Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended: September 30, 2022

OR

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

For the transition period from _____ to _____

COMMISSION FILE NUMBER: 001-38365

EYENOVIA, INC.

(Exact name of Registrant as Specified in Its Charter)

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

Registrant's telephone number, including area code: (833) 393-6684

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

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

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

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

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

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

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

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

The number of outstanding shares of the registrant's common stock was 36,112,987 as of November 10, 2022.

EYENOVIA, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

EYENOVIA, INC.

Condensed Balance Sheets

	September 30, 2022 (unaudited)	December 31, 2021
Assets		
Current Assets:		
Cash and cash equivalents	$ 17,398,605	$ 19,461,850
Restricted cash	7,875,000	7,875,000
Deferred clinical supply costs	1,871,096	—
License fee and expense reimbursements receivable	809,430	1,805,065
Prepaid expenses and other current assets	1,463,020	721,438
Total Current Assets	29,417,151	29,863,353
Property and equipment, net	1,342,657	1,271,225
Security deposits	200,153	132,539
Equipment deposits	445,530	391,941
Total Assets	$ 31,405,491	$ 31,659,058
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 1,104,959	$ 1,614,104
Accrued compensation	1,268,009	1,543,618
Accrued expenses and other current liabilities	1,384,803	845,719
Deferred rent - current portion	28,999	18,685
Notes payable	7,229,013	7,150,368
Total Current Liabilities	11,015,783	11,172,494
Deferred rent - non-current portion	60,540	19,949
Total Liabilities	11,076,323	11,192,443
Commitments and contingencies (Note 7)		
Stockholders' Equity:		
Preferred stock, $0.0001 par value, 6,000,000 shares authorized; 0 shares issued and outstanding as of September 30, 2022 and December 31, 2021	—	—
Common stock, $0.0001 par value, 90,000,000 shares authorized; 35,525,689 and 28,426,616 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	3,553	2,844
Additional paid-in capital	132,432,682	110,683,077
Accumulated deficit	(112,107,067)	(90,219,306)
Total Stockholders' Equity	20,329,168	20,466,615
Total Liabilities and Stockholders' Equity	$ 31,405,491	$ 31,659,058

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

EYENOVIA, INC.

Condensed Statements of Operations
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Operating Income				
Revenue	$ —	$ —	$ —	$ 4,000,000
Cost of revenue	—	—	—	(1,600,000)
Gross Profit	—	—	—	2,400,000
Operating Expenses:				
Research and development	3,876,876	3,552,068	11,176,326	11,559,364
General and administrative	3,353,352	2,372,999	10,362,907	6,914,481
Total Operating Expenses	7,230,228	5,925,067	21,539,233	18,473,845
Loss From Operations	(7,230,228)	(5,925,067)	(21,539,233)	(16,073,845)
Other Income (Expense):				
Extinguishment of PPP 7(a) loan	—	463,353	—	463,353
Other income, net	70,277	11,728	96,580	48,880
Interest expense	(177,138)	(119,212)	(475,811)	(202,407)
Interest income	28,093	600	30,703	2,354
Net Loss	$ (7,308,996)	$ (5,568,598)	$ (21,887,761)	$ (15,761,665)
Net Loss Per Share - Basic and Diluted	$ (0.21)	$ (0.21)	$ (0.67)	$ (0.61)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	34,631,774	26,053,532	32,778,551	25,773,098

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

EYENOVIA, INC.

Condensed Statements of Changes in Stockholders' Equity
(unaudited)

	For the Three and Nine Months Ended September 30, 2022				
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance - January 1, 2022	28,426,616	$ 2,844	$ 110,683,077	$ (90,219,306)	$ 20,466,615
Issuance of common stock and warrants in registered direct offering [1]	3,000,000	300	14,897,608	—	14,897,908
Issuance of common stock in At the Market offering [2]	252,449	25	860,340	—	860,365
Stock-based compensation	—	—	908,987	—	908,987
Issuance of common stock related to vested restricted stock units	19,359	2	(2)	—	—
Net loss	—	—	—	(7,339,665)	(7,339,665)
Balance - March 31, 2022	31,698,424	$ 3,171	$ 127,350,010	$ (97,558,971)	$ 29,794,210
Exercise of stock warrants	1,870,130	187	18,514	—	18,701
Stock-based compensation	—	—	1,036,926	—	1,036,926
Issuance of common stock related to vested restricted stock units	54,499	5	(5)	—	—
Net loss	—	—	—	(7,239,100)	(7,239,100)
Balance - June 30, 2022	33,623,053	$ 3,363	$ 128,405,445	$ (104,798,071)	$ 23,610,737
Issuance of common stock in At the Market offering [3]	1,876,314	188	3,098,506	—	3,098,694
Stock-based compensation	—	—	928,733	—	928,733
Issuance of common stock related to vested restricted stock units	26,322	2	(2)	—	—
Net loss	—	—	—	(7,308,996)	(7,308,996)
Balance - September 30, 2022	35,525,689	$ 3,553	$ 132,432,682	$ (112,107,067)	$ 20,329,168

[1] Includes gross proceeds of $14,981,299 less total issuance costs of $83,391.
[2] Includes gross proceeds of $886,974, less total issuance costs of $26,609.
[3] Includes gross proceeds of $3,194,530, less total issuance costs of $95,836.

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

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

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

EYENOVIA, INC.

Condensed Statements of Cash Flows
(unaudited)

	For the Nine Months Ended September 30,	
	2022	**2021**
Cash Flows From Operating Activities		
Net loss	$ (21,887,761)	$ (15,761,665)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	2,874,646	2,071,735
Depreciation of property and equipment	228,898	148,245
Amortization of debt discount	78,645	41,944
Write-off of property and equipment	209,040	—
Extinguishment of PPP 7(a) Loan	—	(463,353)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(66,250)	35,549
License fee and expense reimbursements receivables	995,635	2,005,859
Deferred clinical supply costs	(1,871,096)	—
Deferred license costs	—	1,600,000
Security deposits	(67,614)	—
Accounts payable	(509,145)	223,068
Accrued compensation	(275,609)	33,564
Accrued expenses and other current liabilities	539,084	(928,356)
Deferred license fee	—	(4,000,000)
Deferred rent	50,905	(4,397)
Net Cash Used In Operating Activities	(19,700,622)	(14,997,807)
Cash Flows From Investing Activities		
Purchases of property and equipment	(509,370)	(1,165,066)
Vendor deposits for property and equipment	(53,589)	—
Net Cash Used In Investing Activities	(562,959)	(1,165,066)
Cash Flows From Financing Activities		
Proceeds from sale of common stock and warrants in registered direct offering [1]	14,981,299	—
Net issuance of common stock in At the Market Offering [2]	3,959,059	—
Proceeds from exercise of stock warrants	18,701	2,103,991
Proceeds from SVB loan	—	7,500,000
Repayments of notes payable	(675,332)	(547,259)
Payment of offering issuance costs	(83,391)	—
Payment of loan issuance costs	—	(66,618)
Proceeds from exercise of stock options	—	176,802
Net Cash Provided By Financing Activities	18,200,336	9,166,916
Net Decrease in Cash and Cash Equivalents and Restricted Cash	(2,063,245)	(6,995,957)
Cash, cash equivalents and restricted cash - Beginning of Period	27,336,850	28,371,828
Cash, cash equivalents and restricted cash - End of Period	$ 25,273,605	$ 21,375,871

[1] Includes gross proceeds of $14,981,299, of which $5,741,299 is pre-funded warrants.
[2] Includes gross proceeds of $4,081,504, less total issuance costs of $122,445.

