2023 ANNUAL REPORT

Nicox S.A.

A French public limited company (*société anonyme*) with share capital of €50,299,694
Registered Office: Sundesk Sophia Antipolis, Bâtiment C, Emerald Square,
Rue Évariste Galois, 06410 Biot, France
R.C.S. No. 403 942 642 Antibes

Translation disclaimer: This English language version of this 2023 annual report is a free translation of the original "Rapport Annuel 2023" for the financial year ended December 31, 2023. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein, the original language version of the document in French takes precedence over this translation. In consequence, the translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and Nicox SA expressly disclaims all liability for any inaccuracy herein.

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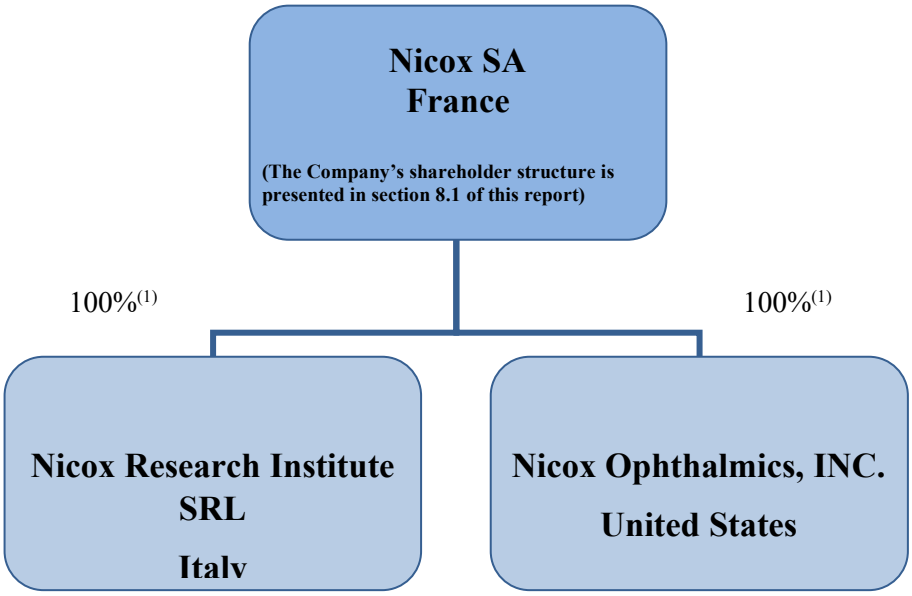
1. Group activities

1.1. Description of the group and the company's place within the group

Organization chart



(1) Percentage of capital and voting rights

Information about the Company

Nicox SA

Sundesk Sophia Antipolis - Bâtiment C
Emerald Square
Rue Evariste Galois
06410 Biot - France

Nicox SA is registered in the Antibes Corporate Registry under number 403 942 642. The Nicox SA APE code is 7211Z.
LEI code: 969500EZGEO9W4JXR353

Nicox SA is the Group's parent company, incorporated on February 27, 1996, and has been listed on the Euronext Growth Paris (ALCOX) since April 28, 2023. Prior to that, the Company was listed on Euronext Paris (COX.PA) since November 3, 1999. The head office, located in Biot, France, includes Finance, Corporate Development, Communication & Investor Relations activities. Nicox has two international subsidiaries, one in North Carolina, United States, focused on development, the other in Milan, Italy, focused on research and non-clinical development.

At December 31, 2023, Nicox Group had 28.5 employees, including teams supporting development operations in the United States and research activities and pre-clinical development in Italy. The

Group is in the process of scaling back the number of employees in order to reduce costs. On April 30, 2024, Nicox Group had 19 employees.

List of the Company's subsidiaries

Nicox Ophthalmics Inc.

4819 Emperor Blvd
Suite 400, Durham
NC 27703 – United States

Nicox Ophthalmics Inc. was created on September 25, 2007 and is devoted to clinical development. The development team has an in-depth experience in chemistry, manufacturing and controls (CMC) and clinical development, with a strong focus in ophthalmology. They work with experienced and leading contract manufacturing and clinical research organizations to conduct our clinical studies.

Nicox Research Institute Srl

Via Ludovico Ariosto, 21
20091 Bresso – Milan – Italy

Nicox Research Institute Srl, incorporated on September 21, 1999, was the Company's research and development center for non-clinical activities. Following the Company's signature on February 27, 2024 of an agreement in principle (term sheet) with BlackRock to restructure its debt, which included a number of commitments including streamlining the Group's structure, the Company decided to close its Italian subsidiary, and took steps to wind up this legal entity.

