversely affecting the rights of the Grantee;
- (x) to construe and interpret the terms of the Plan and Awards, including without limitation, any notice of Award or Award Agreement, granted pursuant to the Plan;
- (xi) to institute an option exchange program;

(xii) to make other determinations as provided in this Plan; and

(xiii) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator; provided that the Administrator may not exercise any right or power reserved to the Board. Any decision made, or action taken, by the Administrator or in connection with the administration of this Plan shall be final, conclusive and binding on all persons having an interest in the Plan.

(d) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or as Officers or Employees of the Company or a Related Entity, members of the Board and any Officers or Employees of the Company or a Related Entity to whom authority to act for the Board, the Administrator or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to such liabilities, costs, and expenses as may arise out of, or result from, the bad faith, gross negligence, willful misconduct, or criminal acts of such persons; provided, however, that within 30 days after the institution of such claim, investigation, action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

5. Eligibility. Awards other than Incentive Stock Options may be granted to Employees, Directors, and Consultants of the Company or any Related Entity. Incentive Stock Options may be granted only to Employees of the Company or a Related Entity. An Employee, Director, or Consultant who has been granted an Award may, if otherwise eligible, be granted additional Awards. Awards may be granted to such Employees, Directors, or Consultants who are residing in non-U.S. jurisdictions as the Administrator may determine from time to time.

6. Terms and Conditions of Awards.

(a) Types of Awards. The Administrator is authorized under the Plan to award any type of arrangement to an Employee, Director or Consultant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) cash or (iii) an Option, an SAR, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions. Such Awards include, without limitation, Options, SARs, sales or bonuses of Restricted Stock, Restricted Stock Units, and Dividend Equivalent Rights. An Award may consist of one such security or benefit, or two or more of them in any combination or alternative.

(b) Designation of Award. Each Award shall be evidenced by an Award Agreement in form and substance satisfactory to the Administrator. The type of each Award shall be designated in the Award Agreement. In the case of an Option, the Option shall be designated as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designation, any portion of an Option designated as an Incentive Stock Option that exceeds the \$100,000 limitation of Section 422(d) of the Code will be treated as a Non-Qualified Stock Option. The \$100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by a Grantee during any calendar year (under all plans of the Company or any Related Entity). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the grant date of the relevant Option. Any Option granted which fails to satisfy the requirements of the Applicable Laws for treatment as an Incentive Stock Option shall be a Non-Qualified Stock Option.

(c) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule (subject

to the limitation set forth in Section 2(c)(iv) above), repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria that may be established by the Administrator.

(d) Performance-Based Awards. The Administrator may include in an Award provisions such that the vesting or other realization of an Award by a Grantee will be subject to the achievement of certain performance criteria as the Administrator may determine over the course of a Performance Period determined by the Administrator.

(i) The performance criteria will be established by the Administrator and may include any one of, or combination of, the following criteria:

- (A) Net earnings or net income (before or after taxes);
- (B) Earnings per share;
- (C) Net sales growth;
- (D) Net operating profit;
- (E) Return measures (including, but not limited to, return on assets, capital, equity, or sales);
- (F) Cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital);
- (G) Cash flow per share;
- (H) Earnings before or after taxes, interest, depreciation, and/or amortization;
- (I) Gross or operating margins;
- (J) Productivity ratios;
- (K) Share price (including, but not limited to, growth measures and total stockholder return);
- (L) Expense targets or ratios;
- (M) Charge-off levels;
- (N) Improvement in or attainment of revenue levels;
- (O) Margins;
- (P) Operating efficiency;
- (Q) Operating expenses;
- (R) Economic value added;
- (S) Improvement in or attainment of expense levels;
- (T) Improvement in or attainment of working capital levels;

- (U) Debt reduction;
- (V) Capital targets;
- (W) Regulatory, clinical or manufacturing milestones; and
- (X) Consummation of acquisitions, dispositions, projects or other specific events or transactions.