Cash, cash equivalents and restricted cash consisted of the following:		
Cash and cash equivalents	$ 17,398,605	$ 13,500,871
Restricted cash	7,875,000	7,875,000
	$ 25,273,605	$ 21,375,871
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the periods for:		
Interest	$ 315,550	$ 131,839
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Purchase of insurance premium financed by note payable	$ 675,332	$ 705,360
Issuance of SVB stock warrants	$ —	$ 351,390
Issuance of common stock related to vested restricted stock units	$ 9	$ —

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

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

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

Eyenovia, Inc. ("Eyenovia" or the "Company") is a pre-commercial ophthalmic technology company developing the Optejet® delivery system for use both in combination with its own drug-device therapeutic programs as well as out-licensing for additional indications. The Company aims to achieve precision in ophthalmic drug delivery of novel and existing ophthalmic pharmaceutical agents. The precise delivery of a low-volume columnar spray by the Optejet® device also minimizes contamination with a non-protruding nozzle and self-closing shutter. The Company believes that this technology could ultimately replace eye droppers by advancing drug delivery beyond the limitations of patient coordination, drug overexposure, gravity, contamination potential, and discomfort towards a more precise, comfortable, and successful drug administration for improved patient care. The ergonomic and functional design of the Optejet® delivers microdroplets horizontally faster than the blink reflex to minimize instillation discomfort and overflow spillage, providing a more comfortable experience. In the clinic, the Optejet® has demonstrated that its targeted delivery achieves a significantly high rate of successful administration of 98% upon first attempt compared to the established rate reported with traditional eye drops of ~ 50%. The diagnostics and therapeutics in the Company's pipeline have been tested in randomized controlled trials and demonstrated significant results in improving the benefit to risk profile for drug delivery. For example, the Company's deliberately designed technology provides a 75% reduction in ocular drug and preservative exposure to significantly improve the therapeutic index in drugs used for presbyopia, mydriasis and intraocular pressure ("IOP") lowering through eight clinical trials. Eyedrops expose the ocular surface to approximately 300% more medication and preservatives that can lead to unintended effects and induce collateral tissue damage. Drug delivery via the Optejet device reduces ocular exposure to preservatives comparable to that of non-preserved formulations demonstrating potentially less surface damage from ocular stress. To address unmet medical needs, the Company is developing the next generation of smart ophthalmic therapeutics to target new indications or new combinations where there are currently no or few drug therapies approved by the U.S. Food and Drug Administration ("FDA"). The Company's investigational products are classified by the FDA as drug-device combination products with drug primary mode of action, meaning that the Center for Drug Evaluation and Research ("CDER") is designated as the lead center with primary jurisdictional oversight. Accordingly, the product candidates are submitted to the FDA CDER for premarket review and approval under new drug applications ("NDAs").

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required by U.S. GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the condensed financial statements of the Company as of September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021. The results of operations for the nine months ended September 30, 2022 are not necessarily indicative of the operating results for the full year ending December 31, 2022 or any other period. These unaudited condensed financial statements should be read in conjunction with the audited financial statements and related disclosures of the Company as of December 31, 2021 and for the year then ended, which were included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 30, 2022.

Note 2 – Summary of Significant Accounting Policies

Since the date of the Company's Annual Report on Form 10-K for the year ended December 31, 2021, there have been no material changes to the Company's significant accounting policies.

Liquidity and Going Concern

As of September 30, 2022, the Company had unrestricted cash of approximately $17.4 million and an accumulated deficit of approximately $112.1 million. For the nine months ended September 30, 2022 and 2021, the Company incurred net losses of approximately $21.9 million and $15.8 million, respectively, and used cash in operations of approximately $19.7 million and $15.0 million, respectively. Subsequent to September 30, 2022, the Company received approximately $1.3 million in net proceeds from the sale of 587,298 shares of common stock pursuant to the Company's At-the-Market Offering program with SVB Leerink. Also subsequent to September 30, 2022, the Company used its $7.9 million of restricted cash and $0.1 million of unrestricted cash in order to repay the Loan and Security Agreement, dated May 7, 2021 (the "SVB Loan") with Silicon Valley Bank ("SVB"), including $7.5 million of principal, a final payment of $0.4 million and a prepayment fee of $0.1 million.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

The Company does not have recurring revenue and has not yet achieved profitability. The Company expects to continue to incur cash outflows from operations. The Company expects that its research and development and general and administrative expenses will continue to increase and, as a result, it will eventually need to generate significant product revenues to achieve profitability. These circumstances raise substantial doubt about the Company's ability to continue as a going concern for at least one year from the date that these financial statements are issued. Implementation of the Company's plans and its ability to continue as a going concern will depend upon the Company's ability to commercialize its products and raise further capital, through licensing transactions, the sale of additional equity or debt securities or otherwise, to support its future operations.

The Company's operating needs include the planned costs to operate its business, including amounts required to fund working capital and capital expenditures. The Company's future capital requirements and the adequacy of its available funds will depend on many factors, including the Company's ability to successfully commercialize its products and services, competing technological and market developments, and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement its product and service offerings. If the Company is unable to secure additional capital, it may be required to curtail its research and development initiatives and take additional measures to reduce general and administrative and sales and marketing costs in order to conserve its cash.

Cash and Cash Equivalents

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

Cash and cash equivalents that are restricted as to withdrawal or use under the terms of certain executed agreements are recorded as Restricted Cash on the balance sheets, such as the collateralized money market account pursuant to the SVB Loan, as amended on September 29, 2021 by the First Amendment to the Loan and Security Agreement (the "First Amendment"). See Note 6 - Notes Payable. In connection with the First Amendment, the Company pledged to establish and maintain a collateralized money market account in the amount of $7,875,000. Subsequent to September 30, 2022, the Company used this entire collateralized money market account plus $0.1 million of unrestricted cash in order to repay the SVB Loan, including $7.5 million of principal, a final payment of $0.4 million and a prepayment fee of $0.1 million.

The Company has cash deposits in a financial institution which, at times, may be in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits. The Company has not experienced losses in such accounts and periodically evaluates the creditworthiness of its financial institutions. As of September 30, 2022 and December 31, 2021, the Company had cash balances in excess of FDIC insurance limits of $24,773,605 and $26,836,850, respectively.

Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period plus fully vested shares that are subject to issuance for little or no monetary consideration. Diluted earnings per share reflects the potential dilution that could occur if securities or other instruments to issue common stock were exercised or converted into common stock.

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

	September 30,	
	2022	2021
Options	5,484,687	3,410,540
Warrants	6,087,845	2,095,993
Restricted stock units	172,800	105,306
Total potentially dilutive shares	11,745,332	5,611,839

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Revenue Recognition

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

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

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

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

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

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

During 2020, the Company entered into a license agreement (the "Arctic Vision License Agreement") with Arctic Vision (Hong Kong) Limited ("Arctic Vision") and a license agreement (the "Bausch License Agreement") with Bausch + Lomb, Inc. ("Bausch + Lomb"). Each license has three revenue components:

1) an upfront license fee;
2) milestone payments and
3) royalty payments.