Consolidated subsidiaries

Since its transfer to the Euronext Growth market in April 2023, the Company no longer meets the criteria for the publication of consolidated financial statements on this unregulated market and the publication of IFRS financial statements is not mandatory. Following the signature of the debt restructuring agreement with BlackRock (see note 2.2 *Cash flows - Information on the financing needs and funding structure of the Company*), and in order to reduce its overhead costs, the Company decided to eliminate the subsidiaries described above from its scope of consolidation with effect from the 2023 financial statements, and to publish statutory financial statements in accordance with French GAAP.

Acquisition of significant shareholdings in or control of companies headquartered in France

In accordance with Article L. 233-6 of the French Commercial Code, we hereby inform you that during the year ended December 31, 2023, the Company has not acquired any interests in companies having their registered office in France.

Information on holdings

See note 2.23 to the financial statements for the year ended December 31, 2023 in Part 3 of this Annual Report.

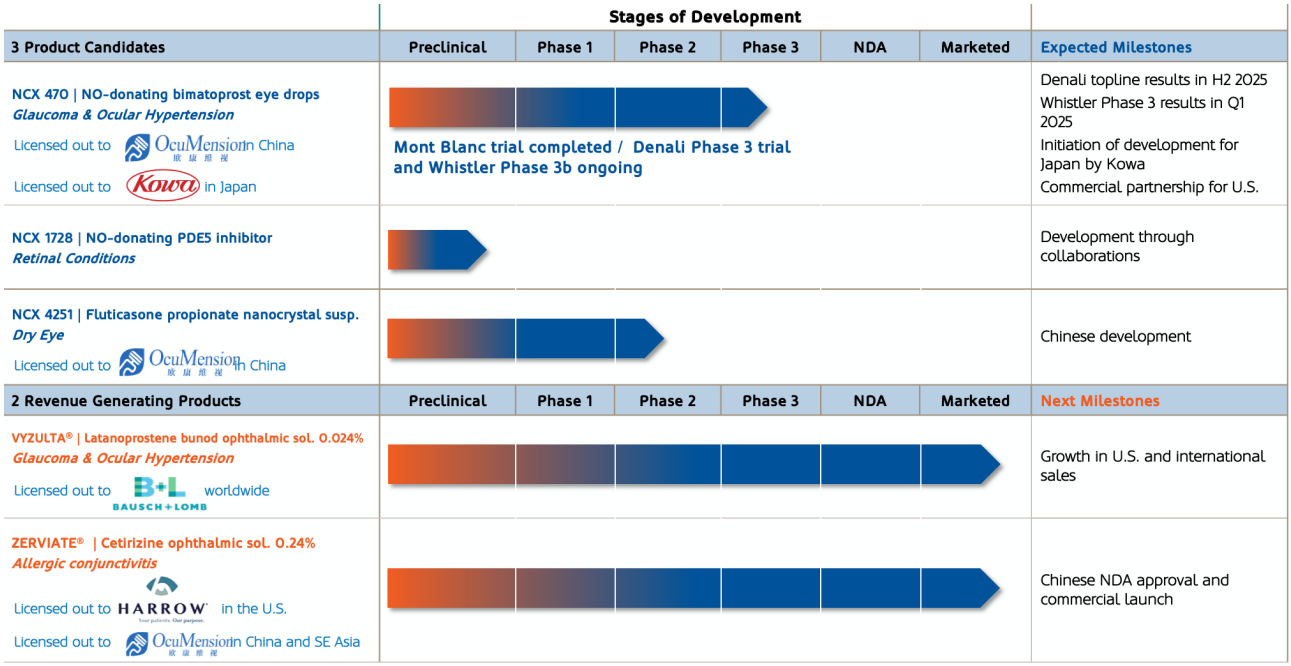
1.2. Activities of the Company

1.2.1. Summary of the Company's main activities for the year ended December 31, 2023

Nicox S.A. is an ophthalmology company developing innovative solutions to help maintain vision and improve ocular health.