(ii) Performance criteria may be measured on an absolute (e.g., plan or budget) or relative basis, and may be established on a corporate-wide basis or with respect to one or more business units, divisions, subsidiaries or business segments, or may be established on an individual basis. Relative performance may be measured against a group of peer companies, a financial market index or other acceptable objective and quantifiable indices. If the Administrator determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or other events or circumstances render the performance objectives unsuitable, the Administrator may modify the minimum acceptable level of achievement, in whole or in part, as the Administrator deems appropriate and equitable. Performance objectives may be adjusted for material items not originally contemplated in establishing the performance target for items resulting from discontinued operations, extraordinary gains and losses, the effect of changes in accounting standards or principles, acquisitions or divestitures, changes in tax rules or regulations, capital transactions, restructuring, nonrecurring gains or losses or unusual items. Performance measures may vary from Award to Award, and from Grantee to Grantee, and may be established on a standalone basis, in tandem or in the alternative. The Administrator will have the authority to impose such other restrictions on as it may deem necessary or appropriate to ensure that performance-based Awards under this Section 6(d) satisfy all requirements of the Applicable Laws.

(iii) Before the 90th day of the applicable Performance Period (or, if the Performance Period is less than one year, no later than the number of days which is equal to 25% of such Performance Period), the Administrator will determine the duration of the Performance Period, the performance criteria on which performance will be measured, and the amount and terms of payment/vesting upon achievement of the such criteria.

(iv) Following the completion of each Performance Period, the Administrator will certify in writing whether the applicable performance criteria have been achieved for the Awards for such Performance Period. A Grantee will be eligible to receive payment pursuant to an Award for a Performance Period only if the performance criteria for such Performance Period are achieved. In determining the amounts earned by a Grantee pursuant to an Award issued pursuant to this Section 6(d), the Administrator will have the right to (A) reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Administrator may deem relevant to the assessment of individual or corporate performance for the Performance Period, (B) determine what actual Award, if any, will be paid in the event of a Corporate Transaction or in the event of a termination of employment following a Corporate Transaction prior to the end of the Performance Period, and (C) determine what actual Award, if any, will be paid in the event of a termination of employment other than as the result of a Grantee's death or Disability prior to a Corporate Transaction and prior to the end of the Performance Period to the extent an actual Award would have otherwise been achieved had the Grantee remained employed through the end of the Performance Period.

(v) Payment of the Award to a Grantee shall be paid following the end of the Performance Period, or if later, the date on which any applicable contingency or restriction has ended.

(e) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan in settlement, assumption or substitution for, outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, stock purchase, asset purchase or other form of transaction.

(f) Deferral of Award Payment. The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award,

satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(g) Separate Programs. The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

(h) Early Exercise. An Award Agreement may, but need not, include a provision whereby the Grantee may elect at any time while an Employee, Director or Consultant to exercise any part or all of the Award prior to full vesting of the Award. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

(i) Term of Award. The term of each Award shall be the term stated in the Award Agreement, provided, however, that the term shall be no more than 10 years from the date of grant thereof. However, in the case of an Incentive Stock Option granted to a Grantee who, at the time the Option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Related Entity, the term of the Incentive Stock Option shall be five years from the date of grant thereof or such shorter term as may be provided in the Award Agreement. Notwithstanding the foregoing, the specified term of any Award shall not include any period for which the Grantee has elected to defer the receipt of the Shares or cash issuable pursuant to the Award.

(j) Transferability of Awards. Unless the Administrator provides otherwise, no Award may be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Grantee, only by the Grantee. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

(k) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other later date as is determined by the Administrator.

