UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 No. 001-36672

EYEGATE PHARMACEUTICALS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**98-0443284**
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

271 Waverley Oaks Road
Suite 108
Waltham, MA 02452
(Address of Principal Executive Offices, including zip code)

(781) 788-8869
(Registrant's telephone number, including area code)

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, $0.01 par value	EYEG	The 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit). ☒ Yes ☐ No

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any 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 Exchange Act.)
☐ Yes ☒ No

At August 11, 2021, there were 12,619,256 shares of the registrant's common stock outstanding.

EYEGATE PHARMACEUTICALS, INC.
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QUARTERLY REPORT ON FORM 10-Q
For the Period Ended June 30, 2021

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements that are not statements of historical fact and are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The forward-looking statements are principally, but not exclusively, contained in "Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations." These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about management's confidence or expectations, and our plans, objectives, expectations and intentions that are not historical facts. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "believes," "goals," "sees," "estimates," "projects," "predicts," "intends," "think," "potential," "objectives," "optimistic," "strategy," and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- the timing and success of preclinical studies and clinical trials conducted by us and our development partners;
- the ability to obtain and maintain regulatory approval of our product candidates, and the labeling for any approved products;
- the scope, progress, expansion, and costs of developing and commercializing our product candidates;
- the size and growth of the potential markets for our product candidates and the ability to serve those markets;
- our expectations regarding our expenses and revenue, the sufficiency of our cash resources and needs for additional financing;
- the rate and degree of market acceptance of any of our product candidates;
- our expectations regarding competition;
- our anticipated growth strategies;
- our ability to attract or retain key personnel;
- our ability to establish and maintain development partnerships;
- our expectations regarding federal, state and foreign regulatory requirements;
- regulatory developments in the U.S. and foreign countries;
- our ability to obtain and maintain intellectual property protection for our product candidates;
- the anticipated trends and challenges in our business and the market in which we operate; and
- the impact of the evolving COVID-19 pandemic and the global response thereto.

We discuss many of these risks in detail under the heading "Item 1A. Risk Factors" beginning on page 24 of our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, or the SEC, on March 25, 2021, or the Annual Report. You should carefully review all of these factors, as well as other risks described in our public filings, and you should be aware that there may be other factors, including factors of which we are not currently aware, that could cause these differences.

Also, these forward-looking statements represent our estimates and assumptions only as of the date of this report. We may not update these forward-looking statements, even though our situation may change in the future, unless we have obligations under the federal securities laws to update and disclose material developments related to previously disclosed information.

EyeGate Pharmaceuticals, Inc. is referred to herein as "we," "our," "us," and "the Company."

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

EYEGATE PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2021 (unaudited)	December 31, 2020
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 3,663,224	$ 1,185,677
Prepaid Expenses and Other Current Assets	440,783	449,569
Other Receivables	311,166	90,975
Total Current Assets	4,415,173	1,726,221
Property and Equipment, Net	83,682	30,566
Restricted Cash	45,000	45,000
Goodwill	3,484,607	3,484,607
Intangible Assets and In-Process R&D, Net	9,717,664	9,730,164
Operating Lease Assets with Right-of-Use	308,013	83,928
Other Assets	45,921	57,073
Total Assets	$ 18,100,060	$ 15,157,559
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	$ 292,319	$ 434,763
Accrued Expenses	974,065	1,289,261
Operating Lease Liabilities	170,056	48,303
Total Current Liabilities	1,436,440	1,772,327
Non-Current Liabilities:		
Contingent Consideration	5,342,950	5,342,950
Deferred Tax Liability	728,926	728,926
Paycheck Protection Program Loan	—	278,190
Non-Current Operating Lease Liabilities	137,957	35,625
Total Non-Current Liabilities	6,209,833	6,385,691
Total Liabilities	7,646,273	8,158,018
Commitments and Contingencies (Note 10)		
Stockholders' Equity:		
Preferred Stock, $0.01 Par Value: 10,000,000 shares authorized; 3,750 designated Series A, 0 shares issued and outstanding at June 30, 2021 and December 31, 2020; 10,000 designated Series B, 0 shares issued and outstanding at June 30, 2021 and December 31, 2020; 10,000 shares designated Series C, 4,092 shares issued and outstanding at June 30, 2021 and December 31, 2020; 20,000 shares designated Series D, 46 shares issued and outstanding at June 30, 2021 and December 31, 2020	41	41
Common Stock, $0.01 Par Value: 50,000,000 shares authorized; 7,097,912 and 5,556,394 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	70,979	55,564
Additional Paid-In Capital	123,786,856	115,283,572
Accumulated Deficit	(113,388,953)	(108,338,834)
Accumulated Other Comprehensive Loss	(15,136)	(802)
Total Stockholders' Equity	10,453,787	6,999,541
Total Liabilities and Stockholders' Equity	$ 18,100,060	$ 15,157,559

See Accompanying Notes to Condensed Consolidated Financial Statements.

EYEGATE PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Operating Expenses:				
Research and Development	$ 1,439,922	$ 631,114	$ 2,720,164	$ 1,569,155
General and Administrative	1,305,865	1,090,327	2,606,008	2,122,930
Total Operating Expenses	2,745,787	1,721,441	5,326,172	3,692,085
Operating Loss Before Other Expense	(2,745,787)	(1,721,441)	(5,326,172)	(3,692,085)
Other Income, Net:				
Gain on Forgiveness of Loan	278,190	—	278,190	—
Interest Income	332	4,340	582	22,784
Interest Expense	(2,033)	—	(2,719)	—
Total Other Income, Net	276,489	4,340	276,053	22,784
Net Loss	$ (2,469,298)	$ (1,717,101)	$ (5,050,119)	$ (3,669,301)
Net Loss per Common Share - Basic and Diluted	$ (0.35)	$ (0.38)	$ (0.72)	$ (0.81)
Weighted Average Shares Outstanding- Basic and Diluted	7,062,750	4,539,659	7,005,902	4,530,234
Net Loss	$ (2,469,298)	$ (1,717,101)	$ (5,050,119)	$ (3,669,301)
Other Comprehensive Loss:				
Foreign Currency Translation Adjustments	(24,807)	(22)	(14,334)	166
Comprehensive Loss	$ (2,494,105)	$ (1,717,123)	$ (5,064,453)	$ (3,669,135)

See Accompanying Notes to Condensed Consolidated Financial Statements.

EYEGATE PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
Three Months Ended June 30, 2021 and 2020 (unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at March 31, 2021	**4,138**	**$ 41**	**7,097,912**	**$ 70,979**	**$ 123,523,964**	**$ 9,671**	**$ (110,919,655)**	**$ 12,685,000**
Stock-Based Compensation					262,892			262,892
Foreign Currency Translation Adjustment						(24,807)		(24,807)
Net Loss							(2,469,298)	(2,469,298)
Balance at June 30, 2021	**4,138**	**$ 41**	**7,097,912**	**$ 70,979**	**$ 123,786,856**	**$ (15,136)**	**$ (113,388,953)**	**$ 10,453,787**

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at March 31, 2020	**4,092**	**$ 41**	**4,626,755**	**$ 46,268**	**$ 111,330,808**	**$ 139,653**	**$ (102,199,094)**	**$ 9,317,676**
Stock-Based Compensation					197,051			197,051
Foreign Currency Translation Adjustment						(22)		(22)
Net Loss							(1,717,101)	(1,717,101)
Balance at June 30, 2020	**4,092**	**$ 41**	**4,626,755**	**$ 46,268**	**$ 111,527,859**	**$ 139,631**	**$ (103,916,195)**	**$ 7,797,604**

See Accompanying Notes to Condensed Consolidated Financial Statements.

EYEGATE PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
Six Months Ended June 30, 2021 and 2020
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Loss	Deficit	Equity
Balance at December 31, 2020	**4,138**	**$ 41**	**5,556,394**	**$ 55,564**	**$ 115,283,572**	**$ (802)**	**$ (108,338,834)**	**$ 6,999,541**
Stock-Based Compensation					479,837			479,837
Issuance of Common Stock from Warrants, Net			10,417	104	49,897			50,001
Issuance of Common Stock from Private Placement, Net of Offering Costs of $11,142			1,531,101	15,311	7,973,550			7,988,861
Foreign Currency Translation Adjustment						(14,334)		(14,334)
Net Loss							(5,050,119)	(5,050,119)
Balance at June 30, 2021	**4,138**	**$ 41**	**7,097,912**	**$ 70,979**	**$ 123,786,856**	**$ (15,136)**	**$ (113,388,953)**	**$ 10,453,787**

	Preferred Stock		Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Income	Deficit	Equity
Balance at December 31, 2019	**4,092**	**$ 41**	**4,077,775**	**$ 40,778**	**$ 106,689,065**	**$ 139,465**	**$ (100,246,894)**	**$ 6,622,455**
Stock-Based Compensation					342,971			342,971
Issuance of Common Stock in Offerings, Net of Offering Costs of $498,687			500,000	5,000	4,496,313			4,501,313
Issuance of Common Stock from Restricted Stock Award Grants			49,000	490	(490)			
Foreign Currency Translation Adjustment						166		166
Net Loss							(3,669,301)	(3,669,301)
Balance at June 30, 2020	**4,092**	**$ 41**	**4,626,755**	**$ 46,268**	**$ 111,527,859**	**$ 139,631**	**$ (103,916,195)**	**$ 7,797,604**

See Accompanying Notes to Condensed Consolidated Financial Statements.

EYEGATE PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30,	
	2021	2020
Operating Activities:		
Net Loss	$ (5,050,119)	$ (3,669,301)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation and Amortization of Intangible Assets	23,203	15,705
Reduction of Right-of-Use Assets	86,387	83,926
Stock-Based Compensation	479,837	342,971
Expiration of Prepaid Agreement	—	159,848
Changes in Operating Assets and Liabilities:		
Prepaid Expenses and Other Current Assets	8,786	(105,436)
Refundable Tax Credit Receivable	(222,645)	3,342
Other Assets	11,153	3,061
Accounts Payable	(142,444)	(115,995)
Lease Liabilities	(86,387)	(83,926)
Accrued Expenses	(315,196)	(501,610)
Net Cash Used in Operating Activities	(5,207,425)	(3,867,415)
Investing Activities:		
Purchases of Property, Plant and Equipment	(63,865)	—
Net Cash Used in Investing Activities	(63,865)	—
Financing Activities:		
Proceeds from Stock Offerings, Net of Offering Costs	7,988,861	4,501,313
Paycheck Protection Program Loan Proceeds	—	278,190
Paycheck Protection Program Loan Forgiveness	(278,190)	—
Exercise of Warrants	50,001	—
Net Cash Provided by Financing Activities	7,760,672	4,779,503
Effect of Exchange Rate Changes on Cash	(11,835)	161
Net Increase in Cash	2,477,547	912,249
Cash, Including Restricted Cash, Beginning of Period	1,230,677	3,821,712
Cash, Including Restricted Cash, End of Period	$ 3,708,224	$ 4,733,961
Supplemental Disclosures of Noncash Operating and Financing Activities		
Creation of Right-of-Use Assets and Related Lease Liabilities	$ 313,312	$ 102,579
Grant of Restricted Stock Awards	$ —	$ 490

See Accompanying Notes to Condensed Consolidated Financial Statements.

EYEGATE PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021

1. Organization, Business

EyeGate Pharmaceuticals, Inc. ("EyeGate" or the "Company"), a Delaware corporation, began operations in December 2004 and is a clinical-stage pharmaceutical company developing and commercializing products for treating inflammatory and immune diseases with a focus on the eye and certain systemic diseases.

In the fourth quarter of 2020, EyeGate acquired Panoptes Pharma Ges.m.b.H. ("Panoptes"), transforming EyeGate's pipeline with the addition of PP-001. PP-001, is a next-generation, non-steroidal, immuno-modulatory and small-molecule inhibitor of Dihydroorotate Dehydrogenase ("DHODH") with what EyeGate believes to be best-in-class picomolar potency and a validated immune modulating mechanism designed to overcome the off-target side effects and safety issues associated with DHODH inhibitors. PP-001 has been developed in two clinical-stage ophthalmic formulations: an intravitreal injection for inflammatory diseases of the eye including posterior uveitis, and a novel nano carrier technology eye drop for ocular surface diseases such as conjunctivitis, dry eye disease and others. Other administration routes are also in development and IND enabling studies are underway for conditions outside the ocular space.

In addition, EyeGate is developing Ocular Bandage Gel ("OBG"), a modified form of the natural polymer hyaluronic acid, designed to protect the ocular surface to permit re-epithelialization of the cornea and improve ocular surface integrity. OBG, with unique properties that help hydrate and protect the ocular surface, is in clinical evaluation for patients undergoing photorefractive keratectomy ("PRK") surgery for corneal wound repair after refractive surgery and patients with punctate epitheliopathies ("PE") as a result of dry eye. A type-B meeting was held with the U.S. Food and Drug Administration's ("FDA") Center for Drug Evaluation and Research ("CDER") division during the first quarter of 2021 to discuss eligibility of continuing OBG clinical studies as a drug. As a result, development of OBG has shifted from a medical device to a drug, which allows for reimbursement under Medicare Part D.

As of June 30, 2021, there were 7,097,912 shares of Common Stock outstanding, no shares of Series A Preferred Stock outstanding, no shares of Series B Preferred Stock outstanding, 4,092 shares of Series C Preferred Stock outstanding, and 46 shares of Series D Preferred Stock outstanding.