Pipeline of products and drug candidates

Nicox has a pipeline in glaucoma and broad across eye diseases of the anterior segment (i.e., the front of the eye) and the retina. It includes a drug candidate in Phase 3 clinical development for the lowering of IOP in patients with open-angle glaucoma or ocular hypertension, a drug candidate in preclinical development in retinal diseases, both from Nicox's own internally developed NO-donating research platform and a drug candidate in clinical stage development for dry eye disease with a licensing partner for the Chinese market. In addition, the Company had two commercialized products; VYZULTA, commercialized in more than 15 countries, including the U.S., and also approved in a number of other countries by our exclusive worldwide licensee, Bausch + Lomb, and ZERVIATE, commercialized in the U.S. by its exclusive US partner Harrow, Inc. and awaiting marketing authorization in China for commercialization by the exclusive Chinese partner Ocumension Therapeutics.



Ophthalmic products market

The two most effective drug classes for patients with open-angle glaucoma and ocular hypertension are topical PGAs and topical beta-blockers, with other molecules and various combinations having been introduced over the past twenty years. Since PGAs began to replace topical beta-blockers as the first line of IOP-lowering agents in glaucoma, several have been approved and generic competition in the category is significant. In the U.S., PGAs have now replaced beta-blockers as the first line therapy. At the time of approval in the U.S., VYZULTA was the first eye-drop approved in the past 20 years with a novel approach to reducing IOP. This is a situation which we believe has resulted in a significant demand from eyecare providers for new MOAs to lower IOP in patients with open-angle glaucoma or ocular hypertension.

Allergic conjunctivitis is currently treated by both oral and topical ocular antihistamines, with more serious cases requiring topical, or even oral, corticosteroids. The treatment regimens and molecules are well established and most oral and topical antihistamines, are now available as generics in the U.S. A number of previously prescription-only products are now available without a prescription.

The dry eye disease market comprises of pharmaceutical prescription products for both chronic and short-term use and a significant part of non-prescription artificial tears. The principal mode of pharmaceutical treatment is anti-inflammatory. Some short-term prescription products are used intermittently but often on a regular basis, or as adjunctive therapy in case of acute exacerbations in patients already on chronic treatments. A significant number of generic steroids are available for short term use, and the leading branded chronic treatment (RESTASIS) has just become available as a generic.

Worldwide, the sales of pharmaceutical ophthalmic treatments reached $24.9 billion in 2021 and have grown at an average rate of 5.9% annually since 2017, according to IQVIA Health Analytics. In the U.S. alone, ophthalmology sales reached $9.8 billion in 2021, also growing at an average rate of 5.2% annually since 2017. With respect to our markets of focus, worldwide sales of treatments targeting glaucoma were $5.9 billion, out of the $24.9 billion worldwide market for ophthalmic drugs and sales. In the U.S., sales of treatments targeting glaucoma totaled $2.9 billion in 2021, at an average annual rate of growth of 2.4% since 2017 or 30% of the $9.8 billion total of the U.S. ophthalmic drug market. The U.S. prescription market for dry eye products in 2021 was estimated to be $6.1 million prescriptions for a value of $3.4 billion. Additionally, prescription topical treatments for ocular allergies generated approximately $257 million in the U.S. in 2021, not including substantial sales of non-prescription products.

Main patents

Our intellectual property portfolio for Nicox products and product candidates consists of patents and pending patent applications related to composition of matter, pharmaceutical compositions and methods of use. Patents cover VYZULTA in the USA until 2025. The United States Patent and Trademark Office (USPTO) confirmed that U.S. Patent No. 8,058,467, which covers latanoprostene bunod marketed by Bausch + Lomb under the brand name VYZULTA®, has extended patent protection to 2029, ZERVIATE (in the USA until 2030 and 2032, in Europe, Japan and Canada until 2030), NCX 470 (worldwide patent protection covering its composition of matter in the USA until 2029, with a potential extension of the term of protection by up to 5 years in the USA and Europe, and patent protection covering the pharmaceutical formulation until 2039 in the USA, Europe, Japan and China), and NCX 4251 (worldwide patent protection until 2033 and 2040 through the granting of additional European, Japanese and Chinese patents).