Deferred License Fee

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

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Clinical Supply Arrangements

Bausch + Lomb and Arctic Vision have contracted with the Company to manufacture and supply them with the appropriate drug-device combination products to conduct their clinical trials on a cost plus 10% mark-up basis. Our licensing agreements with Bausch + Lomb and Arctic Vision represent collaborative arrangements and they are not a customer with respect to the clinical supply arrangements. The Company's policy is to (a) defer the materials and manufacturing costs in order to properly match them up against the income from the clinical supply arrangements; and (b) to report the net income from the clinical supply arrangements as other income.

Reclassifications

Certain prior period balances have been reclassified in order to conform to current period presentation. These reclassifications have no effect on previously reported results of operations or loss per share.

Recently Adopted Accounting Standards

On May 3, 2021, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2021-04, "Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options." This new standard provides clarification and reduces diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (such as warrants) that remain equity classified after modification or exchange. This standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Issuers should apply the new standard prospectively to modifications or exchanges occurring after the effective date of the new standard. The Company adopted ASU 2021-04 effective January 1, 2022. This standard did not have a material impact on the Company's financial position, results of operations or cash flow.

Soon To Be Adopted Accounting Standards

In February 2016, the FASB issued ASU 2016-02 "Leases (Topic 842)" ("ASU 2016-02"). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02, as amended, is now effective for emerging growth companies for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company plans to adopt ASU 2016-02 on December 31, 2022 and expects that the adoption of this ASU will have a material impact on the Company's financial statements, primarily as a result of recording right-of-use assets and lease liabilities for its operating leases in the approximate amounts of $1.3 million and $1.4 million, respectively.

Note 3 – Prepaid Expenses and Other Current Assets

As of September 30, 2022 and December 31, 2021, prepaid expenses and other current assets consisted of the following:

	September 30, 2022	December 31, 2021
Payroll tax receivable	621,063	343,785
Prepaid insurance expenses	455,150	171,370
Prepaid general and administrative expenses	185,845	71,375
Prepaid conference expenses	100,803	12,586
Prepaid patent expenses	49,183	32,797
Other	32,226	4,525
Prepaid security deposits	18,750	18,750
Prepaid board of directors fees	—	66,250
Total prepaid expenses and other current assets	$ 1,463,020	$ 721,438

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Note 4 – Accrued Compensation

As of September 30, 2022 and December 31, 2021, accrued compensation consisted of the following:

	September 30, 2022	December 31, 2021
Accrued bonus expenses	$ 971,159	$ 1,245,795
Accrued payroll expenses	296,850	297,823
Total accrued compensation	$ 1,268,009	$ 1,543,618

Note 5 – Accrued Expenses and Other Current Liabilities

As of September 30, 2022 and December 31, 2021, accrued expenses and other current liabilities consisted of the following:

	September 30, 2022	December 31, 2021
Accrued research and development expenses	$ 711,710	$ 436,840
Accrued consulting and professional services	386,712	250,000
Accrued interest	152,969	94,792
Credit card payable	58,799	20,000
Accrued franchise tax	39,300	1,680
Other	29,647	42,407
Accrued travel and entertainment expenses	5,666	—
Total accrued expenses and other current liabilities	$ 1,384,803	$ 845,719

Note 6 – Notes Payable

As of September 30, 2022 and December 31, 2021, notes payable consisted of the following:

	September 30, 2022			December 31, 2021		
	Notes Payable	Debt Discount	Net	Notes Payable	Debt Discount	Net
Silicon Valley Bank loan	$ 7,500,000	$ (270,987)	$ 7,229,013	$ 7,500,000	$ (349,632)	$ 7,150,368

On February 24, 2022, the Company issued a note payable for the purchase of directors and officers liability insurance policy (the "D&O Loan"). The D&O Loan had an aggregate principal balance of $675,332 and was payable in six monthly payments consisting of principal and interest amounting to $113,628 per payment. The note accrued interest at a rate of 3.26% per year and matured on August 24, 2022. During the nine months ended September 30, 2022, the Company repaid the full principal balance of $675,332 on the D&O Loan.

During the three months ended September 30, 2022, the Company recorded interest expense of $177,138, of which $176,215 is related to the SVB Loan (including amortization of debt discount of $26,214) and $923 is related to the D&O Loan. During the nine months ended September 30, 2022, the Company recorded interest expense of $475,811, of which $469,376 is related to the SVB Loan (including amortization of debt discount of $78,645) and $6,435 is related to the D&O Loan.

SVB Loan Amendment

On May 6, 2022, the Company and SVB agreed to amend the terms of the SVB Loan dated May 7, 2021. Pursuant to the amendment, the repayment term of the SVB Loan is reduced to 24 consecutive calendar months and the date that the first payment is due by the Company is extended to June 1, 2023. The amendment did not result in a 10% change in the net present value of the SVB Loan cash flows and, accordingly, the amendment was accounted for as a modification (a continuation of the original loan).

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

The SVB Loan was repaid in full in November 2022. See Note 10 – Subsequent Events.

Note 7 – Commitments and Contingencies

Employment Agreements

On February 14, 2022, the Compensation Committee of the Board of Directors of the Company (the "Board") approved amendments to the Employment Agreements with its executive officers (the "Employment Agreement Addendums"). Each of the Employment Agreement Addendums provides that if the executive's employment is terminated by the Company without "Cause" or the executive suffers an "Involuntary Termination" (each as defined in the employment agreements), provided that the executive has signed a full release of all claims, the executive will be entitled to receive: (i) severance pay equal to twelve months of his or her then-current base salary (estimated at approximately $1,517,000 in the aggregate as of the date of the Employment Agreement Addendums), and (ii) a reimbursement for health insurance benefits under COBRA for the executive and his or her spouse and dependents for a period of twelve months or until the executive becomes eligible for comparable insurance benefits from another employer, whichever is earlier.

Transition of Chief Executive Officer

On July 27, 2022, the Company announced the appointment of Michael Rowe as its new Chief Executive Officer, effective August 1, 2022, with Dr. Tsontcho Ianchulev becoming Executive Chairman of the Board. Mr. Rowe is also serving as a member of the Board.

On July 26, 2022, the Company entered into an Employment Agreement (the "Employment Agreement") with Mr. Rowe under which he will serve as Chief Executive Officer of the Company. Under the terms of the Employment Agreement, Mr. Rowe will receive an annual salary of $575,000. He is eligible to receive a cash bonus of up to 60% of his base salary. Additionally, Mr. Rowe received an option to purchase 440,000 shares of the Company's common stock, pursuant to the Company's Amended and Restated 2018 Omnibus Stock Incentive Plan, as amended. Mr. Rowe will also continue to participate in any and all benefit plans, from time to time, in effect for senior management, along with vacation, sick and holiday pay in accordance with the Company's policies established and in effect from time to time. As a result of the change of salary, the aggregate potential severance pay for the executive officers of the Company is approximately $1,004,000.