Since its inception, EyeGate has devoted substantially all of its efforts to business planning, research and development, and raising capital.

The accompanying Condensed Consolidated Financial Statements have been prepared assuming that EyeGate will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At June 30, 2021, EyeGate had unrestricted Cash and Cash Equivalents of $3.663 million, and an Accumulated Deficit of $113.389 million. EyeGate has incurred losses and negative cash flows since inception, and future losses are anticipated. Based on its cash on hand at June 30, 2021 and the approximately $9.7 million in net proceeds received from a registered direct offering that closed on August 11, 2021, the Company anticipates having sufficient cash to fund planned operations into the second half of 2022, however, the acceleration or reduction of cash outflows by Company management can significantly impact the timing for the need to raise additional capital to complete development of its products. To continue development, EyeGate will need to raise additional capital through equity financing, license agreements, and/or additional U.S. government grants. Although historically the Company has been successful at raising capital, most recently raising net proceeds of approximately $8.0 million in a private placement that closed on January 6, 2021, additional capital may not be available on terms favorable to EyeGate, if at all. On May 13, 2019, the SEC declared effective EyeGate's registration statement on Form S-3, registering a total of $ 50,000,000 of its securities for sale to the public from time to time in what is known as a "shelf offering". The Company does not know if any future offerings, including offerings pursuant to its shelf registration statement, will succeed. Accordingly, no assurances can be given that Company management will succeed in these endeavors. The Company's recurring losses from operations have caused management to determine there is substantial doubt about the Company's ability to continue as a going concern. The Condensed Consolidated Financial Statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities or any other adjustments that might be necessary should the Company be unable to continue as a going concern.

EYEGATE PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying Condensed Consolidated Financial Statements include the accounts of the Company and its subsidiaries, EyeGate Pharma S.A.S. (through its dissolution on December 30, 2020), Jade Therapeutics, Inc. ("Jade") and Panoptes Pharma Ges.m.b.H. ("Panoptes") (effective December 18, 2020 when the Company acquired all of the capital stock of Panoptes), collectively referred to as "the Company". All inter-company balances and transactions have been eliminated in consolidation. These Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information. Certain information and disclosures normally included in Condensed Consolidated Financial Statements prepared in accordance with U.S. GAAP have been condensed or eliminated. Accordingly, these unaudited Condensed Consolidated Financial Statements should be read in conjunction with the annual financial statements of the Company as of and for the year ended December 31, 2020. In the opinion of management, all adjustments necessary for a fair presentation of the consolidated financial position, consolidated results of operations and other comprehensive loss and consolidated cash flows, for the periods indicated, have been made. The results of operations for the three and six months ended June 30, 2021 are not necessarily indicative of operating results that may be achieved over the course of the full year.

Unaudited Interim Financial Information

The accompanying interim financial statements and related disclosures are unaudited, have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which consist of normal recurring adjustments, necessary for a fair presentation of the results of operations for the periods presented. The year-end balance sheet was derived from audited financial statements but does not include all disclosures required by U.S. GAAP. The results of operations for an interim period are not necessarily indicative of the results to be expected for the full year or for any other future year or interim period.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of expenses during the reporting periods. The Company makes significant estimates and assumptions in recording the accruals for its clinical trial and research activities, establishing the useful lives of intangible assets and property and equipment, and conducting impairment reviews of long-lived assets. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Although the Company monitors and regularly assesses these estimates, actual results could differ significantly from these estimates. The Company records changes in estimates in the period that it becomes aware of the change.

Research and Development Expenses

The Company expenses research and development ("R&D") expenditures as incurred. R&D expenses are comprised of costs incurred in performing R&D activities, including salaries, benefits, facilities, research-related overhead, sponsored research costs, contracted services, license fees, expenses related to generating, filing, and maintaining intellectual property, and other external costs. Because the Company believes that, under its current process for developing its products, the viability of the products is essentially concurrent with the establishment of technological feasibility, no costs have been capitalized to date.

EYEGATE PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies - (continued)

In-process Research and Development

The Company records in-process R&D projects acquired in asset acquisitions that have not reached technological feasibility and which have no alternative future use. For in-process R&D projects acquired in business combinations, the Company capitalizes the in-process R&D project and periodically evaluates this asset for impairment until the R&D process has been completed. Once the R&D process is complete, the Company amortizes the R&D asset over its remaining useful life. At June 30, 2021 and December 31, 2020, there is $9.536 million of in-process R&D, as part of intangible assets and in-process R&D on the Condensed Consolidated Balance Sheets.

Intangible Assets

The Company records intangible assets acquired in asset acquisitions of proprietary technology. The Company capitalizes intangible assets, amortizes them over the estimated useful life, and periodically evaluates the assets for impairment. At June 30, 2021 and December 31, 2020, there is $0.181 million and $0.194 million, respectively, of net intangible assets, as part of intangible assets and in-process R&D, net on the Condensed Consolidated Balance Sheets.

Accrued Clinical Expenses

As part of the Company's process of preparing the Condensed Consolidated Financial Statements, the Company is required to estimate its accrued expenses. This process includes reviewing open contracts and purchase orders, communicating with its applicable personnel to identify services that have been performed on its behalf and estimating the level of service performed and the associated costs incurred for the service when the Company has not yet been invoiced or otherwise notified of actual costs. The majority of the Company's service providers invoice monthly in arrears for services performed. The Company makes estimates of its accrued expenses as of each balance sheet date in the financial statements based on facts and circumstances known at the time. The Company periodically confirms the accuracy of these estimates with the service providers and makes adjustments if necessary.

Related Party Transactions

For the six months ended June 30, 2021, the Company has entered into certain related-party transactions, making payments for services to one vendor and four consultants, all of whom also are stockholders of the Company. These transactions generally are ones that involve a stockholder or option holder of the Company to whom the Company also makes payments during the year, typically as a consultant or a service provider. Additionally, on January 6, 2021, the Company completed a private placement of 1,531,101 shares of Common Stock and warrants to purchase up to 1,531,101 shares of Common Stock to an affiliate of Armistice Capital, LLC, with a combined purchase price per share and warrant of $5.225. Steven J. Boyd and Keith Maher, each of whom were members of the Company's board of directors as of June 30, 2021 and through August 3, 2021, are affiliates of Armistice Capital, LLC, and Mr. Boyd holds voting and investment power over such entity. The total net proceeds from the private placement were approximately $8.0 million. Except for the private placement described above, the transactions with related parties during the six months ended June 30, 2021 are not material to the accompanying Condensed Consolidated Financial Statements. See Note 13 for subsequent events.

For the six months ended June 30, 2020, the Company has entered into certain related-party transactions, making payments for services to two vendors, seven consultants, and one University, all of whom were also stockholders of the Company. The amounts recorded or paid during the six months ended June 30, 2020 are not material to the accompanying Condensed Consolidated Financial Statements.

EYEGATE PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies - (continued)

Net Loss per Share – Basic and Diluted

Basic and diluted net loss per share is computed by dividing net loss available to common shareholders by the weighted-average number of common shares outstanding for the period, which for basic net loss per share, does not include the weighted-average unvested restricted common stock that has been issued but is subject to forfeiture of 35,162 and 47,873 shares for the three and six months ended June 30, 2021, respectively, and87,096 and 79,180 shares for the three and six months ended June 30, 2020.

Dilutive common equivalent shares consist of stock options, warrants, and preferred stock and are calculated using the treasury stock method, which assumes the repurchase of common shares at the average market price during the period. Under the treasury stock method, options and warrants will have a dilutive effect when the average price of common stock during the period exceeds the exercise price of options or warrants. Common equivalent shares do not qualify as participating securities. In periods where the Company records a net loss, unvested restricted common stock and potential common stock equivalents are not included in the calculation of diluted net loss per share as their effect would be anti-dilutive. All shares of Common Stock that may potentially be issued in the future are as follows:

	June 30, 2021 (unaudited)	June 30, 2020 (unaudited)
Common Stock Warrants	4,247,384	2,862,314
Employee Stock Options	377,361	246,893
Preferred Stock	865,500	852,500
Total Shares of Common Stock Issuable	5,490,245	3,961,707

Fair Value of Financial Instruments

As of June 30, 2021 and December 31, 2020, the fair value of the Company's contingent consideration was $5.343 million. During the year ended December 31, 2020, the Company recorded earn-out payments of $9.500 million at their estimated fair value of $3.633 million as a result of the Panoptes acquisition. During the year ended December 31, 2016, the Company recorded earn-out payments of $2.164 million as a result of the Jade acquisition in connection with three products in development, contingent upon FDA marketing approval, at an estimated fair value of $1.210 million. During the year ended December 31, 2019, taking into consideration discount factors and the probability of FDA approval of the OBG product, the Company recorded an increase of $500,000 to the present value of contingent consideration related to the Jade acquisition.The Company evaluates the fair value of these earn-out payments on a quarterly basis and there were no changes recorded during the quarter ended June 30, 2021.

At June 30, 2021 and December 31, 2020, the Company hadno other assets or liabilities that are subject to fair value methodology and estimation in accordance with U.S. GAAP.

Revenue Recognition

The Company's revenues were generated primarily through arrangements that contained multiple elements, or deliverables, including licenses and R&D activities to be performed by the Company on behalf of the licensor or grantor. Payments to EyeGate under these arrangements typically included one or more of the following: (1) nonrefundable, upfront license fees, (2) funding of discovery research efforts on a full-time equivalent basis, (3) reimbursement of research, development and intellectual property costs, (4) milestone payments, and (5) royalties on future product sales.

EYEGATE PHARMACEUTICALS, INC.
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2. Summary of Significant Accounting Policies - (continued)

The Company recognizes revenue when its customer obtains control of promised services, in an amount that reflects the consideration which the Company expects to receive in exchange for those services. To determine whether arrangements are within the scope of this new guidance, the Company performs the following five steps: (i) identifies the contract with a customer; (ii) identifies the performance obligations in the contract; (iii) determines the transaction price; (iv) allocates the transaction price to the performance obligations in the contract; and (v) recognizes revenue when (or as) the Company satisfies its performance obligation. The Company applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. The Company recognizes revenue from the transaction price applied to each single performance obligation over time as milestones are reached for each performance obligation. The Company only recognizes revenue on those milestones that are within the Company's control and any constrained variable consideration that requires regulatory approval will only be included in the transaction price when performance is complete.

In addition, the Company may receive U.S. and/or foreign government grant funds for specified therapeutic research activities. Revenue under these grants will be recorded when the Company performs the activities specified by the terms of each grant and is entitled to the funds.

During the three- and six- month periods ending June 30, 2021 and 2020, the Company did not recognize any revenue.

Recent Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other*, which simplifies the accounting for goodwill impairment. The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. All other goodwill impairment guidance will remain largely unchanged. Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. The same one-step impairment test will be applied to goodwill at all reporting units, even those with zero or negative carrying amounts. Entities will be required to disclose the amount of goodwill at reporting units with zero or negative carrying amounts. The new standard was effective for the Company on January 1, 2020 and is required to be applied prospectively. The Company adopted ASU No. 2017-04 effective January 1, 2020 and the adoption of this standard did not have a material impact on the Company's Condensed Consolidated Financial Statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU No. 2016-13 replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new guidance is effective for smaller reporting companies in fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company does not expect the adoption of this standard to have a material effect on the Company's Condensed Consolidated Financial Statements and related disclosures.

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3. Property and Equipment

Property and equipment at June 30, 2021 and December 31, 2020 consists of the following:

	Estimated Useful Life (Years)	June 30, 2021 (unaudited)	December 31, 2020
Laboratory Equipment	3	$ 88,399	$ 82,653
Office Equipment	3	3,785	3,888
Office Furniture	5	72,549	14,430
Leasehold Improvements	2	22,569	22,569
Total Property and Equipment, Gross		187,302	123,540
Less Accumulated Depreciation		103,620	92,974
Total Property and Equipment, Net		$ 83,682	$ 30,566

Depreciation expense was $6,354 and $2,388 for the three months ended June 30, 2021 and 2020, respectively, and $10,703 and $3,205 for the six months ended June 30, 2021 and 2020, respectively.

4. Accrued Expenses

Accrued expenses at June 30, 2021 and December 31, 2020 consist of the following:

	June 30, 2021 (unaudited)	December 31, 2020
Payroll and Benefits	$ 637,093	$ 629,465
Professional Fees	216,108	328,420
Clinical Trials	119,865	203,646
Consulting	999	125,913
Interest	—	1,817
Total Accrued Expenses	$ 974,065	$ 1,289,261

5. Debt

In May 2020, the Company received loan funds (the "Loan") from the Paycheck Protection Program ("PPP") of $0.278 million. In April of 2021, the Company was notified by the Small Business Administration (“SBA”) that this Loan was forgiven in full.

The Company has no additional indebtedness at June 30, 2021 and December 31, 2020.