1.2.1.1. Our Competitive Strengths

We believe the following key competitive strengths form the basis of our ability to develop innovative treatment solutions for patients:

- A drug candidate in late-stage clinical development with the potential to address undermet medical needs in glaucoma;

- Our ability to enter into successful partnerships with leading biopharmaceutical companies, as demonstrated by our worldwide exclusive licensing agreement with Bausch + Lomb for VYZULTA, to enter into regional collaboration agreements as demonstrated by the exclusive licensee agreements with the Chinese ophthalmology company, Ocumension Therapeutics, and with the multinational company, Kowa, and to enter into commercialization partnerships, as well as marketing partnerships, illustrated by the licensing agreements with Harrow, Inc:

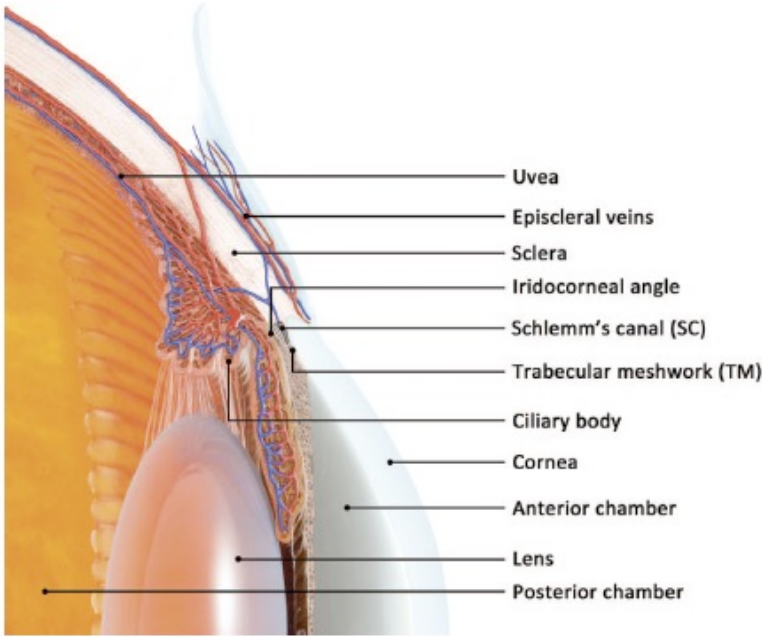
- Our significant experience in ophthalmic drug development as well as extensive operational, financial and public company experience across both our management team and our board of directors. Our key executives and board members have held leadership roles within major pharmaceutical ophthalmology companies, including divisions of Alcon, Inc., Allergan, Inc. and Novartis.

1.2.1.2. Our Strategy

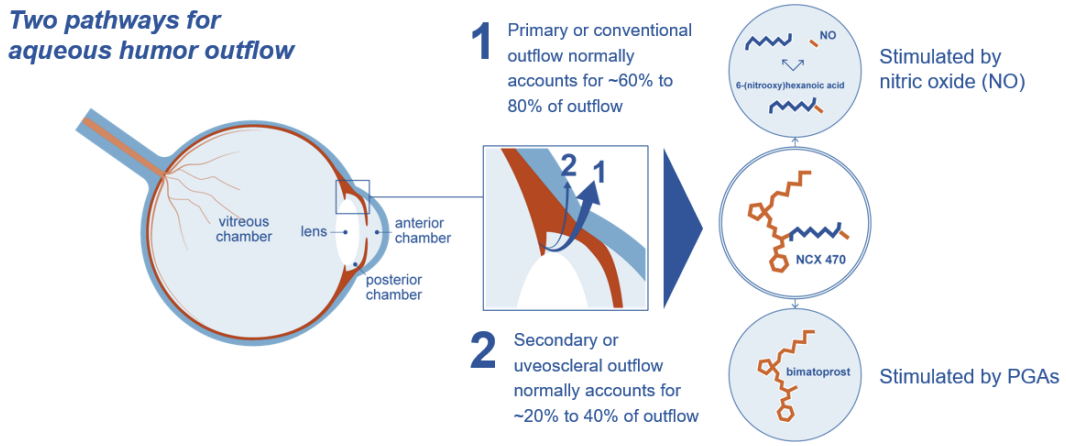
The Company intends to optimize its internal resources by making progress with the clinical development of its lead drug candidate, NCX 470, while simultaneously seeking a commercial partner for the U.S. market for this drug candidate. The Company also plans to find new partners to advance its other drug candidate NCX 1728, currently in preclinical development, and to support its commercial partners in maximizing the value of VYZULTA and ZERVIATE for licensed territories. This latter strategy is contingent on securing sufficient funding, or additional funding if necessary.