The Company also entered into an agreement with Dr. Ianchulev (the "Executive Chairman Agreement") pursuant to which Dr. Ianchulev will provide medical expertise and consultation related to the Company's research and development programs, and such other matters as reasonably requested by the Company for an initial period of one year. In consideration for Dr. Ianchulev's services, the Company has agreed to provide Dr. Ianchulev with a $5,000 monthly retainer throughout the term of the agreement, in addition to the compensation payable to all non-employee members of the Board.

Operating Leases

The Company leased 953 square feet of office space in Reno, Nevada for research and development activities from a company owned by the Company's former Vice President of Research and Development. The lease, as amended, expired on September 14, 2022 and provided for lease payments of $5,404 per month and a security deposit in the amount of $5,404. The Company has remained in the premises on a month-to-month basis at the same rental rate. Since the inception of the lease, the Company has made $112,600 of leasehold improvements related to this lease which have been fully amortized on the accompanying balance sheets. The Company's rent expense for this space is recorded in Research and Development on the condensed statement of operations and amounted to $16,212 for the three months ended September 30, 2022 and 2021, and $48,636 for the nine months ended September 30, 2022 and 2021.

On April 8, 2022, the Company agreed to enter into a lease agreement for a new office space of 3,916 square feet commencing on June 1, 2022 in Laguna Hills, CA. The lease expires on July 31, 2027 and provides for lease payments of $9,203 per month payable on the first day of each month commencing September 1, 2022, and a security deposit of $11,400. The Company's rent expense for this space is recorded in General and Administrative on the condensed statement of operations and amounted to $28,371 during the three months ended September 30, 2022 and $37,828 during the nine months ended September 30, 2022.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

On May 19, 2022, the Company agreed to enter into a lease agreement with a non-related party for a new office space located in Reno, Nevada of 10,881 square feet commencing on May 23, 2022. The amended lease expires on September 23, 2027 with an option to extend the lease for an additional period of 60 months, and provides for lease payments ranging from $13,056 per month to $16,663 per month and a security deposit of $53,000. The Company's rent expense for this space is recorded in Research and Development on the condensed statement of operations and amounted to $41,238 during the three months ended September 30, 2022 and $59,787 during the nine months ended September 30, 2022.

Litigations, Claims and Assessments

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

Note 8 – Stockholders' Equity

At-The-Market Offerings

December 2021 Sales Agreement

On December 14, 2021, the Company entered into a Sales Agreement (the "December 2021 Sales Agreement") with SVB Leerink under which the Company may offer and sell, from time to time at its sole discretion, shares of common stock for gross proceeds of up to $50.0 million through SVB Leerink as its sales agent (the "At-the-Market Offering"). The Company's prior sales agreement, with SVB Leerink, entered into in May 2021, was terminated upon the effectiveness of the December 2021 Sales Agreement. The issuance and sale of shares, if any, of common stock by the Company under the December 2021 Sales Agreement will be pursuant to the Company's Registration Statement on Form S-3 (File No. 333-261638) filed with the SEC on December 14, 2021 (the "Registration Statement"), and the prospectus relating to the At-the-Market Offering filed therewith that forms a part of the Registration Statement.

Subject to the terms and conditions of the December 2021 Sales Agreement, SVB Leerink may sell the common stock by any method permitted by law deemed to be an "at –the- market offering" as defined in Rule 415(a)(4) of the Securities Act of 1933, as amended. SVB Leerink will use commercially reasonable efforts to sell the common stock from time to time, based upon instructions from the Company (including any price, time or size limits or other customary parameters or conditions the Company may impose). The Company will pay SVB Leerink a commission equal to three percent (3.0)% of the gross sales proceeds of any common stock sold through SVB Leerink under the December 2021 Sales Agreement, and also has provided SVB Leerink with certain indemnification rights. Through September 30, 2022, the Company received approximately $4.0 million in net proceeds from the sale of 2,128,763 shares of its common stock pursuant to the December 2021 Sales Agreement.

Securities Purchase Agreement

On March 3, 2022, the Company entered into a securities purchase agreement (the "Purchase Agreement") with an institutional and accredited investor (the "Purchaser"), relating to the issuance and sale of 3,000,000 shares (the "Shares") of common stock, pre-funded warrants (the "Pre-Funded Warrants") to purchase an aggregate of 1,870,130 shares of common stock and warrants to purchase an aggregate of 4,870,130 shares of common stock (the "Investor Warrants") in a registered direct offering (the "March 2022 Offering"). The Company determined that the warrants qualified for equity classification.

The offering price for the Shares was $3.08 per Share and the offering price for the Pre-Funded Warrants was $3.07 per Pre-Funded Warrant, which represents the per Share public offering price less $0.01 per share exercise price for each Pre-Funded Warrant. The Investor Warrants have an exercise price of $3.54 per share and each Investor Warrant is exercisable for one share of common stock. The Investor Warrants will be exercisable beginning six months from the date of issuance and the Pre-Funded Warrants are exercisable immediately upon issuance. The Pre-Funded Warrants shall terminate when fully exercised and the Investor Warrants will terminate five years from the initial exercisability date. The aggregate gross proceeds to the Company from the March 2022 Offering were approximately $15 million with aggregate issuance costs of approximately $83,000, excluding the proceeds, if any, from the exercise of the Pre-Funded Warrants and the Investor Warrants. No underwriter or placement agent participated in the March 2022 Offering.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

The March 2022 Offering was made pursuant to an effective registration statement on Form S-3 (Registration Statement No. 333-261638), as previously filed with and declared effective by the Securities and Exchange Commission and a related prospectus.

Equity Incentive Plan

On June 16, 2022, the stockholders approved an amendment to the Company's Amended and Restated 2018 Omnibus Stock Incentive Plan, reserving an additional 1,500,000 shares of common stock for further issuance under such plan.

Stock-Based Compensation Expense

The Company records stock-based compensation expense related to stock options and restricted stock units ("RSUs"). For the three months ended September 30, 2022 and 2021, the Company recorded expense of $928,733 ($420,619 of which was included within research and development expenses and $508,114 was included within general and administrative expenses on the statements of operations) and $777,467 ($489,121 of which was included within research and development expenses and $288,343 was included within general and administrative expenses on the statements of operations), respectively. For the nine months ended September 30, 2022 and 2021, the Company recorded expense of $2,874,646 ($1,438,469 of which was included within research and development expenses and $1,436,177 was included within general and administrative expenses on the statements of operations) and $2,071,735 ($1,138,331 of which was included within research and development expenses and $933,401 was included within general and administrative expenses on the statements of operations), respectively.

Restricted Stock Units

A summary of the restricted stock units activity during the nine months ended September 30, 2022 is presented below:

	Number of RSUs	Weighted Average Grant Date Value Per Share
RSUs non-vested January 1, 2022	41,778	$ 3.59
Granted	193,304	1.93
Vested	(55,319)	3.37
Forfeited	(6,963)	3.59
RSUs non-vested September 30, 2022	172,800	$ 1.80
Vested RSUs undelivered September 30, 2022	41,086	$ 3.64

To date, the RSUs have only been granted to directors in accordance with the Company's Amended and Restated 2018 Omnibus Stock Incentive Plan. The Company's policy is not to deliver shares underlying the RSUs until the termination of service.