(l) Stock Appreciation Rights. An SAR may be granted (i) with respect to any Option granted under this Plan, either concurrently with the grant of such Option or at such later time as determined by the Administrator (as to all or any portion of the Shares subject to the Option), or (ii) alone, without reference to any related Option. Each SAR granted by the Administrator under this Plan shall be subject to the following terms and conditions. Each SAR granted to any Grantee shall relate to such number of Shares as shall be determined by the Administrator, subject to adjustment as provided in Section 13. In the case of an SAR granted with respect to an Option, the number of Shares to which the SAR pertains shall be reduced in the same proportion that the holder of the Option exercises the related Option. The exercise price of an SAR will be determined by the Administrator at the date of grant but may not be less than 100% of the Fair Market Value of the Shares subject thereto on the date of grant. Subject to the right of the Administrator to deliver cash in lieu of Shares (which, as it pertains to Officers and Directors of the Company, shall comply with all requirements of the Exchange Act), the number of Shares which shall be issuable upon the exercise of an SAR shall be determined by dividing:

(i) the number of Shares as to which the SAR is exercised multiplied by the amount of the appreciation in such Shares (for this purpose, the "appreciation" shall be the amount by which the Fair Market Value of the Shares subject to the SAR on the exercise date exceeds (A) in the case of an SAR related to an Option, the exercise price of the Shares under the Option or (B) in the case of an SAR granted alone, without reference to a related Option, an amount which shall be determined by the Administrator at the time of grant, subject to adjustment under Section 13); by

(ii) the Fair Market Value of a Share on the exercise date.

In lieu of issuing Shares upon the exercise of an SAR, the Administrator may elect to pay the holder of the SAR cash equal to the Fair Market Value on the exercise date of any or all of the Shares which would otherwise be issuable. No fractional Shares shall be issued upon the exercise of an SAR; instead, the holder of the SAR shall be entitled to receive a cash adjustment equal to the same fraction of the Fair Market Value of a Share on the exercise date or to purchase the portion necessary to make a whole share at its Fair Market Value on the date of exercise. The exercise of an SAR related to an Option shall be permitted only to the extent that the Option is exercisable under Section 11 on the date of surrender. Any Incentive Stock Option surrendered pursuant to the provisions of this Section 6(1) shall be deemed to have been converted into a Non-Qualified Stock Option immediately prior to such surrender.

(m) Non-Employee Director Award Limits. The maximum number of Shares subject to Awards granted during a single fiscal year to any non-employee Director, taken together with any cash fees paid during the fiscal year to the non-employee Director, in respect of the Director's service as a member of the Board during such year (including service as a member or chair of any committees of the Board), will not exceed \$150,000 in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes). The independent members of the Board may make exceptions to this limit for a non-executive chair of the Board, provided that the non-employee Director receiving such additional compensation may not participate in the decision to award such compensation.

7. Award Exercise or Purchase Price, Consideration and Taxes.

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be as follows.

(i) In the case of an Incentive Stock Option:

(1) granted to an Employee who, at the time of the grant of such Incentive Stock Option owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Related Entity, the per Share exercise price shall be not less than 110% of the Fair Market Value per Share on the date of grant; or

(2) granted to any Employee other than an Employee described in the preceding paragraph, the per Share exercise price shall be not less than 100% of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Non-Qualified Stock Option, the per Share exercise price shall be not less than 100% of the Fair Market Value per Share on the date of grant.

(iii) In the case of other Awards, such price as is determined by the Administrator.

(iv) Notwithstanding the foregoing provisions of this Section 7(a), in the case of an Award issued pursuant to Section 6(e), above, the exercise or purchase price for the Award shall be determined in accordance with the provisions of the relevant instrument evidencing the agreement to issue such Award and the Applicable Laws.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award, including the method of payment, shall be determined by the Administrator. In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following:

(i) cash;

(ii) check;

(iii) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;

(iv) with respect to Options, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (A) shall provide written instructions to a broker-dealer acceptable to the Company to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates (or other evidence satisfactory to the Company to the extent that the Shares are uncertificated) for the purchased Shares directly to such broker-dealer in order to complete the sale transaction;

(v) with respect to Options, payment through a "net exercise" such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such date as is determined by the Administrator) less the Exercise Price per Share, and the denominator of which is such Fair Market Value per Share;

(vi) past or future services actually or to be rendered to the Company or a Related Entity; or

(vii) any combination of the foregoing methods of payment.