1.2.1.3. Description of the Eye

The eye is a fibrous globe that maintains its spherical geometry by being filled with a fluid called aqueous humor on the front side of the eye adjacent to the cornea (also called the anterior segment) and a gel called vitreous humor on the back side of the eye adjacent to retina (also called the posterior segment). Both the front of the eye and the back of the eye are at the proper pressure to maintain the eye's shape and thus maintain an unobstructed and optically clear path for the light through the cornea and the lens to the retina. To maintain the pressure in the front of the eye, and therefore its shape, the aqueous humor is constantly produced inside the front compartment of the eye by a tissue known as the ciliary body and flows forward through the pupil and into the angle defined by the front of the iris and the back of the cornea.



Blockages or malfunctions in this drainage system can result in abnormally high IOP often resulting in glaucoma. If left untreated, glaucoma can progress and may lead to irreversible vision loss.



Glaucoma Overview

Glaucoma is a disease of the optic nerve which, if left untreated, can lead to irreversible vision loss. Glaucoma is currently considered to be one of the three leading causes of irreversible blindness worldwide. Glaucoma is frequently linked to elevated intraocular pressure (IOP) and is often due to blockage in drainage system in the front of the eye. Current medications act by reducing IOP to slow the progression of the disease. It is generally accepted that every mmHg of IOP lowering results in a risk reduction disease progression of approximately 10%. Numerous eye drops are available that either decrease the amount of fluid produced in the eye or improve its flow out of the eye. 40% of patients fail to reach target IOP with existing monotherapies, risking disease progression and vision loss. Despite having well established first line therapies, including the standard of care, latanoprost, there remains an unmet need for therapy with a greater IOP-lowering efficacy that is both safe and well tolerated.

High IOP usually does not cause any symptoms, except in cases of acute angle closure in which the IOP may rise to three or four times that of normal IOP and can be painful and can lead to optic nerve damage and vision loss if left untreated. Optic nerve damage and vision loss can also occur in patients with normal IOP, normotensive glaucoma patients, who are also treated with IOP lowering medications. The Normal Tension Glaucoma Study completed in 1998 showed that lowering IOP slowed the progression of normal tension glaucoma, a form of glaucoma in which the patient's IOP is within normal ranges.

In 2021, worldwide sales of treatments targeting glaucoma were $5.9 billion, out of the $24.9 billion worldwide market for ophthalmic drugs. In the U.S., sales of treatments targeting glaucoma totaled $2.9 billion in 2021 or 30% of the $9.8 billion U.S. market for ophthalmic drugs. Of the U.S. sales of treatments targeting glaucoma, $1.3 billion, or approximately 43%, were sales of prostaglandin analogs, of which 80% were branded products led by LUMIGAN with 63% share. Nearly 80% of the PGA prescriptions are for generic latanoprost. PGAs are currently used as the first line standard of care pharmacotherapy in the U.S.

While not derived from head-to-head trials, the table below provides a summary of the U.S. FDA labeling information for the currently used first-line pharmacotherapies.

Summary of the U.S. FDA Labeling Information for the Currently Approved First-line Pharmacotherapies for the Reduction of IOP in Patients with Open-Angle of Glaucoma or Ocular Hypertension.

	XALATAN[1] (latanoprost 0.005%)	LUMIGAN[1] (bimatoprost 0.01%)	TRAVATAN Z[1] (travoprost 0.004%)	VYZULTA[2] (latanoprostene bunod 0.024%)	ROCKLATAN[1] (latanoprost 0.005% and netarsudil 0.02%)
IOP reduction	6 to 8 mmHg	Up to 7.5 mmHg (7 to 8 mmHg for 0.03% bimatoprost)	7 to 8 mmHg	Up to 7 to 9 mmHg	6.8 to 9.2 mm1 to 3 mm Hg greater than latanoprost or netarsudil (1.58 mmHg greater than latanoprost 0.005% at 3 months)[3]
Patient mean baseline IOP	24 to 25 mmHg	23.5 mmHg (26 mmHg for 0.03% bimatoprost)	25 to 27 mmHg	26.7 mmHg	23.6 mmHg[4]
Adverse reactions	Foreign body sensation 13%; punctate keratitis 10%; stinging 9%; conjunctival hyperemia 8%	Conjunctival hyperemia 31% (45% for 0.03% bimatoprost)	Conjunctival hyperemia 30% to 50%	Conjunctival hyperemia 6%; eye irritation 4%; eye pain 3%; instillation site pain 2%	Conjunctival hyperemia 59%; instillation site pain 20%; corneal verticillata 15%; conjunctival hemorrhage 11%

(1) Indicated for the reduction of elevated intraocular pressure in patients with open angle- glaucoma or ocular hypertension.