As of September 30, 2022, there was $254,152 of unrecognized stock-based compensation expense related to RSUs which will be recognized over a weighted average period of 0.8 years.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Stock Options

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Expected term (years)	5.41 - 5.85	5.85	0.58 - 10.00	5.85 - 10.00
Risk free interest rate	2.66% - 3.02%	0.81%	0.76% - 3.35%	0.45% - 1.58%
Expected volatility	85% - 87%	92%	82% - 90%	92% - 94%
Expected dividends	0.00%	0.00%	0.00%	0.00%

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

The weighted average estimated grant date fair value of the stock options granted for the three months ended September 30, 2022 and 2021 was approximately $1.22 and $3.56 per share, respectively. The weighted average estimated grant date fair value of the stock options granted for the nine months ended September 30, 2022 and 2021 was approximately $1.61 and $4.16 per share, respectively.

A summary of the option activity during the nine months ended September 30, 2022 is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding, January 1, 2022	4,377,398	3.89		
Granted	1,167,310	2.23		
Forfeited	(60,021)	4.21		
Outstanding, September 30, 2022	5,484,687	$ 3.53	7.4	$ 375,417
Exercisable, September 30, 2022	3,518,147	$ 3.72	6.5	$ 188,738

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

The following table presents information related to stock options as of September 30, 2022:

Options Outstanding		Options Exercisable	
Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
$1.00 - $1.99	1,577,286	4.1	827,636
$2.00 - $2.99	1,010,018	7.7	762,034
$3.00 - $3.99	1,241,069	7.0	820,883
$4.00 - $4.99	385,305	8.8	147,760
$5.00 - $5.99	100,805	6.2	79,805
$6.00 - $6.99	1,005,286	7.1	715,111
$7.00+	164,918	5.5	164,918
	5,484,687	6.5	3,518,147

As of September 30, 2022, there was $4,058,569 of unrecognized stock-based compensation expense related to stock options which will be recognized over a weighted average period of 1.6 years.

Warrants

A summary of the warrant activity for the nine months ended September 30, 2022 is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding January 1, 2022	1,217,715	$ 2.69		
Granted	6,740,260	2.56		
Exercised	(1,870,130)	0.01		
Outstanding September 30, 2022	6,087,845	$ 3.37	4.5	$ —
Exercisable September 30, 2022	6,087,845	$ 3.37	4.5	$ —

The following table presents information related to warrants as of September 30, 2022:

Warrants Outstanding		Warants Exercisable	
Exercise Price	Outstanding Number of Warrants	Weighted Average Remaining Life In Years	Exercisable Number of Warrants
$2.4696	909,451	2.5	909,451
$2.7240	216,380	2.5	216,380
$4.7600	91,884	8.6	91,884
$3.5400	4,870,130	4.9	4,870,130
	6,087,845	4.5	6,087,845

Stock Warrant Exercises

During the nine months ended September 30, 2022, the Company issued an aggregate of 1,870,130 shares of common stock pursuant to the exercise of pre-funded warrants for aggregate proceeds of $18,701 at an exercise price of $0.01 per share.

EYENOVIA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

Note 9 – Employee Benefit Plans

401(k) Plan

In April 2019, the Company adopted the Eyenovia 401(k) Plan (the "Plan"), which went into effect in May 2019. All Company employees are able to participate in the Plan, subject to eligibility requirements as outlined in the Plan documents. Under the terms of the Plan, eligible employees are able to defer a percentage of their pay every pay period up to annual limitations set by Congress and the Internal Revenue Service under Section 401(k) of the Internal Revenue Code. For 2022 and 2021, the Board has approved a matching contribution equal to 100% of elective deferrals up to 4% of eligible earnings with the matching contribution subject to certain vesting requirements as outlined in the Plan documents. During the three months ended September 30, 2022 and 2021, the Company recorded expense of $39,914 and $34,076 associated with its matching contributions, respectively. During the nine months ended September 30, 2022 and 2021, the Company recorded expense of $173,896 and $144,917 associated with its matching contributions, respectively.

Note 10 – Subsequent Events

At-the-Market Offering Program

Subsequent to September 30, 2022, the Company received approximately $1.4 million in gross proceeds ($1.3 million in net proceeds) from the sale of 587,298 shares of our common stock pursuant to our At-the-Market Offering program with SVB Leerink.

SVB Loan Repayment

On November 4, 2022, the Company repaid the SVB Loan in full. The full amount of the payment was $8.0 million, and included the principal amount of the loan ($7,500,000), the final payment ($375,000) and a 2% prepayment fee ($150,000). The entire restricted cash account in the amount of $7,875,000 was used to make the substantial amount of the payment.

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

The following discussion and analysis of the results of operations and financial condition of Eyenovia, Inc. ("Eyenovia," the "Company," "we," "us" and "our") as of September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021 should be read in conjunction with our unaudited condensed financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021 as filed with the Securities and Exchange Commission ("SEC") on March 30, 2022.

Forward Looking Statements

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

Overview

We are a pre-commercial ophthalmic technology company developing the Optejet® delivery system for use both in combination with its own drug-device therapeutic programs as well as out-licensing for additional indications. We aim to achieve precision in ophthalmic drug delivery of novel and existing ophthalmic pharmaceutical agents. The precise delivery of a low-volume columnar spray by the Optejet® device also minimizes contamination with a non-protruding nozzle and self-closing shutter. The Company believes that this technology could ultimately replace eye droppers by advancing drug delivery beyond the limitations of patient coordination, drug overexposure, gravity, contamination potential, and discomfort towards a more precise, comfortable, and successful drug administration for improved patient care. The ergonomic and functional design of the Optejet® delivers microdroplets horizontally faster than the blink reflex to minimize instillation discomfort and overflow spillage, providing a more comfortable experience. In the clinic, the Optejet® has demonstrated that its targeted delivery achieves a significantly high rate of successful administration of 98% upon first attempt compared to the established rate reported with traditional eye drops of ~ 50%. The diagnostics and therapeutics in the Company's pipeline have been tested in randomized controlled trials and demonstrated significant results in improving the benefit to risk profile for drug delivery. For example, the Company's deliberately designed technology provides a 75% reduction in ocular drug and preservative exposure to significantly improve the therapeutic index in drugs used for presbyopia, mydriasis and intraocular pressure ("IOP") lowering through eight clinical trials. Eyedrops expose the ocular surface to approximately 300% more medication and preservatives that can lead to unintended effects and induce collateral tissue damage. Drug delivery via the Optejet device reduces ocular exposure to preservatives comparable to that of non-preserved formulations demonstrating potentially less surface damage from ocular stress. To address unmet medical needs, the Company is developing the next generation of smart ophthalmic therapeutics to target new indications or new combinations where there are currently no or few drug therapies approved by the U.S. Food and Drug Administration ("FDA"). The Company's investigational products are classified by the FDA as drug-device combination products with drug primary mode of action, meaning that the Center for Drug Evaluation and Research ("CDER") is designated as the lead center with primary jurisdictional oversight. Accordingly, the product candidates are submitted to the FDA CDER for premarket review and approval under new drug applications ("NDAs").