6. Intangible Assets and In-Process R&D

Intangible assets at June 30, 2021 consist of the rights to trade-secrets and know-how related to the manufacturing of the EyeGate Ocular Bandage Gel (“OBG”). During the third quarter of 2018, the Company entered into an intellectual property license agreement with SentrX Animal Care, Inc. (“SentrX”) with respect to certain rights relating to the manufacturing of the EyeGate OBG product. The intangible assets were recorded at $0.250 million, representing the upfront payment paid to SentrX. Additionally, SentrX is eligible to receive milestone payments totaling up to $4.750 million, upon and subject to the achievement of certain specified development and commercial milestones. These future milestone payments to SentrX will increase the carrying value of the intangible assets. The Company’s intangible assets are amortized on a straight-line basis over the estimated useful lives. Additionally, in-process R&D at June 30, 2021 and December 31, 2020 consists of projects acquired from the acquisitions of Jade and Panoptes that have not reached technological feasibility and which have no alternative future use. Once the R&D process is complete, the Company will amortize the R&D asset over its remaining useful life. The Company periodically evaluates these assets for impairment.

EYEGATE PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021

6. Intangible Assets and In-Process R&D – (continued)

Intangible assets and in-process R&D at June 30, 2021 and December 31, 2020 consists of the following:

	Estimated Useful Life (Years)	June 30, 2021 (unaudited)	December 31, 2020
Trade Secrets	10	$ 250,000	$ 250,000
Less: Accumulated Amortization		(68,750)	(56,250)
Intangible Assets, Net		181,250	193,750
In-Process R&D		9,536,414	9,536,414
Total Intangible Assets and In-Process R&D, Net		$ 9,717,664	$ 9,730,164

Amortization expense on intangible assets was $6,250 for the three months ended June 30, 2021 and 2020 and $12,500 for the six months ended June 30, 2021 and 2020.

7. Capital Stock

On January 3, 2020, the Company completed a registered direct offering with institutional investors for 500,000 shares of Common Stock with a purchase price of $10.00 per share. The total net proceeds to the Company , after deducting the placement agent fees and offering expenses, were approximately $4.5 million.

On June 25, 2020, following the Company's 2020 Annual Meeting of Stockholders, the Company filed a Certificate of Amendment to its Restated Certificate of Incorporation that decreased the number of authorized shares of the Company's common stock from 120,000,000 to 50,000,000.

In connection with the Panoptes acquisition, on December 18, 2020, the Company filed a Certificate of Designation of Preferences, Rights and Limitations for up to 20,000 shares of Series D Convertible Preferred Stock with the Delaware Secretary of State. The Series D Convertible Preferred Stock has a stated value of $1,000 per share and a conversion price of $3.5321 per share but may not be converted until stockholder approval is obtained. The Series D Preferred Stock is only entitled to dividends in the event dividends are paid on the Company's shares of Common Stock and does not have any preferences over the Company's shares of Common Stock or any voting rights, except in limited circumstances.

On January 6, 2021, the Company completed a private placement of 1,531,101 shares of Common Stock and warrants to purchase up to 1,531,101 shares of Common Stock to an affiliate of Armistice Capital, LLC, with a combined purchase price per share and warrant of $5.225. The total net proceeds from the private placement were approximately $8.0 million. The warrants have an exercise price of $5.225 per share, subject to adjustments as provided under the terms of the warrants and will be exercisable on the six-month anniversary of their issuance date. The warrants are exercisable for five years from the issuance date.

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8. Warrants

The following is a summary of warrant activity for the six months ended June 30, 2021 and 2020:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Term in Years
Outstanding at December 31, 2020	2,726,700	$ 8.41	2.45
Issued	1,531,101	5.23	4.52
Exercised	(10,417)	4.80	1.80
Outstanding at June 30, 2021	4,247,384	$ 7.27	2.88
Outstanding at December 31, 2019	2,875,006	$ 14.14	3.37
Issued	25,000	12.50	4.52
Expired	(37,692)	91.36	—
Outstanding at June 30, 2020	2,862,314	$ 13.10	2.86

All of the warrant agreements provide for a cashless exercise in the event a registration statement covering the issuance of the shares of common stock underlying the warrants is not effective, whereby the number of shares to be issued upon exercise of such warrants will be reduced based on the exercise price and the market value of the shares at the time of exercise. The outstanding warrants expire from 2021 through 2026.

9. Equity Incentive Plan

In 2005, the Company approved the 2005 Equity Incentive Plan (the "2005 Plan"). The 2005 Plan provides for the granting of options, restricted stock or other stock-based awards to employees, officers, directors, consultants and advisors. During 2010, the maximum number of shares of Common Stock that may be issued pursuant to the 2005 Plan was increased to 59,414 shares. The Board of Directors (the "Board") is responsible for administration of the 2005 Plan. The Company's Board determines the term of each option, the option exercise price, the number of shares for which each option is granted and the rate at which each option is exercisable. Incentive stock options may be granted to any officer or employee at an exercise price per share of not less than the fair value per common share on the date of the grant (not less than 110% of fair value in the case of holders of more than 10% of the Company's voting stock) and with a term not to exceed ten years from the date of the grant (five years for incentive stock options granted to holders of more than 10% of the Company's voting stock). Nonqualified stock options may be granted to any officer, employee, consultant or director at an exercise price per share of not less than the par value per share. Following adoption of the 2014 Equity Incentive Plan (the "2014 Plan"), no further grants were made under the 2005 Plan. General terms of the 2014 Plan remain the same as that of the 2005 Plan.

The Company's Board adopted the 2014 Plan and the Employee Stock Purchase Plan (the "ESPP") and the Company's Stockholders approved the 2014 Plan and the ESPP Plan in February 2015. As of June 30, 2021, the maximum number of shares of Common Stock that may be issued pursuant to the 2014 Plan and the ESPP was 806,005 and 11,371 shares, respectively.

In January 2021, the number of shares of common stock issuable under the 2014 Plan automatically increased by23,333 shares pursuant to the terms of the 2014 Plan. Additionally, in June 2021, the number of shares of common stock issuable under the 2014 Plan was increased by 200,000 shares, as approved by the Company's Stockholders. These additional shares are included in the total of 806,005 shares issuable under the 2014 Plan.

EYEGATE PHARMACEUTICALS, INC.
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9. Equity Incentive Plan - (continued)

The following is a summary of stock option activity for the six months ended June 30, 2021 and 2020:

	Number of Options	Weighted- Average Exercise Price	Weighted-Average Contractual Life (In Years)
Outstanding at December 31, 2020	246,893	$ 20.90	7.20
Granted	150,365	6.19	
Expired	(7,599)	10.82	
Forfeited	(12,298)	6.51	
Outstanding at June 30, 2021	377,361	$ 15.71	7.82
Exercisable at June 30, 2021	198,822	$ 24.25	6.46
Vested and Expected to Vest at June 30, 2021	377,361	$ 15.71	7.82
Outstanding at December 31, 2019	174,175	$ 27.42	6.22
Granted	93,165	6.31	
Expired	(17,114)	10.59	
Forfeited	(3,333)	7.20	
Outstanding at June 30, 2020	246,893	$ 20.90	7.71
Exercisable at June 30, 2020	134,574	$ 32.90	6.25
Vested and Expected to Vest at June 30, 2020	246,893	$ 20.90	7.71

During the six months ended June 30, 2021 and 2020, the Board approved the grant of options to purchase 150,365 and 93,165 shares of Common Stock, respectively. All option grants were pursuant to the 2014 Plan. In general, options granted under the 2014 Plan vest with respect to one-third of the underlying shares on the one-year anniversary of the grant date and the remainder ratably over a 24-month period.

For the six months ended June 30, 2021 and 2020, the fair value of each option grant has been estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted-average assumptions:

	2021	2020
Risk-Free Interest Rate	1.82 %	1.82 %
Expected Life	5.00 years	5.00 years
Expected Volatility	141 %	153 %
Expected Dividend Yield	0 %	0 %

Using the Black-Scholes Option Pricing Model, the estimated weighted average fair value of an option to purchase one share of common stock granted during the six months ended June 30, 2021 and 2020 was $6.12 and $6.26, respectively.

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9. Equity Incentive Plan - (continued)

The following is a summary of restricted stock activity for the six months ended June 30, 2021 and 2020:

	Number of Shares	Weighted- Average Grant Date Fair Value	Weighted- Average Remaining Recognition Period
Non-vested Outstanding at December 31, 2020	67,420	$ 7.10	1.66
Vested	(37,041)	7.39	
Forfeited	(2,051)	6.86	
Non-vested Outstanding at June 30, 2021	28,328	$ 6.73	1.59
Non-vested Outstanding at December 31, 2019	50,187	$ 8.64	1.49
Awarded	49,000	6.55	
Vested	(16,022)	8.82	
Non-vested Outstanding at June 30, 2020	83,165	$ 7.37	1.94

During the six months ended June 30, 2021,2,051 shares of restricted stock, which had not vested, were forfeited and returned to the Company. During the six months ended June 30, 2021 and 2020, the Board approved the grant of 0 and 49,000 restricted shares of Common Stock, respectively. All grants of restricted shares were pursuant to the 2014 Plan. These vest with respect to one-third of the underlying shares on the one-year anniversary of the grant date and the remainder ratably over a 24-month period.

The total stock-based compensation expense for employees and non-employees is included in the accompanying Condensed Consolidated Statements of Operations and as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Research and Development	$ 69,219	$ 53,669	$ 140,805	$ 99,322
General and Administrative	193,673	143,382	339,032	243,649
Total Stock-Based Compensation Expense	$ 262,892	$ 197,051	$ 479,837	$ 342,971

The fair value of options granted for the six months ended June 30, 2021 and 2020 was $0.909 million and $0.580 million, respectively. As of June 30, 2021 and 2020, there was $1.117 million and $1.161 million of total unrecognized compensation expense related to unvested stock-based compensation arrangements granted, which cost is expected to be recognized over a weighted-average period of 2.26 and 2.28 years, respectively. The aggregate intrinsic value of stock options outstanding and exercisable at June 30, 2021 and 2020 was $0.

At June 30, 2021, there were 264,337 shares available for grant under the 2014 Plan and 7,806 shares available under the Company's ESPP.

10. Commitments and Contingencies

Leases

The Company is a party to three real property operating leases for the rental of office or lab space. The Company has office space in Waltham, Massachusetts of up to 4,516 square feet that is used for its corporate headquarters with a term through March 31, 2022. The Company also has office and laboratory space of approximately 3,540 square feet in Salt Lake City, Utah with a term through November 30, 2023. The Company has office space in Vienna, Austria of approximately 1,555 square feet with a term through October 31, 2023 as a result of the Panoptes acquisition effective December 18, 2020.

EYEGATE PHARMACEUTICALS, INC.
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10. Commitments and Contingencies - (continued)

Additional right-of-use assets and lease liabilities were recorded upon the new lease agreements or extensions that were effective as of June 30, 2021.

Operating lease assets and liabilities are recognized at the lease commencement date at the present value of lease payments to be paid. Operating lease assets represent the Company's right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments. To determine the present value of lease payments to be paid, the Company estimated incremental secured borrowing rates corresponding to the maturities of the leases. The Company estimated a rate of 10% based on prevailing financial market conditions, comparable company and credit analysis, and management judgment. The Company recognizes expense for its leases on a straight-line basis over the lease term. Operating lease expense, consisting of the reduction of the right-of-use asset and the imputed interest on the lease liability, totaled $55,188 and $106,040 for the three and six months ended June 30, 2021, respectively, and $43,195 and $86,390 and for the three and six months ended June 30, 2020, respectively.

Maturities of lease liabilities were as follows as of June 30, 2021:

	Operating Leases
2021	$ 110,377
2022	134,315
2023	95,899
Less: Imputed Interest	(32,578)
Lease Liabilities	$ 308,013

License Agreements

The Company is a party to four license agreements as described below. These license agreements require the Company to receive or pay royalties or fees to or from the licensor based on revenue or milestones related to the licensed technology.

On July 2, 2013, Panoptes entered into a patent and know-how assignment agreement with 4SC Discovery GmbH ("4SC") transferring to Panoptes all patent rights and know-how to the compound PP-001. The Company (through its Panoptes subsidiary) is responsible for paying royalties based on a specified percentage of net sales of PP-001.

On July 2, 2013, Panoptes entered into an out-license agreement with 4SC Discovery GmbH ("4SC") granting 4SC the exclusive worldwide right to commercialize the compound PP-001 for rheumatoid arthritis and inflammatory bowel disease, including Crohn's Disease and Ulcerative Colitis. The Company (through its Panoptes subsidiary) is eligible to receive milestone payments totaling up to 155 million euros, upon and subject to the achievement of certain specified developmental and commercial milestones. In addition, the Company (through its Panoptes subsidiary) is eligible to receive royalties based on a specified percentage of net sales of PP-001.

On September 12, 2013, Jade entered into an agreement with Lineage Cell Therapeutics, Inc. ("Lineage"), formerly known as BioTime, Inc., granting to it the exclusive worldwide right to commercialize cross-linked thiolated carboxymethyl hyaluronic acid ("modified HA") for ophthalmic treatments in humans. The agreement provides for a license issue fee paid to Lineage of $50,000 and requires the Company (through its Jade subsidiary) to pay an annual fee of $30,000 and royalties to Lineage based on revenue relating to any product incorporating the modified HA technology. The agreement expires when patent protection for the modified HA technology lapses, which is expected to occur in the U.S. in 2028.