The Administrator may at any time or from time to time, by adoption of or by amendment to the standard forms of Award Agreement described in Section 4(c)(vii), or by other means, grant Awards which do not permit all of the foregoing forms of consideration to be used in payment for the Shares or which otherwise restrict one or more forms of consideration.

8. Notice to Company of Disqualifying Disposition. Each Employee who receives an Incentive Stock Option must agree to notify the Company in writing immediately after the Employee makes a Disqualifying Disposition of any Common Stock acquired pursuant to the exercise of an Incentive Stock Option.

9. Tax Withholding.

(a) Prior to the delivery of any Shares or cash pursuant to an Award (or the exercise thereof), or at such other time as the Tax Obligations are due, the Company, in accordance with the Code and any Applicable Laws, shall have the power and the right to deduct or withhold, or require a Grantee to remit to the Company, an amount sufficient to satisfy all Tax Obligations. The Administrator may condition such delivery, payment, or other event pursuant to an Award on the payment by the Grantee of any such Tax Obligations.

(b) The Administrator, pursuant to such procedures as it may specify from time to time, may designate the method or methods by which a Grantee may satisfy the Tax Obligations. As determined by the Administrator from time to time, these methods may include one or more of the following:

(i) paying cash;

(ii) electing to have the Company withhold cash or Shares deliverable to the Grantee having a Fair Market Value equal to the amount required to be withheld;

(iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the amount required to be withheld or remitted, provided the delivery of such Shares will not result in any adverse accounting consequences as the Administrator determines;

(iv) selling a sufficient number of Shares otherwise deliverable to the Grantee through such means as the Administrator may determine (whether through a broker or otherwise) equal to the Tax Obligations required to be withheld;

(v) retaining from salary or other amounts payable to the Grantee cash having a sufficient value to satisfy the Tax Obligations; or

(vi) any other means which the Administrator determines to both comply with Applicable Laws, and to be consistent with the purposes of the Plan.

The amount of Tax Obligations will be deemed to include any amount that the Administrator determines may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state, local and foreign marginal income tax rates applicable to the Grantee or the Company, as applicable, with respect to the Award on the date that the amount of tax or social insurance liability to be withheld or remitted is to be determined. The Fair Market Value of the Shares to be withheld or delivered shall be determined as of the date that the Tax Obligations are required to be withheld.

10. Rights As a Stockholder.

(a) Restricted Stock. Except as otherwise provided in any Award Agreement, a Grantee will not have any rights of a stockholder with respect to any of the Shares granted to the Grantee under an Award of Restricted Stock (including the right to vote or receive dividends and other distributions paid or made with respect thereto). No dividends or Dividend Equivalent Rights will be paid in respect of any unvested Award of Restricted Stock, unless and until such Shares vest.

(b) Other Awards. In the case of Awards other than Restricted Stock, a Grantee will not have any rights of a stockholder, nor will dividends or Dividend Equivalent Rights accrue or be paid, with respect to any of the Shares granted pursuant to such Award until the Award is exercised or settled and the Shares are delivered (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company).

11. Exercise of Award.

(a) Procedure for Exercise.

(i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and as specified in the Award Agreement.

(ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised has been made, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(iv).

(b) Exercise of Award Following Termination of Continuous Service. In the event of termination of a Grantee's Continuous Service for any reason other than Disability or death, such Grantee may, but only during the Post-Termination Exercise Period (but in no event later than the expiration date of the term of such Award as set forth in the Award Agreement), exercise the portion of the Grantee's Award that was vested at the date of such termination or such other portion of the Grantee's Award as may be determined by the Administrator. The Grantee's Award Agreement may provide that upon the termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Award shall terminate concurrently with the termination of Grantee's Continuous Service. In the event of a Grantee's change of status from Employee to Consultant, an Employee's Incentive Stock Option shall convert automatically to a Non-Qualified Stock Option on the day three months and one day following such change of status. To the extent that the Grantee's Award was unvested at the date of termination, or if the Grantee does not exercise the vested portion of the Grantee's Award within the Post-Termination Exercise Period, the Award shall terminate.