Our pipeline is currently focused on the late-stage development of novel, potential first-in-class therapeutic indications for an estimated 25 million potential pediatric patients with progressive myopia in the United States and an estimated over 100 million potential patients with age-related near vision impairment, or presbyopia—indications where there is tremendous unmet need and, to our knowledge, there exists only one known FDA-approved therapy, developed by Allergan. We are also developing the first microdose fixed combination ophthalmic pharmaceutical for mydriasis to address the estimated over 100 million annual comprehensive eye exams involving pupil dilation.

MicroPine is our first-in-class topical therapy for the treatment of progressive myopia, a back-of-the-eye ocular disease associated with pathologic axial elongation and sclero-retinal stretching. In the United States, myopia is estimated to affect approximately 25 million children, with up to five million considered to be at high risk for progressive myopia. In February 2019, the FDA accepted our investigational new drug application ("IND") to initiate a Phase III registration trial of MicroPine (the "CHAPERONE study") to reduce the progression of myopia in children. We enrolled the first patient in the CHAPERONE study in June 2019. Due to the COVID-19 pandemic, we experienced delays in trial enrollment as a result of supply chain issues with our third party suppliers, which in turn diminished our inventory supply. As of December 2021, per our license agreement described below, Bausch + Lomb, Inc. ("Bausch + Lomb") manages enrollment of the CHAPERONE study. We have successfully expanded our manufacturing capabilities with our partnership with Coastline International, Inc. and the construction of our Redwood City, CA fill finish facility, and we have been able to reliably supply this study with clinical product as of the third quarter of 2022.

On October 9, 2020, we entered into a license agreement (the "Bausch License Agreement") with Bausch + Lomb, pursuant to which Bausch + Lomb may develop and commercialize MicroPine in the United States and Canada. Under the terms of the Bausch License Agreement, we received an upfront payment of $10.0 million and we may receive up to a total of $35.0 million in additional payments, based on the achievement of certain regulatory and launch-based milestones. Bausch + Lomb also will pay us royalties on a tiered basis (ranging from mid-single digit to mid-teen percentages) on gross profits from sales of MicroPine in the United States and Canada, subject to certain adjustments. Under the terms of the Bausch License Agreement, Bausch + Lomb assumed sponsorship of the IND as well as oversight and the costs related to the ongoing CHAPERONE study.

MicroLine is our investigational pharmacologic treatment for presbyopia. Presbyopia is a non-preventable, age-related hardening of the lens, which causes the gradual loss of the eye's ability to focus on near objects and impairs near visual acuity. Allergan recently received FDA approval for and launched Vuity™, which is a pilocarpine solution for the treatment of presbyopia. Our second Phase III study, VISION-2, used the same molecule, but with the advantages of our Optejet delivery system. We released positive top-line results from VISION-2 in the fourth quarter of 2022.

Mydcombi™ (or MicroStat) is our fixed combination formulation of tropicamide-phenylephrine for mydriasis, designed to be a novel approach for the estimated over 100 million office-based comprehensive and diabetic eye exams performed every year in the United States. We have completed two Phase III trials for Mydcombi and announced positive results from these studies, known as MIST-1 and MIST-2, and have submitted an NDA to the FDA seeking approval to market the product in the U.S. In October 2021, we received a complete response letter ("CRL") in response to our NDA, which in part informed us that pre-filled or co-packaged ophthalmic drug dispenser products like Mydcombi have been reclassified as drug-device combination products. This reclassification was based upon the U.S. Court of Appeals for the D.C. Circuit's decision in Genus Medical Technologies v. FDA, not involving Eyenovia, which ordered that products meeting the statutory definition of a device but were previously classified by the FDA as drugs must be regulated as devices. Before this ruling, the FDA regulated pre-filled or co-packaged ophthalmic dispensers as part of the approved ophthalmic drug distributed and sold with the dispenser. After the ruling, however, the dispenser must be considered as a distinct device constituent part of a drug-device combination product. We are in the process of providing additional non-clinical device information and expect to file our NDA resubmission in November 2022.

On August 10, 2020, we entered into a license agreement (the "Arctic Vision License Agreement") with Arctic Vision (Hong Kong) Limited ("Arctic Vision"), which was amended on September 14, 2021, pursuant to which Arctic Vision may develop and commercialize MicroPine, MicroLine and Mydcombi in Greater China (mainland China, Hong Kong, Macau and Taiwan) and South Korea. Under the terms of the Arctic Vision License Agreement, as amended, we received an upfront payment of $4.25 million before any payments to Senju Pharmaceutical Co., Ltd. ("Senju"). In addition, we may receive up to a total of $43.75 million in additional payments, based on various development and regulatory milestones, including the initiation of clinical research and approvals in Greater China and South Korea, and development costs. Arctic Vision also will purchase its supply of MicroPine, MicroLine and Mydcombi from us or, for such products not supplied by us, pay us a mid-single digit percentage royalty on net sales of such products, subject to certain adjustments. We will pay between 30 and 40 percent of such payments, royalties, or net proceeds of such supply to Senju pursuant to an exclusive license agreement with Senju dated March 8, 2015, as amended. For a description of the Senju license agreement, see Note 2 — Summary of Significant Accounting Policies — Arctic Vision License Agreement and Note 10 — Related Party Transactions — Senju License Agreement to our audited financial statements included in the Annual Report on Form 10-K filed with the SEC on March 30, 2022.

Historically, we have financed our operations principally through equity offerings. We have also generated cash through licensing arrangements and our credit facility with Silicon Valley Bank ("SVB"). However, based upon our current operating plan, there is substantial doubt about our ability to continue as a going concern for at least one year from the date that the financial statements

included elsewhere in this Quarterly Report on Form 10-Q are issued. Our ability to continue as a going concern depends on our ability to complete additional licensing or business development transactions or raise additional capital, through licensing transactions, the sale of equity or debt securities to support our future operations. If we are unable to secure additional capital, we may be required to curtail our research and development initiatives and take additional measures to reduce costs.

Our net losses were $7.3 million and $21.9 million for the three and nine months ended September 30, 2022. As of September 30, 2022, we had working capital and an accumulated deficit of $18.4 million and $112.1 million, respectively.

Financial Overview

Revenue and Cost of Revenue

In August and October 2020, we entered into the Arctic Vision License Agreement and Bausch License Agreement, respectively. Both of these agreements provide for the Company to earn revenue from an upfront licensing fee, the achievement of various development and regulatory milestones, and royalty income on sales of licensed products. Pursuant to the Senju license agreement, we will pay a percentage between 30 and 40 percent of such payments from the Arctic Vision License Agreement to Senju.

Research and Development Expenses

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

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

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

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

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

General and Administrative Expenses

General and administrative expenses consist primarily of payroll and related expenses, legal and other professional services, as well as non-cash stock-based compensation expense. We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research and development and the potential commercialization of our product candidates.

No payments related to the Arctic Vision License Agreement or Senju license agreement were earned or recognized during the three and nine months ended September 30, 2022.