EYEGATE PHARMACEUTICALS, INC.
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10. Commitments and Contingencies - (continued)

On September 26, 2018, the Company entered into an intellectual property licensing agreement (the "SentrX Agreement") with SentrX, a veterinary medical device company that develops and manufactures veterinary wound care products. Under the SentrX Agreement, the Company will in-license the rights to trade-secrets and know-how related to the manufacturing of its OBG. The SentrX Agreement will enable the Company to pursue a different vendor with a larger capacity for manufacturing and an FDA-inspected facility for commercialization of a product for human use. Under the SentrX Agreement, the Company paid SentrX an upfront payment of $0.250 million recorded as intangible assets on the Consolidated Balance Sheets. SentrX is eligible to receive milestone payments totaling up to $4.750 million, upon and subject to the achievement of certain specified developmental and commercial milestones. These future milestone payments to SentrX will increase the carrying value of the intangible assets.

COVID-19

The continued spread of the COVID-19 pandemic could adversely impact the Company's clinical studies. In addition, COVID-19 has resulted in significant governmental measures being implemented to control the spread of the virus, including quarantines, travel restrictions, and business shutdowns. COVID-19 has also caused volatility in the global financial markets and threatened a slowdown in the global economy, which could negatively affect the Company's ability to raise additional capital on attractive terms or at all. The extent to which COVID-19 may impact the Company's business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the outbreak, the emergence of new variants, and the effectiveness of actions to contain and treat COVID-19. The Company cannot presently predict the scope and severity of any potential disruptions to its business, including to ongoing and planned clinical studies. Any such shutdowns or other business interruptions could result in material and negative effects to the Company's ability to conduct its business in the manner and on the timelines presently planned, which could have a material adverse impact on its business, results of operation, and financial condition. As of the date of this report, there have been no material adverse effects to the Company's ongoing business operations from COVID-19.

11. Employee Benefit Plans

The Company has an employee benefit plan for its United States-based employees under Section 401(k) of the Internal Revenue Code. The Plan allows all eligible employees to make contributions up to a specified percentage of their compensation. Under the Plan, the Company may, but is not obligated to, match a portion of the employee contribution up to a defined maximum. As a result of the 401(k) plan compliance review for the year ended December 31, 2020, the Company will contribute approximately $26,000 to eligible employees, which is accrued on the Condensed Consolidated Balance Sheets as of June 30, 2021 and December 31, 2020.

As of June 30, 2021, the Company has accrued an additional estimate of $11,136 for contributions likely due as a result of the 401(k) plan compliance review for the year ended December 31, 2021. The Company made no matching contribution for each of the six months ended June 30, 2021 and 2020.

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12. Acquisition

Panoptes Pharma Ges.m.b.H. Acquisition

Effective December 18, 2020, the Company acquired all of the capital stock of Panoptes Pharma Ges.m.b.H. ("Panoptes"), a privately held clinical stage biotech company focused on developing a novel proprietary small molecule for the treatment of severe eye diseases with a high unmet medical need, as well as for conditions outside the ocular space. With the Panoptes acquisition, Panoptes became a wholly owned subsidiary of EyeGate. The acquisition has been accounted for in accordance with FASB's Accounting Standards Codification ("ASC") 805, "Business Combinations", with the assets acquired and liabilities assumed recorded at fair value on the date of the acquisition. The excess of the purchase price over the fair value of the net assets acquired is recorded as goodwill, which is not expected to be deductible for tax purposes.

Under the terms of the Panoptes acquisition agreement, in consideration for100% of the outstanding equity interests in Panoptes, the Company paid cash in the amount of $0.445 million to certain founders and creditors, issued884,222 shares of EyeGate common stock, and issued45.893 shares (convertible into 13,000 shares of common stock) of EyeGate Series D Convertible Preferred Stock. An additional cash payment is due to a creditor in December 2021 and is recorded at a fair value of $0.212 million at the acquisition date.

Additionally, up to 1,500 shares of Series D Convertible Preferred Stock (convertible into424,685 shares of common stock) will be issued after a period of 18 months from closing, subject to post-closing adjustments or indemnification obligations, and are recorded as contingent consideration and fair valued at $1.353 million at the acquisition date.

The Panoptes acquisition also includes two cash or stock earn-out provisions providing for an additional cash or stock payment of $4.750 million per milestone contingent upon (1) the enrollment and randomization of a first patient into the first FDA Phase III pivotal study of a Panoptes product and (2) the FDA approval of the first New Drug Application of a Panoptes product. The cash or stock earn-out payments were recorded as contingent consideration and fair valued at $2.067 million at the acquisition date.

The fair value of the shares issued in the Panoptes acquisition was approximately $3.169 million based on the 30-day volume weighted average price of the Company's Common Stock as reported by Bloomberg on the closing date of the acquisition, or $3.5321 per share.

The following table summarizes the purchase price allocation and the estimated fair value of the net assets acquired and liabilities assumed in the Panoptes acquisition at the date of acquisition.

	Panoptes
Current Assets	$ 410,863
In-Process R&D	5,624,100
Goodwill	1,958,711
Property, Plant and Equipment	2,042
Accounts Payable and Other Liabilities	(87,777)
Deferred Tax Liability	(351,507)
Contingent Consideration	(3,632,950)
Assumed Liabilities	(312,852)
Total Purchase Price	$ 3,610,630

(1) Current Assets include cash, receivables, and prepaid expenses of $333,860, $73,368, and $3,635, respectively.

EYEGATE PHARMACEUTICALS, INC.
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June 30, 2021

12. Acquisition (continued)

Net loss in the Condensed Consolidated Statement of Operations for the six months ended June 30, 2021 includes net losses of Panoptes of $1.473 million. The Company's intangible assets, which consist solely of in-process research and development, will not be amortized until the underlying development programs are completed. Upon obtaining regulatory approval, the intangible assets are then accounted for as finite-lived intangible assets and amortized on a straight-line basis over its estimated useful life.

EyeGate recognized approximately $0.050 million of acquisition-related costs for the Panoptes acquisition that were expensed in the first quarter of 2021 as a component of general and administrative expense.

Pro forma disclosure for Panoptes acquisition

The following tables includes the pro forma results for Panoptes the three- and six- month periods ending June 30, 2020 of the combined companies as though the Panoptes Acquisition had been completed as of the beginning of the period presented.

	Three Months Ended June 30, 2020 (unaudited)	Six Months Ended June 30, 2020 (unaudited)
Revenues	$ 1,722	$ 112,541
Operating Expenses	2,004,966	4,137,017
Net Loss	$ (2,003,685)	$ (4,006,738)

The pro forma financial information is presented for information purposes only. The unaudited pro forma financial information may not necessarily reflect the Company's future results of operations or what the results of operations would have been had the Company owned and operated Panoptes as of the beginning of the period presented.

13. Subsequent Events

On July 23, 2021, the Company's Board of Directors appointed Brian M. Strem, Ph.D. as President and Chief Executive Officer of the Company, effective as of July 26, 2021. In connection with the appointment of Dr. Strem, Franz Obermayr, Ph.D., who served as the Company's Acting Chief Executive Officer since February 2021, resumed his prior role with the Company as its EVP Clinical Development.

On July 22, 2021, the Company entered into a non-binding term sheet (the "Term Sheet") with Bayon. Dr. Strem is a founder of Bayon and owns approximately 28% of its equity interests. Pursuant to the Term Sheet, the Company and Bayon intend to negotiate and enter into a definitive agreement pursuant to which the Company would acquire Bayon in connection for closing consideration of 50,000 shares of the Company's common stock, and potential earnout consideration of up to approximately $7.1 million or, at the Company's discretion, up to approximately 2.2 million shares of the Company's common stock or common stock equivalents, based on the achievement of successive milestones based on clinical trial data and regulatory approval of Bayon products. To the extent the Bayon acquisition is consummated, Dr. Strem will receive a portion of the consideration equal to his percentage ownership in Bayon. There can be no assurance that a definitive agreement will be entered into or that the proposed transaction will be consummated at all or on the terms described above.

On August 11, 2021, the Company completed a registered direct offering priced at-the-market under Nasdaq Rules for 4,668,844 shares of Common Stock with a purchase price of $2.3025 per share. The Company also completed a concurrent private placement of unregistered warrants to purchase up to an aggregate of 2,334,422 shares of Common Stock at an exercise price of $2.24 per share that are exercisable immediately upon issuance and will expire five and one-half years following the date of issuance. The total net proceeds to the Company from the offering were approximately $9.7 million.

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

The following section of this Quarterly Report on Form 10-Q entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains statements that are not statements of historical fact and are forward-looking statements within the meaning of federal securities laws. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Factors that may cause our actual results to differ materially from those in the forward-looking statements include those factors described in "Item 1A. Risk Factors" beginning on page 24 of our Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 25, 2021. You should carefully review all of these factors, as well as the comprehensive discussion of forward-looking statements on page 1 of this Quarterly Report on Form 10-Q.

EyeGate Pharmaceuticals, Inc. is referred to herein as "we," "our," "us," and "the Company". Jade Therapeutics, Inc., a wholly owned subsidiary of the Company, is referred to herein as "Jade" and Panoptes Pharma Ges.m.b.H., a wholly owned subsidiary of the Company, is referred to herein as "Panoptes."

Business Overview

We are a clinical-stage pharmaceutical company developing and commercializing products for treating inflammatory and immune diseases with a focus on the eye and certain systemic diseases.

In the fourth quarter of 2020, we acquired Panoptes, transforming our pipeline with the addition of PP-001. PP-001, is a next-generation, non-steroidal, immuno-modulatory and small-molecule inhibitor of Dihydroorotate Dehydrogenase ("DHODH") with what we believe to be best-in-class picomolar potency and a validated immune modulating mechanism designed to overcome the off-target side effects and safety issues associated with DHODH inhibitors. PP-001 has been developed in two clinical-stage ophthalmic formulations: an intravitreal injection for inflammatory diseases of the eye including posterior uveitis, and a novel nano carrier technology eye drop for ocular surface diseases such as conjunctivitis, dry eye disease and others. Other administration routes are also in development and IND enabling studies are underway for conditions outside the ocular space.

In addition, we are developing Ocular Bandage Gel ("OBG"), a modified form of the natural polymer hyaluronic acid, designed to protect the ocular surface to permit re-epithelialization of the cornea and improve ocular surface integrity. OBG, with unique properties that help hydrate and protect the ocular surface, is in clinical evaluation for patients undergoing PRK surgery for corneal wound repair after refractive surgery and patients with PE as a result of dry eye. A type-B meeting was held with the U.S. Food and Drug Administration's ("FDA") Center for Drug Evaluation and Research ("CDER") division during the first quarter of 2021 to discuss eligibility of continuing OBG clinical studies as a drug. As a result, development of OBG has shifted from a medical device to a drug, which allows for reimbursement under Medicare Part D.

In May 2020, we were granted a loan (the "Loan") from Silicon Valley Bank in the amount of $0.278 million pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted in March 2020. The Loan could have been prepaid by us at any time prior to maturity with no prepayment penalties. Funds from the Loan were only permitted to be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020 ("Qualifying Expenses"). We used the entire Loan amount for Qualifying Expenses. Under the terms of the PPP, certain amounts of the Loan could be forgiven if they are used for Qualifying Expenses as described in the CARES Act. In April of 2021, we were notified by the Small Business Administration ("SBA") that this Loan was forgiven in full.

Throughout our history, we have not generated significant revenue. We have never been profitable and from inception through June 30, 2021, our losses from operations have aggregated $113.389 million. Our Net Loss was $5.050 million and $3.669 million for the six months ended June 30, 2021 and 2020, respectively. We expect to incur significant expenses and increasing operating losses for the foreseeable future as we continue the development and clinical trials of and seek regulatory approval for our PP-001 and OBG product candidates, and any other product candidates we advance to clinical development. If we obtain regulatory approval for PP-001 and OBG, we expect to incur significant expenses to create an infrastructure to support the commercialization of PP-001 and OBG including sales, marketing, and distribution functions.

The continued spread of the COVID-19 pandemic could adversely impact our clinical studies. In addition, COVID-19 has resulted in significant governmental measures being implemented to control the spread of the virus, including quarantines, travel restrictions, and business shutdowns. COVID-19 has also caused volatility in the global financial markets and threatened a slowdown in the global economy, which could negatively affect our ability to raise additional capital on attractive terms or at all. See “Item 1A. Risk Factors” beginning on page 24 of our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, or the SEC, on March 25, 2021. The extent to which COVID-19 may impact our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the outbreak, the emergence of new variants, and the effectiveness of actions to contain and treat COVID-19. We cannot presently predict the scope and severity of any potential disruptions to our business, including to our ongoing and planned clinical studies. Any such shutdowns or other business interruptions could result in material and negative effects to our ability to conduct our business in the manner and on the timelines presently planned, which could have a material adverse impact on our business, results of operation, and financial condition. As of the date of this report, there have been no material adverse effects to our ongoing business operations from COVID-19.

If we obtain regulatory approval for PP-001 or OBG, we expect to incur significant expenses in order to create an infrastructure to support the commercialization of EyeGate OBG including sales, marketing and distribution functions.

We will need additional financing to support our continuing operations. We will seek to fund our operations through public or private equity, debt financings, license and development agreements, or other sources, which may include collaborations with third parties. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. These conditions raise substantial doubt about our ability to continue as a going concern. We will need to generate significant revenue to achieve profitability, and we may never do so.

EyeGate Pharmaceuticals, Inc. was formed in Delaware on December 26, 2004. We were originally incorporated in 1998 under the name of Optis France S.A. in Paris, France. At that time, the name of the French corporation was changed to EyeGate Pharma S.A.S. and became a subsidiary of EyeGate Pharmaceuticals, Inc. EyeGate Pharma S.A.S. was dissolved effective December 30, 2020.