(c) Disability of Grantee. In the event of termination of a Grantee's Continuous Service as a result of his or her Disability, such Grantee may, but only within 12 months from the date of such termination (or such longer

period as specified in the Award Agreement but in no event later than the expiration date of the term of such Award as set forth in the Award Agreement), exercise the portion of the Grantee's Award that was vested at the date of such termination; provided, however, that if such Disability is not a "disability" as such term is defined in Section 22(e)(3) of the Code, in the case of an Incentive Stock Option such Incentive Stock Option shall automatically convert to a Non-Qualified Stock Option on the day three months and one day following such termination. To the extent that the Grantee's Award was unvested at the date of termination, or if Grantee does not exercise the vested portion of the Grantee's Award within the time specified herein, the Award shall terminate.

(d) Death of Grantee. In the event of a termination of the Grantee's Continuous Service as a result of his or her death, or in the event of the death of the Grantee during the Post-Termination Exercise Period or during the 12 month period following the Grantee's termination of Continuous Service as a result of his or her Disability, the Grantee's estate or a person who acquired the right to exercise the Award by bequest or inheritance may exercise the portion of the Grantee's Award that was vested as of the date of termination, within 12 months from the date of death (or such longer period as specified in the Award Agreement but in no event later than the expiration of the term of such Award as set forth in the Award Agreement). To the extent that, at the time of death, the Grantee's Award was unvested, or if the Grantee's estate or a person who acquired the right to exercise the Award by bequest or inheritance does not exercise the vested portion of the Grantee's Award within the time specified herein, the Award shall terminate.

(e) Extension if Exercise Prevented by Law. Notwithstanding the foregoing, if the exercise of an Award within the applicable time periods set forth in this Section 11 is prevented by the provisions of Section 12 below, the Award shall remain exercisable until one month after the date the Grantee is notified by the Company that the Award is exercisable, but in any event no later than the expiration of the term of such Award as set forth in the Award Agreement.

12. Conditions Upon Issuance of Shares; Manner of Issuance of Shares.

(a) If at any time the Administrator determines that the delivery of Shares pursuant to the exercise, vesting or any other provision of an Award is or may be unlawful under Applicable Laws, the vesting or right to exercise an Award or to otherwise receive Shares pursuant to the terms of an Award shall be suspended until the Administrator determines that such delivery is lawful and shall be further subject to the approval of counsel for the Company with respect to such compliance. The Company shall have no obligation to effect any registration or qualification of the Shares under any Applicable Law.

(b) As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

(c) Subject to the Applicable Laws and any governing rules or regulations, the Company shall issue or cause to be issued the Shares acquired pursuant to an Award and shall deliver such Shares to or for the benefit of the Grantee by means of one or more of the following as determined by the Administrator: (i) by delivering to the Grantee evidence of book entry Shares credited to the account of the Grantee, (ii) by depositing such Shares for the benefit of the Grantee with any broker with which the Grantee has an account relationship, or (iii) by delivering such Shares to the Grantee in certificate form.

(d) No fractional Shares shall be issued pursuant to any Award under the Plan; any Grantee who would otherwise be entitled to receive a fraction of a Share upon exercise or vesting of an Award will receive from the Company cash in lieu of such fractional Shares in an amount equal to the Fair Market Value of such fractional Shares, as determined by the Administrator.