(2) Indicated for the reduction of intraocular pressure in patients with open angle- glaucoma or ocular hypertension.

(3) See Section 14, Clinical Studies, Figure 1 and 2 of ROCKLATAN package insert for diurnal IOP at Day 90 for ROCKLATAN vs. Latanoprost including both Mercury-1 and Mercury-2 IOP values (1.5; 1.7; 1.3; 1.5;2.0; and 1.5 mmHg).

(4) See Section 14, Clinical Studies, Figure 1 and 2 of ROCKLATAN package insert for baseline IOP for ROCKLATAN including both Mercury-1 and Mercury-2 IOP values (24.8; 23.7; 22.6; 24.7; 23.3; 22.4 mmHg).

For patients whose glaucoma is not well-controlled on a single PGA eye drop, adjunctive therapies are added on the top of PGAs as second, third and fourth eye drops. The adjunctive therapies include beta blockers, alpha agonists, carbonic anhydrase inhibitors, rho kinase inhibitors, or their fixed dose combinations. As the number of medications increases, compliance decreases and hence the opportunity for more effective single-drop treatments remains. The total sales of adjunctive therapies accounted for approximately $1.6 billion of the $2.9 billion U.S. sales of treatments targeting glaucoma in 2020. Currently, it is estimated that 3.5% of the worldwide population between 40 and 80 years of age are affected by the most common forms of glaucoma, and it is estimated that, in 2020, around 34.5 million prescriptions were written in the U.S. annually for glaucoma drugs.

Dry eye disease

Dry eye disease is a common condition that occurs when the quality and/or quantity of tears are not able to adequately hydrate or lubricate the eyes. This inadequate lubrication can lead to dryness, inflammation, pain, discomfort, irritation, diminished quality of life, and in severe cases, permanent vision impairment.

The dry eye market consists of both chronic and short-term use prescription products and a significant part of non-prescription products, principally artificial tears. The U.S. prescription market for dry eye products in 2021 was estimated to be 6.1 million prescriptions for a value of $3.4 billion. Around 34 million adults are estimated to be suffering from dry eye disease in the U.S. alone.

Allergic Conjunctivitis Overview

Allergic conjunctivitis occurs when an allergic reaction causes conjunctivitis, an inflammation of the thin layer of tissue that lines the outside of the white surface of the eye and the inner surface of the eyelids. It may affect one or both eyes. The signs and symptoms may include eye redness, excessive watering, itchy burning eyes, discharge, blurred vision and increased sensitivity to light.

It is estimated that more than 75 million people suffer from allergic conjunctivitis in the United States and the estimated prevalence of allergic conjunctivitis may be anywhere between 15% and 40%. The annual U.S. market for prescription treatment of allergic conjunctivitis totals approximately $257 million in 2021 according to IQVIA Health Analytics, which does not include substantial sales of over-the--counter eye drops. Branded prescription products represent around 30% market share by value.

1.2.1.4. Company pipeline at December 31, 2023

Product candidates

NCX 470 – Nicox's lead product candidate

NCX 470, developed on the NO-donating research platform, is the Company's lead product candidate. NCX 470, a new molecular entity (NME) as a novel nitric oxide (NO)-donating bimatoprost eye drop is in phase 3 clinical development for the reduction of IOP in patients with open-angle glaucoma and ocular hypertension. Mont Blanc, the first of the two Phase 3 clinical trials, that evaluated the efficacy and safety of NCX 470 ophthalmic solution 0.1%, compared to latanoprost ophthalmic solution, 0.005% has been completed and the results were announced in October 2022. In the Mont Blanc trial, NCX 470 achieved the primary objective of non-inferiority in lowering IOP compared to the standard of care, latanoprost and met the efficacy requirements for approval in the U.S. However, the secondary efficacy objective, statistical superiority to latanoprost, was not achieved. NCX 470 was statistically superior to latanoprost in intraocular pressure reduction from baseline at 4 of the 6 timepoints, and numerically greater at all 6 timepoints. NCX 470 is the first non-combination product to demonstrate statistical non-inferiority to a prostaglandin analog in a pivotal trial.