Jade Therapeutics, Inc. was formed in Delaware on December 31, 2012. Panoptes Pharma Ges.m.b.H. was formed in Austria on July 2, 2013. Jade and Panoptes are wholly owned subsidiaries of EyeGate Pharmaceuticals, Inc.

Financial Overview

Revenues

To date, we have recognized collaboration revenue from U.S. and foreign government grants made to Jade and Panoptes, as well as from license agreements as performance obligations toward milestones were met. *See* Note 2 to our financial statements, “Summary of Significant Accounting Policies”. We expect to continue to incur significant operating losses as we fund research and clinical trial activities relating to our therapeutic assets, consisting of our DHODH and modified HA-based products, or any other product candidate that we may develop. There can be no guarantee that the losses incurred to fund these activities will succeed in generating revenue.

Research and Development Expenses

We expense all research and development expenses as they are incurred. Research and development expenses primarily include:

- non-clinical development, preclinical research, and clinical trial and regulatory-related costs;
- expenses incurred under agreements with sites and consultants that conduct our clinical trials;
- expenses related to generating, filing, and maintaining intellectual property; and

- employee-related expenses, including salaries, bonuses, benefits, travel, and stock-based compensation expense.

Substantially all of our research and development expenses to date have been incurred in connection with OBG and our former legacy products. We expect our research and development expenses to increase for the near future as we advance PP-001, OBG, and any other product candidate through clinical development, including the conduct of our planned clinical trials. The process of conducting clinical trials necessary to obtain regulatory approval is costly and time consuming. We are unable to estimate with any certainty the costs we will incur in the continued development of our PP-001, OBG, and any other product candidate that we may develop. Clinical development timelines, the probability of success and development costs can differ materially from expectations.

We may never succeed in achieving marketing approval for our product candidate.

The costs of clinical trials may vary significantly over the life of a project owing to, but not limited to, the following:

- per patient trial costs;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the number of patients that participate in the trials;
- the number of doses that patients receive;
- the cost of comparative agents used in trials;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring or other studies requested by regulatory agencies;
- the duration of patient follow-up; and
- the efficacy and safety profile of the product candidate.

We do not expect our product candidates to be commercially available, if at all, for the next several years.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related benefits, including stock-based compensation. Our general and administrative expenses consisted primarily of payroll expenses for our full-time employees. Other general and administrative expenses include professional fees for auditing, tax, patent costs and legal services.

We expect that general and administrative expenses will remain consistent for the near future until commercialization of our DHODH and modified HA-based products, which could lead to an increase in these expenses.

Total Other Income (Expense)

Total other income (expense) consists primarily of interest income we earn on interest-bearing accounts, and interest expense incurred on our outstanding financing arrangements.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the expenses during the reporting periods. We evaluate these estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Our actual results may differ materially from these estimates under different assumptions or conditions.

While our significant accounting policies are discussed in more detail in Note 2 to our financial statements appearing elsewhere in this Quarterly Report on Form 10-Q, we believe that the following accounting policies are the most critical for fully understanding and evaluating our financial condition and results of operations.

Business Combinations

We applied the provisions of Accounting Standards Codification ("ASC") Topic 805, "Business Combinations," in the accounting for our acquisition of Panoptes. It required us to recognize the assets acquired and the liabilities assumed at their acquisition date fair values, which were determined using market, income, and cost approaches, or a combination. Goodwill as of the respective acquisition date was measured as the excess of consideration transferred over the net of the acquisition date fair value of the assets acquired and the liabilities assumed. Goodwill is generally the result of expected synergies of the combined company or an assembled workforce. Indefinite-lived intangible assets acquired were in-process research and development. The fair value for these intangible assets was determined using the income approach. Under the income approach, fair value reflects the present value of the projected cash flows that are expected to be generated by the products incorporating the in-process research and development, if successful.

Accrued Research and Development Expenses

As part of the process of preparing financial statements, we are required to estimate and accrue research and development expenses. This process involves the following:

- communicating with our applicable personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of actual cost;
- estimating and accruing expenses in our financial statements as of each balance sheet date based on facts and circumstances known to us at the time; and
- periodically confirming the accuracy of our estimates with selected service providers and making adjustments, if necessary.

Examples of estimated research and development expenses that we accrue include:

- fees paid to contract research organizations and investigative sites in connection with clinical studies;
- fees paid to contract manufacturing organizations in connection with non-clinical development, preclinical research, and the production of clinical study materials; and
- professional service fees for consulting and related services.

We base our expense accruals related to non-clinical development, preclinical studies, and clinical trials on our estimates of the services received and efforts expended pursuant to contracts with organizations/consultants that conduct and manage clinical studies on our behalf. The financial terms of these agreements vary from contract to contract and may result in uneven payment flows. Payments under some of these contracts may depend on many factors, such as the successful enrollment of patients, site initiation and the completion of clinical study milestones. Our service providers invoice us as milestones are achieved and monthly in arrears for services performed. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If we do not identify costs that we have begun to incur or if we underestimate or overestimate the level of services performed or the costs of these services, our actual expenses could differ from our estimates. To date, we have not experienced significant changes in our estimates of accrued research and development expenses after a reporting period.

However, due to the nature of estimates, we cannot assure you that we will not make changes to our estimates in the future as we become aware of additional information about the status or conduct of our clinical studies and other research activities.

Stock-Based Compensation

We have issued options to purchase our common stock and restricted stock. Stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service/vesting period. Determining the appropriate fair value model and calculating the fair value of stock-based payment awards require the use of highly subjective assumptions, including the expected life of the stock-based payment awards and stock price volatility.

We estimate the grant date fair value of stock options and the related compensation expense, using the Black-Scholes option valuation model. This option valuation model requires the input of subjective assumptions including: (1) expected life (estimated period of time outstanding) of the options granted, (2) volatility, (3) risk-free rate and (4) dividends. In general, the assumptions used in calculating the fair value of stock-based payment awards represent management's best estimates, but the estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and we use different assumptions, our stock-based compensation expense could be materially different in the future.

Revenue Recognition

Our revenues are generated primarily through arrangements which generally contain multiple elements, or deliverables, including licenses and R&D activities to be performed by us on behalf of the licensor or grantor. Payments to us under these arrangements typically include one or more of the following: (1) nonrefundable, upfront license fees, (2) funding of discovery research efforts on a full-time equivalent basis, (3) reimbursement of research, development and intellectual property costs, (4) milestone payments, and (5) royalties on future product sales.

We recognize revenue when our customer obtains control of promised services, in an amount that reflects the consideration which we expect to receive in exchange for those services. To determine whether arrangements are within the scope of this new guidance, we perform the following five steps: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy our performance obligation. We apply the five-step model to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services we transfer to the customer. We recognize revenue from the transaction price applied to each single performance obligation over time as milestones are reached for each performance obligation. We only recognize revenue on those milestones that are within our control and any constrained variable consideration that requires regulatory approval will only be included in the transaction price when performance is complete.

In addition, we may receive government grant funds for specified ocular therapeutic research activities. Revenue under these grants will be recorded when we perform the activities specified by the terms of each grant and are entitled to the funds.

Recent Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other*, which simplifies the accounting for goodwill impairment. The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. All other goodwill impairment guidance will remain largely unchanged. Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. The same one-step impairment test will be applied to goodwill at all reporting units, even those with zero or negative carrying amounts. Entities will be required to disclose the amount of goodwill at reporting units with zero or negative carrying amounts. The new standard was effective for us on January 1, 2020 and is required to be applied prospectively. We adopted ASU No. 2017-04 effective January 1, 2020 and the adoption of this standard did not have a material impact on our Condensed Consolidated Financial Statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU No. 2016-13 replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new guidance is effective for smaller reporting companies in fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. We do not expect the adoption of this standard to have a material effect on our Condensed Consolidated Financial Statements and related disclosures.

Other Information

JOBS Act

Effective December 31, 2020, we are no longer considered an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012.

Results of Operations

Comparison of Three Months ended June 30, 2021 and 2020

The following table summarizes the results of our operations for the three months ended June 30, 2021 and 2020:

	Three Months Ended June 30,		
	2021	2020	Change
Operating Expenses:			
Research and Development	$ 1,439,922	$ 631,114	$ 808,808
General and Administrative	1,305,865	1,090,327	215,538
Total Operating Expenses	2,745,787	1,721,441	1,024,346
Other Income, Net	276,489	4,340	272,149
Net Loss	$ (2,469,298)	$ (1,717,101)	$ (752,197)

Research and Development Expenses. Research and Development Expenses were $1.440 million for the three months ended June 30, 2021, compared to $0.631 million for the three months ended June 30, 2020. The increase of $0.809 million was primarily due to personnel related costs from the Panoptes acquisition, as well as development costs for PP-001. These increases were partially offset by decreases in costs related to OBG.

General and Administrative Expenses. General and Administrative Expenses were $1.306 million for the three months ended June 30, 2021, compared to $1.090 million for the three months ended June 30, 2020. The increase of $0.216 million was primarily due to increases in professional fees and personnel related costs.

Other Income, Net. Other Income, Net was $0.276 million for the three months ended June 30, 2021, compared to $0.004 million for the three months ended June 30, 2020 due to recording a gain as a result of the full forgiveness of the Loan under the PPP in the second quarter of 2021.

Comparison of Six Months ended June 30, 2021 and 2020

The following table summarizes the results of our operations for the six months ended June 30, 2021 and 2020:

	Six Months Ended June 30,		
	2021	2020	Change
Operating Expenses:			
Research and Development	$ 2,720,164	$ 1,569,155	$ 1,151,009
General and Administrative	2,606,008	2,122,930	483,078
Total Operating Expenses	5,326,172	3,692,085	1,634,087
Other Income, Net	276,053	22,784	253,269
Net Loss	$ (5,050,119)	$ (3,669,301)	$ (1,380,818)

Research and Development Expenses. Research and Development Expenses were $2.720 million for the six months ended June 30, 2021, compared to $1.569 million for the six months ended June 30, 2020. The increase of $1.151 million was primarily due to personnel related costs from the Panoptes acquisition, as well as development costs for PP-001. These increases were partially offset by a decrease related to the expiration of a prepaid agreement with a research vendor in the first quarter of 2020.

General and Administrative Expenses. General and Administrative Expenses were $2.606 million for the six months ended June 30, 2021, compared to $2.123 million for the six months ended June 30, 2020. The increase of $0.483 million was primarily due to increases in professional fees and personnel related costs.

Other Income, Net. Other Income, Net was $0.276 million for the six months ended June 30, 2021, compared to $0.023 million for the six months ended June 30, 2020 mainly due to recording a gain as a result of the full forgiveness of the Loan under the PPP in the second quarter of 2021.

Liquidity and Capital Resources

Since becoming a public company in 2015, we have financed our operations from several registered offerings and private placements of our securities, payments from license agreements, and U.S. and foreign government grants. From inception through August 12, 2021, we have raised a total of approximately $118.6 million from such sales of our equity and debt securities, both as a public company and prior to our IPO, as well as approximately $14.9 million in payments received under our license agreements and government grants and $0.278 million received pursuant to the Loan under the PPP, which was fully forgiven in April of 2021.

On January 3, 2020, we completed a registered direct offering for 500,000 shares of Common Stock with a purchase price of $10.00 per share. Our total net proceeds from the offering were approximately $4.5 million.

On January 6, 2021, we completed a private placement of 1,531,101 shares of Common Stock and warrants to purchase up to 1,531,101 shares of Common Stock to an affiliate of Armistice Capital, LLC, with a combined purchase price per share and warrant of $5.225. The total net proceeds from the private placement were approximately $8.0 million. The warrants have an exercise price of $5.225 per share, subject to adjustments as provided under the terms of the warrants, and will be exercisable on the six-month anniversary of their issuance date. The warrants are exercisable for five years from the issuance date.

On August 11, 2021, we completed a registered direct offering priced at-the-market under Nasdaq Rules for 4,668,844 shares of Common Stock with a purchase price of $2.3025 per share. We also completed a concurrent private placement of unregistered warrants to purchase up to an aggregate of 2,334,422 shares of Common Stock at an exercise price of $2.24 per share that are exercisable immediately upon issuance and will expire five and one-half years following the date of issuance. The total net proceeds to us from the offering were approximately $9.7 million.

At June 30, 2021, we had unrestricted cash and cash equivalents totaling $3.663 million.

The following table sets forth the primary uses of cash for the six months ended June 30, 2021 and 2020:

	Six Months Ended June 30,	
	2021	2020
Net Cash Used in Operating Activities	$ (5,207,425)	$ (3,867,415)
Net Cash Used in Investing Activities	$ (63,865)	$ —
Net Cash Provided by Financing Activities	$ 7,760,672	$ 4,779,503

Comparison of Six Months Ended June 30, 2021 and 2020

Operating Activities. Net cash used in operating activities was $5.207 million for the six months ended June 30, 2021, compared to $3.867 million for the six months ended June 30, 2020. During the first six months of 2021, we recorded a net loss of $5.050 million, decreases in accounts payable and accrued expenses of $0.458 million, and an increase in tax credits receivable of $0.223 million, which was partially offset by stock-based compensation expense of $0.480 million. During the first six months of 2020, we recorded a net loss of $3.669 million, decreases in accounts payable and accrued expenses of $0.618 million, and a decrease in prepaid expenses and other current assets of $0.105 million. These decreases were partially offset by the expiration of a prepaid agreement of $0.160 million and stock-based compensation expense of $0.343 million.