13. Adjustments. Subject to any required action by the stockholders of the Company, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award, as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued and outstanding

Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued and outstanding Shares effected without receipt of consideration by the Company, or (iii) any other transaction with respect to the Company's Common Stock including a corporate merger, consolidation, acquisition of property or stock, separation (including a spin-off or other distribution of stock or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator and its determination shall be final, binding and conclusive. Except as the Administrator determines, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award. No adjustments shall be made for dividends paid in cash or in property other than Common Stock of the Company, nor shall cash dividends or dividend equivalents accrue or be paid in respect of unexercised Options or unvested Awards hereunder.

14. Corporate Transactions.

(a) Termination of Award to Extent Not Assumed in Corporate Transaction. Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are assumed in connection with the Corporate Transaction.

(b) Acceleration of Award Upon Corporate Transaction. The Administrator shall have the authority, exercisable either in advance of any actual or anticipated Corporate Transaction or at the time of an actual Corporate Transaction, and exercisable at the time of the grant of an Award under the Plan or any time while an Award remains outstanding, to provide for the full or partial automatic vesting and exercisability of one or more outstanding unvested Awards under the Plan and the release from restrictions on transfer and repurchase or forfeiture rights of such Awards in connection with a Corporate Transaction on such terms and conditions as the Administrator may specify. The Administrator also shall have the authority to condition any such Award vesting and exercisability or release from such limitations upon the subsequent termination of the Continuous Service of the Grantee within a specified period following the effective date of the Corporate Transaction. The Administrator may provide that any Awards so vested or released from such limitations in connection with a Corporate Transaction shall remain fully exercisable until the expiration or sooner termination of the Award.

(c) Effect of Acceleration on Incentive Stock Options. Any Incentive Stock Option accelerated under this Section 14 in connection with a Corporate Transaction shall remain exercisable as an Incentive Stock Option under the Code only to the extent the \$100,000 limitation of Section 422(d) of the Code is not exceeded.

15. Effective Date and Term of Plan. This Plan was initially adopted by the Board on March 6, 2018 and was approved by the stockholders of the Company on June 11, 2018. A subsequent amendment to the Plan was adopted by the Board on April 5, 2019 and was approved by the stockholders of the Company on June 11, 2019. The Board approved the current Plan, as amended and restated, on April 7, 2020 and the same was approved by the stockholders of the Company on June 30, 2020. The Board approved a subsequent amendment to the Plan on March 31, 2021 (the "**Effective Date**"). The Plan shall continue in effect for a period of 10 years from the Effective Date unless sooner terminated. The expiration of the Plan will not have the effect of terminating any Awards outstanding on such date, except as otherwise provided in the applicable Award Agreement.

16. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time suspend or terminate the Plan, or amend the Plan in any respect, except that it may not, without the approval of the stockholders obtained within 12 months before or after the Board adopts a resolution authorizing any of the following actions, do any of the following:

(i) increase the total number of shares that may be issued under the Plan (except by adjustment pursuant to Section 13);

- (ii) modify the provisions of Section 6 regarding eligibility for grants of Incentive Stock Options;
- (iii) modify the provisions of Section 7(a) regarding the exercise price at which shares may be offered pursuant to Options (except by adjustment pursuant to Section 13);
- (iv) extend the expiration date of the Plan; and
- (v) except as provided in Section 13 (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the Company may not amend an Award granted under the Plan to reduce its exercise price per share, cancel and regrant new Awards with lower prices per share than the original prices per share of the cancelled Awards, or cancel any Awards in exchange for cash or the grant of replacement Awards with an exercise price that is less than the exercise price of the original Awards, essentially having the effect of a repricing, without approval by the Company's stockholders.

(b) No Award may be granted during any suspension of the Plan or after termination of the Plan.

(c) No suspension or termination of the Plan shall adversely affect any rights under Awards already granted to a Grantee without his or her consent.

17. Reservation of Shares.

(a) The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

(b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

18. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or a Related Entity to terminate the Grantee's Continuous Service at any time, with or without Cause, and with or without notice. The ability of the Company or any Related Entity to terminate the employment of a Grantee who is employed at will is in no way affected by its determination that the Grantee's Continuous Service has been terminated for Cause for the purposes of this Plan.

19. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

20. Information to Grantees. The Company shall provide to each Grantee, during the period for which such Grantee has one or more Awards outstanding, such information as required by Applicable Laws.

21. Electronic Delivery. The Administrator may decide to deliver any documents related to any Award granted under the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company or to request a Grantee's consent to participate in the Plan by electronic means. By accepting an Award, each Grantee consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company, and such consent shall remain in effect throughout Grantee's Continuous Service with the Company and any Related Entity and thereafter until withdrawn in writing by Grantee.

22. Data Privacy. The Administrator may decide to collect, use and transfer, in electronic or other form, personal data as described in this Plan or any Award for the exclusive purpose of implementing, administering and managing participation in the Plan. By accepting an Award, each Grantee acknowledges that the Company holds certain personal information about Grantee, including, but not limited to, name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, details of all Awards awarded, cancelled, exercised, vested or unvested, for the purpose of implementing, administering and managing the Plan (the “*Data*”). Each Grantee further acknowledges that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan and that these third parties may be located in jurisdictions that may have different data privacy laws and protections, and Grantee authorizes such third parties to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the recipient or the Company may elect to deposit any Shares acquired upon any Award.

23. Application of Section 409A. This Plan and Awards granted hereunder are intended to comply with the requirements of Section 409A, to the extent applicable. All Awards will be construed and administered such that the Award either qualifies for an exemption from the requirements of Section 409A or satisfies the requirements of Section 409A. If an Award is subject to Section 409A: (i) distributions will only be made in a manner and upon an event permitted under Section 409A, (ii) payments to be made upon a termination of employment will only be made upon a “separation from service” under Section 409A, (iii) payments to be made upon a Corporate Transaction will only be made upon a “change of control event” under Section 409A, and (iv) in no event will a Grantee, directly or indirectly, designate the calendar year in which a distribution is made, except in accordance with Section 409A. Each payment in any series of installment payments under an Award will be treated as a separate payment for purposes of Section 409A. Any Award granted under this Plan that is subject to Section 409A and that is to be distributed to a “specified employee” (as defined in Section 409A) upon a separation from service will be administered so that any distribution with respect to such Award will be postponed for six months following the date of the Grantee’s separation from service, if required by Section 409A. If a distribution is so delayed pursuant to Section 409A, the distribution will be paid within 30 days after the end of the six-month period or the Grantee’s death, if earlier. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Administrator determines that any Award may be subject to Section 409A, the Administrator may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures, or take any other actions, that the Administrator determines are necessary or appropriate to (A) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (B) comply with the requirements of Section 409A. Notwithstanding anything in the Plan or any Award Agreement to the contrary, each Grantee will be solely responsible for the tax consequences of Awards, and in no event will the Company have any responsibility or liability if an Award does not meet any applicable requirements of Section 409A. Although the Company intends to administer the Plan to prevent taxation under Section 409A, the Company does not represent or warrant that the Plan or any Award complies with any provision of federal, state, local or other tax law.

24. Unfunded Obligation. Grantees shall have the status of general unsecured creditors of the Company. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974, as amended. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee’s creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

25. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular

shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

**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 June 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.

Date: August 12, 2021

/s/ Tsontcho Ianchulev

Name: Tsontcho Ianchulev

Title: Chief Executive Officer

(Principal Executive Officer)

**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 June 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.

Date: August 12, 2021

/s/ John Gandolfo

Name: John Gandolfo

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)

**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 June 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.

Date: August 12, 2021

/s/ Tsontcho Ianchulev

Name: Tsontcho Ianchulev

Title: Chief Executive Officer
(Principal Executive Officer)

**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 Eynovia, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 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.

Date: August 12, 2021

/s/ John Gandolfo

Name: John Gandolfo

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)