A second Phase 3 clinical trial, Denali, similarly designed to Mont Blanc, initiated in November 2020, evaluating NCX 470 is currently being conducted jointly at clinical sites in the U.S. and China. The completion of recruitment of U.S. patients of Denali Phase 3 trial is expected in Q4 2024 and topline results are expected in H2 2025 based on current patient enrolment rates.

A Phase 3b clinical trial, Whistler, investigating NCX 470's dual mechanism of action (nitric oxide and prostaglandin analog) of NCX 470 in intraocular pressure (IOP) lowering was launched in December 2023, with results expected in Q1 2025. The Phase 3b optical coherence tomography (OCT) trial to investigate the potential benefits of NCX 470 on the retina is not included in the current

plan, however this development will be revisited when finances allow. Neither of the two Phase 3b trials are required for an NDA submission in either the U.S. or China.

NCX 470 is designed to release both bimatoprost and NO into the eye to lower IOP by two pathways in patients with open-angle glaucoma and hypertension. Bimatoprost, marketed under the brand name LUMIGAN® by AbbVie Inc., is the leading branded product by sales in the class of PGAs, the most widely used class of drugs for the treatment of IOP-lowering in patients with open-angle glaucoma and ocular hypertension. Bimatoprost is generally considered to be slightly better at lowering IOP than latanoprost.

In December 2018 Nicox entered into an exclusive licensing agreement with Ocumension for the development and commercialization of NCX 470 in the Chinese market. In March 2020 Ocumension's exclusive rights were extended to Korea and Southeast Asian markets. Nicox is currently looking for a partner for NCX 470 for the US market.

In February 2024, Nicox entered into an exclusive licensing agreement with Kowa Company, Ltd. for the development and commercialization of NCX 470 in Japan.

Topline results of the first NCX 470 Phase 3 clinical trial Mont Blanc

In October 2022, Nicox announced the results of Mont Blanc, the first Phase 3 clinical trial, a randomized, multi-regional, double-masked, 3-month, parallel group trial that evaluated the efficacy and safety of NCX 470 ophthalmic solution 0.1%, compared to latanoprost ophthalmic solution 0.005% for the IOP lowering in patients with open-angle glaucoma or ocular hypertension. The 0.1% dose of NCX 470 was selected through an initial adaptive design portion of the trial, which also included the 0.065% dose. Latanoprost is the most widely prescribed first-line therapy for open-angle glaucoma or ocular hypertension. Mont Blanc trial enrolled 691 patients in 56 sites in the U.S. and 1site in China. The primary efficacy objective was based on reduction from baseline in mean time matched IOP at 6 timepoints: 8 AM and 4 PM at week 2, week 6 and month 3.

IOP-lowering effect from baseline was 8.0 to 9.7 mmHg for once of daily dosing of NCX 470 0.1% vs. 7.1 to 9.4 mmHg for latanoprost 0.005% (reduction in time-matched IOP at 8 AM and 4 PM across the week 2, week 6 and month 3 visits).

Non-inferiority of NCX 470 was met vs. latanoprost in the primary efficacy analysis. The upper limit of the 95.1% confidence limit on the difference in the treatment effect between NCX 470 and latanoprost in change from baseline in time matched IOP to the follow-up visits (week 2, week 6, and month 3) was ≤1.5 mmHg and ≤1.0 mmHg at all 6 timepoints.

In a pre-specified secondary efficacy analysis of time-matched change from baseline IOP, NCX 470 was statistically superior ($p<0.049$) to latanoprost in IOP reduction from baseline at 4 of the 6 timepoints, and numerically greater at all 6 timepoints but did not reach the overall statistical superiority pre-specified as a secondary efficacy endpoint. The difference in IOP reduction between NCX 470 and latanoprost was up to 1.0 mmHg in favor of NCX 470.

NCX 470 was well tolerated; the most common adverse event was ocular hyperemia in 11.9% of the NCX 470 patients vs. 3.3% of latanoprost patients. There were no ocular serious adverse events and no treatment-related non-ocular serious adverse events. 4.3% of patients on NCX 470 discontinued compared to 5.1% on latanoprost.