Investing Activities. Net cash used in investing activities was $0.064 million for the six months ended June 30, 2021 as a result of the purchases of property and equipment related to our lab space.

Financing Activities. Net cash provided by financing activities was $7.761 million for the six months ended June 30, 2021, compared to $4.780 million for the six months ended June 30, 2020. During the six months ended June 30, 2021, we received net proceeds of $7.989 million from the completion of a private placement, which was partially offset by full forgiveness of the Loan under the PPP in the amount of $0.278 million. During the six months ended June 30, 2020, we received net proceeds of $4.501 million from the completion of a registered direct stock offering and $0.278 million of Loan funds from the PPP.

Funding Requirements and Other Liquidity Matters

Our PP-001 and modified HA-based product pipeline is still in various stages of clinical development. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. We anticipate that our expenses will increase substantially if and as we:

- seek marketing approval for our PP-001 or modified HA-based products or any other products that we successfully develop;
- establish a sales and marketing infrastructure to commercialize our PP-001 or modified HA-based products in the United States, if approved; and
- add operational, financial and management information systems and personnel, including personnel to support our product development and future commercialization efforts.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our Stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of a Common Stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or licensing arrangements with pharmaceutical partners, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, including our PP-001 and modified HA-based products, on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market PP-001 and modified HA-based products, or any other products that we would otherwise prefer to develop and market ourselves.

Based on our cash on hand at June 30, 2021 and the approximately $9.7 million in net proceeds received from a registered direct offering that closed on August 11, 2021, we believe we will have sufficient cash to fund planned operations into the second half of 2022. However, the acceleration or reduction of cash outflows by management can significantly impact the timing for raising additional capital to complete development of its products. To continue development, we will need to raise additional capital through debt and/or equity financing, or access additional funding through grants. Although we successfully completed our IPO and several subsequent registered offerings and private placements of our securities, additional capital may not be available on terms favorable to us, if at all. On May 13, 2019, the SEC declared effective our registration statement on Form S-3, registering a total of $50,000,000 of our securities for sale to the public from time to time in what is known as a “shelf offering”. We do not know if our future offerings, including offerings pursuant to our shelf registration statement, will succeed. Accordingly, no assurances can be given that management will be successful in these endeavors. Our recurring losses from operations have caused management to determine there is substantial doubt about our ability to continue as a going concern. Our Condensed Consolidated Financial Statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities or any other adjustments that might be necessary should we be unable to continue as a going concern.

Off-Balance Sheet Arrangements

We do not have any material off-balance sheet arrangements as of June 30, 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

This Report includes the certifications of our Chief Executive Officer (who is our principal executive officer) and our Chief Financial Officer (who is our principal financial and accounting officer) required by Rule 13a-14 of the Exchange Act. *See* Exhibits 31.1 and 31.2. This Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted 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 management, including the Chief Executive Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this Quarterly Report on the Form 10-Q, the Company's Management, under the supervision of, and with the participation of, our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2021. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and our management necessarily was required to apply its judgment in evaluating and implementing our disclosure controls and procedures. Based upon the evaluation described above, our Chief Executive Officer and our Chief Financial Officer have concluded that they believe that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Accounting and Reporting

Our management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated whether any change in our internal control over financial accounting and reporting occurred during the quarter ended June 30, 2021. Management concluded that no changes to our internal control over financial accounting and reporting occurred during the quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial accounting and reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

While we are not currently a party to any legal proceedings as of June 30, 2021, from time to time we may be a party to a variety of legal proceedings that arise in the normal course of our business.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, which is incorporated herein by reference and which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. We do not believe that there have been any material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020.

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

Unregistered Sales of Equity Securities

None.

Purchase of Equity Securities

We did not purchase any of our registered equity securities during the period covered by this Quarterly Report on Form 10-Q.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosure.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index immediately preceding such exhibits and are incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 and 15(d) 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.

Date: August 12, 2021

By: /s/ Brian M. Strem, PhD.
President and Chief Executive Officer
(Principal executive officer)

Date: August 12, 2021

By: /s/ Sarah Romano
Chief Financial Officer
(Principal financial and accounting officer)

EXHIBIT INDEX

The following exhibits are filed as part of this Quarterly Report on Form 10-Q. Where such filing is made by incorporation by reference to a previously filed document, such document is identified.

Exhibit Number	Description of Exhibit
4.1 (1)	Form of Common Stock Purchase Warrant dated August 11, 2021.
4.2 (1)	Form of Placement Agent Purchase Warrant dated August 11, 2021.
10.1#	EyeGate Pharmaceuticals, Inc. 2014 Equity Incentive Plan, as amended.
10.2# (2)	Employment Agreement by and between EyeGate Pharmaceuticals, Inc. and Brian M. Strem, dated as of July 22, 2021.
10.3 (1)	Form of Securities Purchase Agreement dated August 9, 2021.
10.4 (1)	Engagement Letter by and between EyeGate Pharmaceuticals, Inc. and H.C. Wainwright & Co., LLC, dated as of August 5, 2021.
31.1	Certification of principal executive officer pursuant to Rules 13a-15(e) and 15d-15(e), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of principal financial and accounting officer pursuant to Rules 13a-15(e) and 15d-15(e), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of principal financial and accounting officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

1. Previously filed as an exhibit to the Company's Current Report on Form 8-K (filed August 10, 2021) and incorporated by reference thereto.

2. Previously filed as an exhibit to the Company's Current Report on Form 8-K (filed July 26, 2021) and incorporated by reference thereto.

Management contract or compensatory plan or arrangement.

** This certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act.

EYEGATE PHARMACEUTICALS, INC.
2014 EQUITY INCENTIVE PLAN

(as amended on June 24, 2021)

ARTICLE 1. INTRODUCTION.

The Board adopted the Plan to become effective immediately, although no Awards may be granted prior to the Registration Date. The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Service Providers to focus on critical long-range corporate objectives, (b) encouraging the attraction and retention of Service Providers with exceptional qualifications and (c) linking Service Providers directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Options (which may constitute ISOs or NSOs), SARs, Restricted Shares, Stock Units and Performance Cash Awards.

ARTICLE 2. ADMINISTRATION.

2.1 General. The Plan may be administered by the Board or one or more Committees. Each Committee shall have the authority and be responsible for such functions as have been assigned to it.

2.2 Section 162(m). To the extent an Award is intended to qualify as "performance-based compensation" within the meaning of Code Section 162(m), the Plan will be administered by a Committee of two or more "outside directors" within the meaning of Code Section 162(m).

2.3 Section 16. To the extent desirable to qualify transactions hereunder as exempt under Exchange Act Rule 16b-3, the transactions contemplated hereunder will be approved by the entire Board or a Committee of two or more "non-employee directors" within the meaning of Exchange Act Rule 16b-3.

2.4 Powers of Administrator. Subject to the terms of the Plan, and in the case of a Committee, subject to the specific duties delegated to the Committee, the Administrator shall have the authority to (a) select the Service Providers who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) determine whether and to what extent any Performance Goals have been attained, (d) interpret the Plan and Awards granted under the Plan, (e) make, amend and rescind rules relating to the Plan and Awards granted under the Plan, including rules relating to sub-plans established for the purposes of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws, (f) impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by a Participant of any Common Shares issued pursuant to an Award, including restrictions under an insider trading policy and restrictions as to the use of a specified brokerage firm for such resales, and (g) make all other decisions relating to the operation of the Plan and Awards granted under the Plan.

2.5 Effect of Administrator's Decisions. The Administrator's decisions, determinations and interpretations shall be final and binding on all Participants and any other holders of Awards.

2.6 Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions).

ARTICLE 3. SHARES AVAILABLE FOR GRANTS.

3.1 Basic Limitation. Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Common Shares issued under the Plan shall not exceed the sum of (a) 806,005 Common Shares, which includes (i) the 48,573 Common Shares originally reserved and available for issuance under the Plan, plus (ii) 140,765 Common Shares previously added through January 1, 2021 in accordance with the evergreen provision of Section 3.2 of the Plan, plus (iii) an additional 16,667 Common Shares reserved and available for issuance under the Plan in accordance with an amendment dated as of June 21, 2017, plus (iv) an additional 400,000 Common Shares reserved and available for issuance under the Plan in accordance with an amendment dated as of July 10, 2018, plus (v) an additional 200,000 Common Shares reserved and available for

issuance under the Plan in accordance with an amendment dated as of June 24, 2021 and (b) the additional Common Shares described in Articles 3.2 and 3.3. The number of Common Shares that are subject to Stock Awards outstanding at any time under the Plan may not exceed the number of Common Shares that then remain available for issuance under the Plan. The numerical limitations in this Article 3.1 shall be subject to adjustment pursuant to Article 9.

3.2 Annual Increase in Shares. As of the first business day of each fiscal year of the Company during the term of the Plan, commencing on the first day of the Company's 2016 fiscal year, the aggregate number of Common Shares that may be issued under the Plan shall automatically increase by a number equal to the least of (a) 4% of the total number of Common Shares outstanding on the last calendar day of the prior fiscal year, (b) subject to adjustment under Article 9, 23,333 Common Shares, or (c) a number of Common Shares determined by the Board.

3.3 Shares Returned to Reserve. To the extent that Options, SARs or Stock Units granted under this Plan are forfeited or expire for any other reason before being exercised or settled in full, the Common Shares subject to such Options, SARs or Stock Units shall again become available for issuance under the Plan. If SARs are exercised, then only the number of Common Shares (if any) actually issued to the Participant in settlement of such SARs shall reduce the number available under Article 3.1 and the balance shall again become available for issuance under the Plan. If Stock Units are settled, then only the number of Common Shares (if any) actually issued to the Participant in settlement of such Stock Units shall reduce the number available under Article 3.1 and the balance shall again become available for issuance under the Plan. If Restricted Shares or Common Shares issued upon the exercise of Options or otherwise under the Plan are reacquired by the Company pursuant to a forfeiture provision, repurchase right or for any other reason prior to the shares having become vested, then such Common Shares shall again become available for issuance under the Plan. Common Shares applied to pay the Exercise Price of Options or to satisfy tax withholding obligations related to any Award shall again become available for issuance under the Plan. To the extent that an Award is settled in cash rather than Common Shares, the cash settlement shall not reduce the number of Shares available for issuance under the Plan.

3.4 Awards Not Reducing Share Reserve in Article 3.1. Any dividend equivalents paid or credited under the Plan with respect to Stock Units shall not be applied against the number of Common Shares that may be issued under the Plan, whether or not such dividend equivalents are converted into Stock Units. In addition, Common Shares subject to Substitute Awards granted by the Company shall not reduce the number of Common Shares that may be issued under Article 3.1, nor shall shares subject to Substitute Awards again be available for Awards under the Plan in the event of any forfeiture, expiration or cash settlement of such Substitute Awards.

3.5 Code Section 162(m) and 422 Limits. Subject to adjustment in accordance with Article 9:

(a) The aggregate number of Common Shares subject to Options and SARs that may be granted under this Plan during any fiscal year to any one Participant shall not exceed 66,667, except that the Company may grant to a new Employee in the fiscal year in which his or her Service as an Employee first commences Options and/or SARs that cover (in the aggregate) up to an additional 66,667 Common Shares;

(b) The aggregate number of Common Shares subject to Restricted Share awards and Stock Units that may be granted under this Plan during any fiscal year to any one Participant shall not exceed 66,667, except that the Company may grant to a new Employee in the fiscal year in which his or her Service as an Employee first commences Restricted Share awards and Stock Units that cover (in the aggregate) up to an additional 66,667 Common Shares;

(c) No Participant shall be paid more than $6 million in cash in any fiscal year pursuant to Performance Cash Awards granted under the Plan; and

(d) No more than 806,005 Common Shares plus the additional Common Shares described in Article 3.2 may be issued under the Plan upon the exercise of ISOs.

ARTICLE 4. ELIGIBILITY.

4.1 Incentive Stock Options. Only Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the additional requirements set forth in Code Section 422(c)(5) are satisfied.

4.2 Other Awards. Awards other than ISOs may only be granted to Service Providers.

ARTICLE 5. OPTIONS.

5.1 Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The Stock Option Agreement shall specify whether the Option is intended to be an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

5.2 Number of Shares. Each Stock Option Agreement shall specify the number of Common Shares subject to the Option, which number shall adjust in accordance with Article 9.

5.3 Exercise Price. Each Stock Option Agreement shall specify the Exercise Price, which shall not be less than 100% of the Fair Market Value of a Common Share on the date of grant. The preceding sentence shall not apply to an Option that is a Substitute Award granted in a manner that would satisfy the requirements of Code Section 409A and, if applicable, Code Section 424(a).

5.4 Exercisability and Term. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become vested and/or exercisable. The Stock Option Agreement shall also specify the term of the Option; provided that, except to the extent necessary to comply with applicable foreign law, the term of an Option shall in no event exceed 10 years from the date of grant. A Stock Option Agreement may provide for accelerated vesting and/or exercisability upon certain specified events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service.

5.5 Death of Optionee. After an Optionee's death, any vested and exercisable Options held by such Optionee may be exercised by his or her beneficiary or beneficiaries. Each Optionee may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Optionee's death. If no beneficiary was designated or if no designated beneficiary survives the Optionee, then any vested and exercisable Options held by the Optionee may be exercised by his or her estate.