Results of Operations

Three Months Ended September 30, 2022 Compared with Three Months Ended September 30, 2021

Research and Development Expenses

Research and development expenses for the three months ended September 30, 2022 totaled $3.9 million, an increase of $0.3 million, or 8%, as compared to $3.6 million recorded for the three months ended September 30, 2021. Research and development expenses consisted of the following:

	For the Three Months Ended September 30,	
	2022	2021
Direct clinical and non-clinical expenses	$ 1,619,948	$ 692,409
Personnel-related expenses	1,187,195	1,415,615
Non-cash stock-based compensation expenses	420,619	489,121
Other expenses	229,749	103,512
Facilities expenses	212,584	297,784
Supplies and materials	206,781	553,627
Total research and development expenses	$ 3,876,876	$ 3,552,068

The increase in direct clinical and non-clinical expenses was primarily due to the VISION-2 Phase III MicroLine study in 2022. The decrease in personnel-related expenses and facilities expenses mainly resulted from an increase in such costs being allocated to clinical supplies. The decrease in non-cash stock-based compensation expenses resulted from stock grant forfeitures. The decrease in supplies and materials was mainly due to the delay in the commercialization of Mydcombi.

General and Administrative Expenses

General and administrative expenses for the three months ended September 30, 2022 totaled $3.4 million, an increase of $1.0 million, or 42%, as compared to $2.4 million recorded for the three months ended September 30, 2021. General and administrative expenses consisted of the following:

	For the Three Months Ended September 30,	
	2022	2021
Professional fees	$ 793,842	$ 377,977
Salaries and benefits	900,506	744,683
Stock-based compensation	508,114	288,343
Sales and marketing	407,737	394,850
Insurance expense	269,840	245,390
Other	239,135	198,042
Facilities expense	120,636	46,714
Director fees and expense	113,542	77,000
Total general and administrative expenses	$ 3,353,352	$ 2,372,999

The increase in salaries and benefits was mainly attributable to staff additions made in late 2021 and early 2022 related to the ramp up for the anticipated Mydcombi launch. The increase in professional services was primarily due to increased legal and professional recruiting expenses related to the addition of new directors in 2022. The increase in stock-based compensation expense was due to new grants awarded in late 2021 and early 2022. The increase in facilities expense was primarily due to the new lease entered into in 2022.

Nine Months Ended September 30, 2022 Compared with Nine Months Ended September 30, 2021

Revenue and Cost of Revenue

In August 2020, we received a $4.0 million upfront payment under the Arctic Vision License Agreement, and made a related payment of $1.6 million to Senju. This upfront payment was recorded as $4.0 million of deferred license fees and $1.6 million of deferred cost of revenue. Trial data for two of the product candidates that are subject to the Arctic Vision License Agreement (MicroPine and

MicroLine) was fully submitted to Arctic Vision during the nine months ended September 30, 2021. As a result, we recognized the $4.0 million of revenue and recognized $1.6 million of cost of revenue related to the Senju payment during the nine months ended September 30, 2021. We had no revenues during the nine months ended September 30, 2022.

Research and Development Expenses

Research and development expenses for the nine months ended September 30, 2022 totaled $11.2 million, a decrease of $0.4 million, or 3%, as compared to $11.6 million recorded for the nine months ended September 30, 2021. Research and development expenses consisted of the following:

	For the Nine Months Ended September 30,	
	2022	2021
Personnel-related expenses	$ 4,159,905	$ 4,003,192
Direct clinical and non-clinical expenses	3,494,633	4,291,192
Non-cash stock-based compensation expenses	1,438,469	1,138,331
Supplies and materials	898,683	993,455
Facilities expenses	720,917	871,938
Other expenses	463,719	261,256
Total research and development expenses	$ 11,176,326	$ 11,559,364

The decrease in direct clinical and non-clinical expenses was mainly due to Mydcombi product testing expense that was primarily done in early 2021. Stock option grants for new hires resulted in the increase in non-cash stock-based compensation expenses. The increase in other expenses was mainly due to various outsourcing costs and higher depreciation expense.

General and Administrative Expenses

General and administrative expenses for the nine months ended September 30, 2022 totaled $10.4 million, an increase of $3.5 million, or 51%, as compared to $6.9 million recorded for the nine months ended September 30, 2021. General and administrative expenses consisted of the following:

	For the Nine Months Ended September 30,	
	2022	2021
Professional fees	$ 3,061,990	$ 1,311,626
Salaries and benefits	2,834,306	2,051,269
Stock-based compensation	1,436,177	933,401
Sales and marketing	905,243	1,002,201
Insurance expense	789,629	674,726
Other	698,597	560,582
Facilities expense	342,590	158,426
Director fees and expense	294,375	222,250
Total general and administrative expenses	$ 10,362,907	$ 6,914,481

The increase in professional fees was primarily due to higher legal and professional recruiting expenses related to the addition of new directors in 2022. The increase in salaries and benefits was mainly due to new staff additions made in late 2021 and early 2022 related to the ramp up for the anticipated Mydcombi launch. The increase in stock-based compensation was due to new grants awarded in late 2021 and early 2022. The increase in facilities expense was primarily due to the new lease entered into in 2022.

Liquidity and Capital Resources and Going Concern

We measure our liquidity in a number of ways, including the following:

	September 30, 2022	December 31, 2021
Cash and cash equivalents	$ 17,398,605	$ 19,461,850
Restricted cash	7,875,000	7,875,000
Total	$ 25,273,605	$ 27,336,850
Working capital	$ 18,401,368	$ 18,690,859
Notes payable (gross)	$ 7,500,000	$ 7,500,000

Since inception, we have experienced negative cash flows from operations. As of September 30, 2022, our accumulated deficit since inception was $112.1 million.

As of September 30, 2022, we had an unrestricted cash balance of $17.4 million, working capital of $18.4 million and stockholders' equity of $20.3 million. As of September 30, 2022 and December 31, 2021, we had $7.5 million of notes payable (gross) outstanding. Subsequent to September 30, 2022, we received approximately $1.3 million in net proceeds from the sale of 587,298 shares of our common stock pursuant to our At-the-Market Offering program with SVB Leerink. Subsequent to September 30, 2022, the Company used its $7.9 million of restricted cash and $0.1 million of unrestricted cash in order to repay the SVB Loan, including $7.5 million of principal, a final payment of $0.4 million and a prepayment fee of $0.1 million.

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

During the nine months ended September 30, 2022 and 2021, our sources and uses of cash were as follows:

Net cash used in operating activities for the nine months ended September 30, 2022 was $19.7 million, which includes cash used to fund a net loss of $21.9 million, reduced by $3.4 million of non-cash expenses, plus $1.2 million of cash used to fund changes in operating assets and liabilities. Net cash used in operating activities for the nine months ended September 30, 2021 was $15.0 million, which includes cash used to fund a net loss of $15.8 million, reduced by $1.8 million of non-cash expenses, plus $1.0 million of cash used to fund changes in operating assets and liabilities.

Cash used in investing activities for the nine months ended September 30, 2022 was $0.6 million, which was related to purchases of and vendor deposits for property and equipment. Cash used in investing activities for the nine months ended September 30, 2021 was $1.2 million, which was related to purchases of property and equipment.

Net cash provided by financing activities for the nine months ended September 30, 2022 totaled $18.2 million, which was attributable to $19.1 million of gross proceeds received from the March 2022 Offering and the At-the-Market Offering. This was slightly offset by the repayment of $0.7 million of notes payable and the $0.1 million payment of the March 2022 Offering issuance costs. Net cash provided by financing activities for the nine months ended September 30, 2021 totaled $9.2 million, which was primarily attributable to $7.5 million of proceeds from the SVB Loan and $2.3 million from the exercise of warrants and stock options. This was slightly offset by the repayment of notes payable and loan issuance costs of $0.6 million.