5.6 Modification or Assumption of Options. Within the limitations of the Plan, the Administrator may modify, reprice, extend or assume outstanding options or may accept the cancellation of outstanding options (whether granted by the Company or by another issuer) in return for the grant of new Options for the same or a different number of shares and at the same or a different exercise price or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair his or her rights or obligations under such Option.

5.7 Buyout Provisions. The Administrator may at any time (a) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Administrator shall establish.

5.8 Payment for Option Shares. The entire Exercise Price of Common Shares issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such Common Shares are purchased. In addition, the Administrator may, in its sole discretion and to the extent permitted by applicable law, accept payment of all or a portion of the Exercise Price through any one or a combination of the following forms or methods:

(a) Subject to any conditions or limitations established by the Administrator, by surrendering, or attesting to the ownership of, Common Shares that are already owned by the Optionee with a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Common Shares as to which such Option will be exercised;

(b) By delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or part of the Common Shares being purchased under the Plan and to deliver all or part of the sales proceeds to the Company;

(c) Subject to such conditions and requirements as the Administrator may impose from time to time, through a net exercise procedure;

(d) By delivering a full-recourse promissory note, on such terms approved by the Administrator; or

(e) Through any other form or method consistent with applicable laws, regulations and rules.

ARTICLE 6. STOCK APPRECIATION RIGHTS.

6.1 SAR Agreement. Each grant of a SAR under the Plan shall be evidenced by a SAR Agreement between the Optionee and the Company. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various SAR Agreements entered into under the Plan need not be identical.

6.2 Number of Shares. Each SAR Agreement shall specify the number of Common Shares to which the SAR pertains, which number shall adjust in accordance with Article 9.

6.3 Exercise Price. Each SAR Agreement shall specify the Exercise Price, which shall in no event be less than 100% of the Fair Market Value of a Common Share on the date of grant. The preceding sentence shall not apply to a SAR that is a Substitute Award granted in a manner that would satisfy the requirements of Code Section 409A.

6.4 Exercisability and Term. Each SAR Agreement shall specify the date when all or any installment of the SAR is to become vested and exercisable. The SAR Agreement shall also specify the term of the SAR; provided that except to the extent necessary to comply with applicable foreign law, the term of a SAR shall not exceed 10 years from the date of grant. A SAR Agreement may provide for accelerated vesting and exercisability upon certain specified events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service.

6.5 Exercise of SARs. Upon exercise of a SAR, the Optionee (or any person having the right to exercise the SAR after his or her death) shall receive from the Company (a) Common Shares, (b) cash or (c) a combination of Common Shares and cash, as the Administrator shall determine. The amount of cash and/or the Fair Market Value of Common Shares received upon exercise of SARs shall, in the aggregate, not exceed the amount by which the Fair Market Value (on the date of surrender) of the Common Shares subject to the SARs exceeds the Exercise Price. If, on the date when a SAR expires, the Exercise Price is less than the Fair Market Value on such date but any portion of such SAR has not been exercised or surrendered, then such SAR shall automatically be deemed to be exercised as of such date with respect to such portion. A SAR Agreement may also provide for an automatic exercise of the SAR on an earlier date.

6.6 Death of Optionee. After an Optionee's death, any vested and exercisable SARs held by such Optionee may be exercised by his or her beneficiary or beneficiaries. Each Optionee may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Optionee's death. If no beneficiary was designated or if no designated beneficiary survives the Optionee, then any vested and exercisable SARs held by the Optionee at the time of his or her death may be exercised by his or her estate.

6.7 Modification or Assumption of SARs. Within the limitations of the Plan, the Administrator may modify, reprice, extend or assume outstanding SARs or may accept the cancellation of outstanding SARs (whether granted by the Company or by another issuer) in return for the grant of new SARs for the same or a different number of shares and at the same or a different exercise price or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of a SAR shall, without the consent of the Optionee, impair his or her rights or obligations under such SAR.

ARTICLE 7. RESTRICTED SHARES.

7.1 Restricted Stock Agreement. Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Stock Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Stock Agreements entered into under the Plan need not be identical.

7.2 Payment for Awards. Restricted Shares may be sold or awarded under the Plan for such consideration as the Administrator may determine, including (without limitation) cash, cash equivalents, property, cancellation of other equity awards, full-recourse promissory notes, past services and future services, and such other methods of payment as are permitted by applicable law.

7.3 Vesting Conditions. Each Award of Restricted Shares may or may not be subject to vesting and/or other conditions as the Administrator may determine. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Stock Agreement. Such conditions, at the Administrator's discretion, may include one or more Performance Goals. A Restricted Stock Agreement may provide for accelerated vesting upon certain specified events.

7.4 Voting and Dividend Rights. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders, unless the Administrator otherwise provides. A Restricted Stock Agreement, however, may require that any cash dividends paid on Restricted Shares (a) be accumulated and paid when such Restricted Shares vest, or (b) be invested in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the shares subject to the Stock Award with respect to which the dividends were paid. In addition, unless the Administrator provides otherwise, if any dividends or other distributions are paid in Common Shares, such Common Shares shall be subject to the same restrictions on transferability and forfeitability as the Restricted Shares with respect to which they were paid.

ARTICLE 8. STOCK UNITS.

8.1 Stock Unit Agreement. Each grant of Stock Units under the Plan shall be evidenced by a Stock Unit Agreement between the recipient and the Company. Such Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Stock Unit Agreements entered into under the Plan need not be identical.

8.2 Payment for Awards. To the extent that an Award is granted in the form of Stock Units, no cash consideration shall be required of the Award recipients.

8.3 Vesting Conditions. Each Award of Stock Units may or may not be subject to vesting, as determined by the Administrator. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Unit Agreement. Such conditions, at the Administrator's discretion, may include one or more Performance Goals. A Stock Unit Agreement may provide for accelerated vesting upon certain specified events.

8.4 Voting and Dividend Rights. The holders of Stock Units shall have no voting rights. Prior to settlement or forfeiture, Stock Units awarded under the Plan may, at the Administrator's discretion, provide for a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Common Share while the Stock Unit is outstanding. Dividend equivalents may be converted into additional Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Common Shares,

or in a combination of both. Prior to distribution, any dividend equivalents shall be subject to the same conditions and restrictions as the Stock Units to which they attach.

8.5 Form and Time of Settlement of Stock Units. Settlement of vested Stock Units may be made in the form of (a) cash, (b) Common Shares or (c) any combination of both, as determined by the Administrator. The actual number of Stock Units eligible for settlement may be larger or smaller than the number included in the original Award, based on predetermined performance factors, including Performance Goals. Methods of converting Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Common Shares over a series of trading days. Vested Stock Units shall be settled in such manner and at such time(s) as specified in the Stock Unit Agreement. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to Article 9.

8.6 Death of Recipient. Any Stock Units that become payable after the recipient's death shall be distributed to the recipient's beneficiary or beneficiaries. Each recipient of Stock Units under the Plan may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Award recipient's death. If no beneficiary was designated or if no designated beneficiary survives the Award recipient, then any Stock Units that become payable after the recipient's death shall be distributed to the recipient's estate.

8.7 Modification or Assumption of Stock Units. Within the limitations of the Plan, the Administrator may modify or assume outstanding stock units or may accept the cancellation of outstanding stock units (whether granted by the Company or by another issuer) in return for the grant of new Stock Units for the same or a different number of shares or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of a Stock Unit shall, without the consent of the Participant, impair his or her rights or obligations under such Stock Unit.

8.8 Creditors' Rights. A holder of Stock Units shall have no rights other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Stock Unit Agreement.

ARTICLE 9. ADJUSTMENTS; DISSOLUTIONS AND LIQUIDATIONS; CORPORATE TRANSACTIONS.

9.1 Adjustments. In the event of a subdivision of the outstanding Common Shares, a declaration of a dividend payable in Common Shares or a combination or consolidation of the outstanding Common Shares (by reclassification or otherwise) into a lesser number of Common Shares, corresponding proportionate adjustments shall automatically be made in each of the following:

(a) The number and kind of shares available for issuance under Article 3, including the numerical share limits in Articles 3.1, 3.2 and 3.5;

(b) The number and kind of shares covered by each outstanding Option, SAR and Stock Unit; and

(c) The Exercise Price applicable to each outstanding Option and SAR, and the repurchase price, if any, applicable to Restricted Shares.

In the event of a declaration of an extraordinary dividend payable in a form other than Common Shares in an amount that has a material effect on the price of Common Shares, a recapitalization, a spin-off or a similar occurrence, the Administrator shall make such adjustments as it, in its sole discretion, deems appropriate in one or more of the foregoing. Any adjustment in the number of and kind of shares subject to an Award under this Article 9.1 shall be rounded down to the nearest whole share, although the Administrator in its sole discretion may make a cash payment in lieu of a fractional share. Except as provided in this Article 9, a Participant shall have no rights by reason of any issuance by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.

9.2 Dissolution or Liquidation. To the extent not previously exercised or settled, Options, SARs and Stock Units shall terminate immediately prior to the dissolution or liquidation of the Company.

9.3 Corporate Transactions. In the event that the Company is a party to a merger, consolidation, or a Change in Control (other than one described in Article 14.6(d)), all Common Shares acquired under the Plan and all Awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Administrator, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or portions thereof) in an identical manner. Unless an Award Agreement provides otherwise, the treatment specified in the transaction agreement or by the Administrator shall include (without limitation) one or more of the following with respect to each outstanding Award:

(a) The continuation of such outstanding Awards by the Company (if the Company is the surviving entity);

(b) The assumption of such outstanding Awards by the surviving entity or its parent, provided that the assumption of an Option or a SAR shall comply with applicable tax requirements;

(c) The substitution by the surviving entity or its parent of an equivalent award for outstanding Awards (including, but not limited to, an award to acquire the same consideration paid to the holders of Common Shares in the transaction), provided that the substitution of an Option or a SAR shall comply with applicable tax requirements;

(d) The cancellation of outstanding Options and SARs without payment of any consideration. The Optionees shall be able to exercise such Options and SARs (to the extent the Options and SARs are vested or become vested as of the effective date of the transaction) during a period of not less than five full business days preceding the closing date of the transaction, unless (i) a shorter period is required to permit a timely closing of the transaction and (ii) such shorter period still offers the Optionees a reasonable opportunity to exercise such Options and SARs. Any exercise of such Options and SARs during such period may be contingent on the closing of the transaction;

(e) Full exercisability of outstanding Options and SARs and full vesting of the Common Shares subject to Options and SARs, followed by cancellation of such Options and SARs. The full exercisability of such Options and SARs and full vesting of such Common Shares may be contingent on the closing of the transaction. The Optionees shall be able to exercise such Options and SARs during a period of not less than five full business days preceding the closing date of such merger or consolidation, unless (i) a shorter period is required to permit a timely closing of such merger or consolidation and (ii) such shorter period still offers the Optionees a reasonable opportunity to exercise such Options and SARs. Any exercise of such Options and SARs during such period may be contingent on the closing of such merger or consolidation;

(f) The cancellation of the Options and SARs and a payment to the Optionee with respect to each Share subject to the portion of the Award that is vested as of the transaction date equal to the excess of (A) the value, as determined by the Administrator in its absolute discretion, of the property (including cash) received by the holder of a Common Share as a result of the transaction, over (B) the per-share Exercise Price of the Option or SAR (such excess, the "**Spread**"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving entity or its parent having a value equal to the Spread. In addition, any escrow, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Common Shares, but only to the extent the application of such provisions does not adversely affect the status of the Option or SAR as exempt from Code Section 409A. If the Spread applicable to an Option or SAR is zero or a negative number, then the Option or SAR may be cancelled without making a payment to the Optionee;

(g) The cancellation of outstanding Stock Units and a payment to the holder thereof with respect to each Common Share subject to the Stock Unit (whether or not such Stock Unit is then vested) equal to the value, as determined by the Administrator in its absolute discretion, of the property (including cash) received by the holder of a Common Share as a result of the transaction (the "**Transaction Value**"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving entity or its parent having a value equal to the Transaction Value. In addition, such payment may be subject to vesting based on the Participant's continuing Service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under

which such Stock Units would have vested, and if required under applicable tax rules, such payment may be deferred until the settlement date specified in the Stock Unit Agreement. In addition, any escrow, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Common Shares. In the event that a Stock Unit is subject to Code Section 409A, the payment described in this clause (g) shall be made on the settlement date specified in the applicable Stock Unit Agreement, provided that settlement may be accelerated in accordance with Treasury Regulation Section 1.409A-3(j)(4); or

(h) The assignment of any reacquisition or repurchase rights held by the Company in respect of an Award of Restricted Shares to the surviving entity or its parent, with corresponding proportionate adjustments made to the price per share to be paid upon exercise of any such reacquisition or repurchase rights.

For avoidance of doubt, the Administrator shall have the discretion, exercisable either at the time an Award is granted or at any time while the Award remains outstanding, to provide for the acceleration of vesting upon the occurrence of a Change in Control, whether or not the Award is to be assumed or replaced in the transaction, or in connection with a termination of the Participant's Service following a transaction.

Any action taken under this Article 9.3 shall either preserve an Award's status as exempt from Code Section 409A or comply with Code Section 409A.

ARTICLE 10. OTHER AWARDS.