Contractual Obligations and Commitments

During the next twelve months we have commitments to pay: (a) $3.8 million to settle our September 30, 2022 accounts payable, accrued compensation, and accrued expenses and other current liabilities; (b) $0.7 million relating to our non-cancelable operating lease commitments; (c) $1.5 million of potential executive severance pay; and (d) $7.5 million of potential payments due under our notes payable.

After twelve months we have commitments to pay an additional $1.2 million relating to our non-cancelable operating lease commitments.

Off-Balance Sheet Arrangements

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

Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Changes in estimates are reflected in reported results for the period in which they become known. Actual results could differ significantly from the estimates made by our management.

There have been no material changes to our critical accounting policies and estimates from those disclosed in our financial statements and the related notes and other financial information included in our Annual Report on Form 10-K for the year ended December 31, 2021.

Recently Adopted Accounting Standards

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Smaller reporting companies such as Eyenovia are not required to provide the information required by this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

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

Based on their evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2022, our disclosure controls and procedures were designed to, and were effective to, provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures as of September 30, 2022.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during the quarter ended September 30, 2022, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are not currently a party to any material legal proceedings. From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity, reputational harm and other factors.

Item 1A. Risk Factors.

There have been no material changes to the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 30, 2022.

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

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference from Filings as Noted Below (Unless Otherwise Indicated)			
		Form	File No.	Exhibit	Filing Date
10.1	Non-Employee Director Compensation Policy, as amended	—	—	—	Filed herewith
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
32.1*	Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
32.2*	Certification of the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document	—	—	—	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	—	—	—	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	—	—	—	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	—	—	—	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	—	—	—	Filed herewith
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document contained in Exhibit 101	—	—	—	Filed herewith

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

SIGNATURES

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

EYENOVIA, INC.

Date: November 14, 2022

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

Exhibit 10.1

EYENOVIA, INC.

NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

Effective as of April 1, 2022; revised August 1, 2022

Non-employee members of the board of directors (the "Board") of Eyenovia, Inc. (the "Company") shall receive cash and equity compensation for their service on the Board as set forth in this Non-Employee Director Compensation Policy (this "Policy"). The cash and equity compensation described in this Policy shall be paid or issued, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any subsidiary of the Company (each, a "Non-Employee Director") who is entitled to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Policy shall remain in effect until it is revised or rescinded by further action of the Board. This Policy may be amended, modified or terminated by the Board at any time in its sole discretion. The terms and conditions of this Policy shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors.

Cash Compensation

Annual Retainers. Each Non-Employee Director shall receive an annual retainer of $40,000 for service on the Board.

Additional Annual Retainers. In addition, Non-Employee Directors shall receive the following annual retainers, as applicable:

Audit Committee. A Non-Employee Director serving as Chair of the Audit Committee shall receive an additional annual retainer of $20,000 for such service. A Non-Employee Director serving as a member other than the Chair of the Audit Committee shall receive an additional annual retainer of $10,000 for such service.

Compensation Committee. A Non-Employee Director serving as Chair of the Compensation Committee shall receive an additional annual retainer of $15,000 for such service. A Non-Employee Director serving as a member other than the Chair of the Compensation Committee shall receive an additional annual retainer of $7,500 for such service.

Nominating and Corporate Governance Committee. A Non-Employee Director serving as Chair of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of $10,000 for such service. A Non-Employee Director serving as a member other than the Chair of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of $5,000 for such service.

Payment of Retainers. The retainers described in Sections I(A) and I(B) shall be earned on a quarterly basis based on a calendar quarter and shall be paid in cash by the Company the first week of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section I(B), for an entire calendar quarter, the retainer paid to such Non-Employee Director shall be considered earned for the calendar quarter it was paid as applicable.

Equity Compensation

Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's Amended and Restated 2018 Omnibus Stock Incentive Plan or any other applicable Company equity incentive plan then maintained by the Company (the "Equity Plan") and shall be granted subject to award agreements, including attached exhibits, in substantially the form previously approved by the Board. All applicable terms of the Equity Plan apply to this Policy as if fully set forth herein, and all grants of stock options and restricted stock units ("RSUs") hereby are subject in all respects to the terms of the Equity Plan and the applicable award agreements. For the avoidance of doubt, the share numbers in Sections II(A) and II(B) shall be subject to adjustment as provided in the Equity Plan.

Equity Awards. A Non-Employee Director who will continue to serve as a Non-Employee Director immediately following the annual meeting of the Company's stockholders, shall receive $80,000 in annual equity awards, issued half in options (with an exercise price equal to the closing price of the Company's common stock on the Nasdaq Capital Market on the date of grant), valued under Black Scholes, and half in RSUs (the settlement of such RSUs will be deferred until such Non-Employee Director ceases to be a Director), on the date of such annual meeting. The awards described in this Section II(A) shall be referred to as "Director Awards." Any Non-Employee Director that joins the Board after the annual meeting of stockholders in any given year, but before the next annual meeting of stockholders, shall receive a prorated Director Award with a value calculated by: multiplying (a) $80,000 with (b) a fraction (i) the numerator of which is the number of days such Non-Employee Director has served on the Board prior to the next annual meeting, and (ii) the denominator of which is 365 days.

Termination of Employment of Employee Directors. Members of the Board who are employees of the Company or any parent or subsidiary of the Company who subsequently terminate their employment with the Company and any parent or subsidiary of the Company and remain on the Board to the extent that they are otherwise entitled, will receive, after termination of employment with the Company and any parent or subsidiary of the Company, Director Awards as described in Section II(A) above.

Terms of Awards Granted to Non-Employee Directors

Exercise Price. The per share exercise price of each option granted to a Non-Employee Director shall equal the Fair Market Value (as defined in the Equity Plan) of a share of the Company's common stock on the date the option is granted.

Vesting. Unless the Board otherwise determines, each Director Award shall vest in full on the earlier of (1) one year from the date of grant and (2) the date of the next annual meeting of the stockholders of the Company. Unless the Board otherwise determines, any portion of a Director Award which is unvested or unexercisable at the time of a Non-Employee Director's termination of service on the Board as a Non-Employee Director shall be immediately forfeited upon such termination of service and shall not thereafter become vested and exercisable.

Term. The maximum term of each stock option granted to a Non-Employee Director hereunder shall be ten (10) years from the date the option is granted.

* * * * *

In no event shall the aggregate grant date fair value (determined in accordance with ASC 718) of (1) equity awards to be granted and (2) any cash compensation paid to any Non-Employee Director exceed $200,000 in any fiscal year.

* * * * *

Exhibit 31.1

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

I, Michael Rowe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eyenovia, Inc. for the quarterly period ended September 30, 2022;

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: November 14, 2022

/s/ Michael Rowe
Name: Michael Rowe
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, John Gandolfo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eyenovia, Inc. for the quarterly period ended September 30, 2022;

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: November 14, 2022

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

Exhibit 32.1

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

In connection with this Quarterly Report of Eyenovia, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Rowe, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

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

Date: November 14, 2022

/s/ Michael Rowe
Name: Michael Rowe
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

In connection with this Quarterly Report of Eyenovia, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Gandolfo, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

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

Date: November 14, 2022

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