10.1 Performance Cash Awards. A Performance Cash Award is a cash award that may be granted subject to the attainment of specified Performance Goals during a Performance Period. A Performance Cash Award may also require the completion of a specified period of continuous Service. The length of the Performance Period, the Performance Goals to be attained during the Performance Period, and the degree to which the Performance Goals have been attained shall be determined conclusively by the Administrator. Each Performance Cash Award shall be set forth in a written agreement or in a resolution duly adopted by the Administrator which shall contain provisions determined by the Administrator and not inconsistent with the Plan. The terms of various Performance Cash Awards need not be identical.

10.2 Awards Under Other Plans. The Company may grant awards under other plans or programs. Such awards may be settled in the form of Common Shares issued under this Plan. Such Common Shares shall be treated for all purposes under the Plan like Common Shares issued in settlement of Stock Units and shall, when issued, reduce the number of Common Shares available under Article 3.

ARTICLE 11. LIMITATION ON RIGHTS.

11.1 Retention Rights. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain a Service Provider. The Company and its Parents, Subsidiaries and Affiliates reserve the right to terminate the Service of any Service Provider at any time, with or without cause, subject to applicable laws, the Company's Restated Certificate of Incorporation and Amended and Restated Bylaws and a written employment agreement (if any).

11.2 Stockholders' Rights. Except as set forth in Article 7.4 or 8.4 above, a Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Common Shares covered by his or her Award prior to the time when a stock certificate for such Common Shares is issued or, if applicable, the time when he or she becomes entitled to receive such Common Shares by filing any required notice of exercise and paying any required Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan.

11.3 Regulatory Requirements. Any other provision of the Plan notwithstanding, the obligation of the Company to issue Common Shares under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Common Shares pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Shares, to their registration, qualification or listing or to an exemption

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

11.4 Transferability of Awards. The Administrator may, in its sole discretion, permit transfer of an Award in a manner consistent with applicable law. Unless otherwise determined by the Administrator, Awards shall be transferable by a Participant only by (a) beneficiary designation, (b) a will or (c) the laws of descent and distribution. An ISO may only be transferred by will or by the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative.

11.5 Other Conditions and Restrictions on Common Shares. Any Common Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Administrator may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Common Shares generally. In addition, Common Shares issued under the Plan shall be subject to such conditions and restrictions imposed either by applicable law or by Company policy, as adopted from time to time, designed to ensure compliance with applicable law or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage.

ARTICLE 12. TAXES.

12.1 General. As a condition to an Award under the Plan, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any federal, state, local or foreign withholding tax obligations that arise in connection with any Award granted under the Plan. The Company shall not be required to issue any Common Shares or make any cash payment under the Plan until such obligations are satisfied.

12.2 Share Withholding. To the extent that applicable law subjects a Participant to tax withholding obligations, the Administrator may permit such Participant to satisfy all or part of such obligations by having the Company withhold all or a portion of any Common Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Common Shares that he or she previously acquired. Such Common Shares shall be valued at their Fair Market Value on the date when they are withheld or surrendered. Any payment of taxes by assigning Common Shares to the Company may be subject to restrictions including any restrictions required by SEC, accounting or other rules.

12.3 Section 162(m) Matters. The Administrator, in its sole discretion, may determine whether an Award is intended to qualify as "performance-based compensation" within the meaning of Code Section 162(m). The Administrator may grant Awards that are based on Performance Goals but that are not intended to qualify as performance-based compensation. With respect to any Award that is intended to qualify as performance-based compensation, the Administrator shall designate the Performance Goal(s) applicable to, and the formula for calculating the amount payable under, an Award within 90 days following commencement of the applicable Performance Period (or such earlier time as may be required under Code Section 162(m)), and in any event at a time when achievement of the applicable Performance Goal(s) remains substantially uncertain. Prior to the payment of any Award that is intended to constitute performance-based compensation, the Administrator shall certify in writing whether and the extent to which the Performance Goal(s) were achieved for such Performance Period. The Administrator shall have the right to reduce or eliminate (but not to increase) the amount payable under an Award that is intended to constitute performance-based compensation.

12.4 Section 409A Matters. Except as otherwise expressly set forth in an Award Agreement, it is intended that Awards granted under the Plan either be exempt from, or comply with, the requirements of Code Section 409A. To the extent an Award is subject to Code Section 409A (a **"409A Award"**), the terms of the Plan, the Award and any written agreement governing the Award shall be interpreted to comply with the requirements of Code Section 409A so that the Award is not subject to additional tax or interest under Code Section 409A, unless the Administrator expressly provides otherwise. A 409A Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" to an individual who is considered a "specified employee" (as each term is defined under Code Section 409A), then no such payment shall

be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to Code Section 409A(a)(1).

12.5 Limitation on Liability. Neither the Company nor any person serving as Administrator shall have any liability to a Participant in the event an Award held by the Participant fails to achieve its intended characterization under applicable tax law.

ARTICLE 13. FUTURE OF THE PLAN.

13.1 Term of the Plan. The Plan, as set forth herein, shall become effective on the Registration Date. The Plan shall remain in effect until the earlier of (a) the date when the Plan is terminated under Article 13.2 or (b) the 10th anniversary of the date when the Board adopted the Plan.

13.2 Amendment or Termination. The Board may, at any time and for any reason, amend or terminate the Plan. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

13.3 Stockholder Approval. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules.

ARTICLE 14. DEFINITIONS.

"**Administrator**" means the Board or any Committee administering the Plan in accordance with Article 2.

"**Affiliate**" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.

"**Award**" means any award granted under the Plan, including as an Option, a SAR, a Restricted Share, a Stock Unit or a Performance Cash Award.

"**Award Agreement**" means a Stock Option Agreement, an SAR Agreement, a Restricted Stock Agreement, a Stock Unit Agreement or such other agreement evidencing an Award granted under the Plan.

"**Board**" means the Company's Board of Directors, as constituted from time to time.

"**Change in Control**" means:

(a) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company's then-outstanding voting securities;

(b) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(c) The consummation of a merger or consolidation of the Company with or into any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; or

(d) Individuals who are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board over a period of 12 months; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority

vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction. In addition, if a Change in Control constitutes a payment event with respect to any Award which provides for a deferral of compensation and is subject to Code Section 409A, then notwithstanding anything to the contrary in the Plan or applicable Award Agreement the transaction with respect to such Award must also constitute a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Committee**" means a committee of one or more members of the Board, or of other individuals satisfying applicable laws, appointed by the Board to administer the Plan.

"**Common Share**" means one share of the common stock of the Company.

"**Company**" means Eyegate Pharmaceuticals, Inc., a Delaware corporation.

"**Consultant**" means a consultant or adviser who provides *bona fide* services to the Company, a Parent, a Subsidiary or an Affiliate as an independent contractor and who qualifies as a consultant or advisor under Instruction A.1.(a)(1) of Form S-8 under the Securities Act of 1933, as amended.

"**Employee**" means a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Exercise Price**," in the case of an Option, means the amount for which one Common Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement. "Exercise Price," in the case of a SAR, means an amount, as specified in the applicable SAR Agreement, which is subtracted from the Fair Market Value of one Common Share in determining the amount payable upon exercise of such SAR.

"**Fair Market Value**" means the closing price of a Common Share on any established stock exchange or a national market system on the applicable date or, if the applicable date is not a trading day, on the last trading day prior to the applicable date, as reported in a source that the Administrator deems reliable. If Common Shares are no longer traded on an established stock exchange or a national market system, the Fair Market Value shall be determined by the Administrator in good faith on such basis as it deems appropriate. The Administrator's determination shall be conclusive and binding on all persons.

"**ISO**" means an incentive stock option described in Code Section 422(b).

"**NSO**" means a stock option not described in Code Sections 422 or 423.

"**Option**" means an ISO or NSO granted under the Plan and entitling the holder to purchase Common Shares.

"**Optionee**" means an individual or estate holding an Option or SAR.

"**Outside Director**" means a member of the Board who is not an Employee.

"**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

"**Participant**" means an individual or estate holding an Award.

"**Performance Cash Award**" means an award of cash granted under Article 10.1 of the Plan.

"**Performance Goal**" means a goal established by the Administrator for the applicable Performance Period based on one or more of the performance criteria set forth in **Appendix A**. Depending on the performance criteria used, a Performance Goal may be expressed in terms of overall Company performance or the performance of a business unit, division, Subsidiary, Affiliate or an individual. A Performance Goal may be measured either in absolute terms or relative to the performance of one or more comparable companies or one or more relevant indices. The Administrator may adjust the results under any performance criterion to exclude any of the following events that occurs during a Performance Period: (a) asset write-downs, (b) litigation, claims, judgments or settlements, (c) the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results, (d) accruals for reorganization and restructuring programs, (e) extraordinary, unusual or non-recurring items, (f) exchange rate effects for non-U.S. dollar denominated net sales and operating earnings, or (g) statutory adjustments to corporate tax rates; provided, however, that if an Award is intended to qualify as "performance-based compensation" within the meaning of Code Section 162(m), such adjustment(s) shall only be made to the extent consistent with Code Section 162(m).

"**Performance Period**" means a period of time selected by the Administrator over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to a Performance Cash Award or an Award of Restricted Shares or Stock Units that vests based on the achievement of Performance Goals. Performance Periods may be of varying and overlapping duration, at the discretion of the Administrator.

"**Plan**" means this Eyegate Pharmaceuticals, Inc. 2014 Equity Incentive Plan, as amended from time to time.

"**Registration Date**" means February 2, 2015, the effective date of the initial registration statement filed by the Company with the Securities and Exchange Commission pursuant to Form S-1.

"**Restricted Share**" means a Common Share awarded under the Plan.

"**Restricted Stock Agreement**" means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Share.

"**SAR**" means a stock appreciation right granted under the Plan.

"**SAR Agreement**" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her SAR.

"**Service**" means service as an Employee, Outside Director or Consultant.

"**Service Provider**" means any individual who is an Employee, Outside Director or Consultant.

"**Stock Award**" means any award of an Option, a SAR, a Restricted Share or a Stock Unit under the Plan.

"**Stock Option Agreement**" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.

"**Stock Unit**" means a bookkeeping entry representing the equivalent of one Common Share, as awarded under the Plan.

"**Stock Unit Agreement**" means the agreement between the Company and the recipient of a Stock Unit that contains the terms, conditions and restrictions pertaining to such Stock Unit.

"**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

"**Substitute Awards**" means Awards or Common Shares issued by the Company in assumption of, or substitution or exchange for, Awards previously granted, or the right or obligation to make future awards, in each case by a corporation acquired by the Company or any Affiliate or with which the Company or any Affiliate combines to the extent permitted by NASDAQ Marketplace Rule 5635 or any successor thereto.

APPENDIX A

PERFORMANCE CRITERIA

The Administrator may establish Performance Goals derived from one or more of the following criteria when it makes Awards of Restricted Shares or Stock Units that vest entirely or in part on the basis of performance or when it makes Performance Cash Awards:

- Earnings (before or after taxes)
- Earnings per share
- Earnings before interest, taxes and depreciation
- Earnings before interest, taxes, depreciation and amortization
- Total stockholder return
- Return on equity or average stockholders' equity
- Return on assets, investment or capital employed
- Operating income
- Gross margin
- Operating margin
- Net oprating income
- Net operating income after tax
- Return on operating revenue
- Objective corporate or individual strategic goals
- Sales or revenue (using a measure thereof that complies with Section 162(m))
- Expense or cost reduction
- Working capital
- Economic value added (or an equivalent metric)
- Market share
- Cash measures including cash flow and cash balance
- Operating cash flow
- Cash flow per share
- Share price
- Debt reduction
- Customer satisfaction
- Stockholders' equity
- Contract awards or backlog
- Objective individual performance goals
- To the extent that an Award is not intended to comply with Code Section 162(m), other measures of performance selected by the Administrator

EXHIBIT 31.1

Certification

I, Brian M. Strem, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EyeGate Pharmaceuticals, Inc.;

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/ Brian M. Strem, Ph.D.
Brian M. Strem, Ph.D.
President and Chief Executive Officer
(Principal executive officer)

EXHIBIT 31.2

Certification

I, Sarah Romano, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EyeGate Pharmaceuticals, Inc.;

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/ Sarah Romano
Sarah Romano
Chief Financial Officer
(Principal financial and accounting officer)

EXHIBIT 32.1

CERTIFICATION OF PERIODIC FINANCIAL REPORT
PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned officer of EyeGate Pharmaceuticals, Inc. (the "Company") hereby certifies to his knowledge that the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (the "Report") to which this certification is being furnished as an exhibit, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350 and Item 601(b)(32) of Regulation S-K ("Item 601(b)(32)") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act. In accordance with clause (ii) of Item 601(b)(32), this certification (A) shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and (B) shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Date: August 12, 2021

/s/ Brian M. Strem, Ph.D.
Brian M. Strem, Ph.D.
President and Chief Executive Officer
(Principal executive officer)

EXHIBIT 32.2

CERTIFICATION OF PERIODIC FINANCIAL REPORT
PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned officer of EyeGate Pharmaceuticals, Inc. (the "Company") hereby certifies to her knowledge that the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (the "Report") to which this certification is being furnished as an exhibit, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350 and Item 601(b)(32) of Regulation S-K ("Item 601(b)(32)") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act. In accordance with clause (ii) of Item 601(b)(32), this certification (A) shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and (B) shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Date: August 12, 2021

/s/ Sarah Romano
Sarah Romano
Chief Financial Officer
(Principal financial and accounting officer)