Second NCX 470 phase 3 clinical trial Denali ongoing

In November 2020 Nicox initiated the second, Phase 3 trial in the U.S., Denali, jointly conducted and financed in equal parts by Nicox and Ocumension, our exclusive Chinese license partner. The Chinese part of the trial was initiated in December 2021. Denali, similarly designed to Mont Blanc, is a 3month Phase 3 trial evaluating the safety and efficacy of NCX 470 ophthalmic solution, 0.1% versus latanoprost ophthalmic solution, 0.005%, for the lowering of IOP in patients with open-angle glaucoma or ocular hypertension. The Denali trial, which includes a long-term safety extension through 12 months, is expected to randomize approximately 670 patients, at approximately 60 clinical sites in the U.S. and China, with approximately 80% of the patients to be recruited in the U.S and the remaining 20% of the patients to be recruited in China. The completion of recruitment of U.S. patients of Denali Phase 3 trial is expected in Q4 2024 and topline results are expected in H2 2025 based on current patient enrolment rates.

Mont Blanc and Denali trials have been designed to fulfill the regulatory requirements for safety and efficacy Phase 3 trials to support NDA submissions in both the U.S. and in China, where NCX 470 is exclusively licensed to Ocumension and will also provide data for other countries accepting the same clinical data package for approval. Both trials are necessary, and certain additional clinical and nonclinical data will also be required, to complete NDA submissions in both the U.S. and China.

NCX 470 additional Phase 3b clinical trials

The Phase 3b clinical trial, Whistler, investigating NCX 470's dual mechanism of action (NO and PGA) in IOP lowering has been initiated in December 2023. The Whistler trial will enroll approximately 20 healthy volunteers with ocular hypertension in a double-masked, placebo-controlled study which will investigate the action of NCX 470 on aqueous humor parameters including trabecular meshwork outflow and episcleral venous pressure. Each subject will participate in the trial for ~8 days and the trial which is expected to last about a year will provide insight into the mechanism of action of NCX 470. The results of Whistler trial are expected in Q1 2025.

The Phase 3b optical coherence tomography (OCT) trial to investigate the potential benefits of NCX 470 on the retina , could be conducted in the future, subject to the availability of additional funding.

Together, these trials are designed to validate NCX 470's dual mechanism of action in humans and potentially demonstrate some of the beneficial effects on the retina that have been observed in nonclinical models.

Top line results of the Dolomites NCX 470 phase 2 clinical trial

The randomized, double-masked, dose-response Dolomites Phase 2 trial aimed to determine a concentration of NCX 470 for lowering IOP in patients with open-angle glaucoma or ocular hypertension to advance into further clinical development. The trial enrolled 433 patients across 25 sites in the U.S. Patients were randomized to receive either NCX 470 (0.021%, 0.042% or 0.065%) or latanoprost ophthalmic solution, 0.005% once a day in the evening for 28 days.

All three doses of NCX 470 (0.021%, 0.042%, and 0.065%) met the pre-specified primary efficacy endpoint of non-inferiority to latanoprost for reduction from baseline in mean diurnal IOP at Day 28. In a pre-specified secondary efficacy analysis for reduction from baseline in mean diurnal IOP at Day 28, the mid and high doses of NCX 470 (0.042% and 0.065%) met the secondary efficacy endpoint of

statistical superiority to latanoprost based on the trial's pre-specified statistical analysis plan. Specifically, IOP reduction from baseline in mean diurnal IOP at Day 28 was 7.8 mmHg for the 0.021% dose of NCX 470 (p-value for NCX 470 vs. latanoprost not statistically significant); 8.2 mmHg for the 0.042% dose of NCX 470 (p-value for NCX 470 vs. latanoprost=0.0281); and 8.7 mmHg for the 0.065% dose of NCX 470 (p-value for NCX 470 vs. latanoprost=0.0009), compared with 7.4 mmHg for latanoprost 0.005%. The dose dependent IOP reduction from baseline in mean diurnal IOP at Day 28 showed improved IOP lowering with each incremental concentration of NCX 470 tested, thus creating the potential for additional IOP lowering with a higher concentration of NCX 470.

In additional pre-specified secondary efficacy analyses for reduction from baseline in mean diurnal IOP, NCX 470 (0.065%) met the secondary efficacy endpoint of statistical superiority to latanoprost at Day 7 (p=0.004) and Day 14 (p=0.0174), in addition to Day 28 (p=0.0009; described above). In pre-specified secondary efficacy analyses, the 0.065% dose of NCX 470 showed statistical superiority in IOP lowering as a reduction from baseline at all three time points (8 AM, 10 AM and 4 PM IOPs) on Day 28 compared with latanoprost, with the difference reaching up to 1.4 mmHg (p=0.0214 at 8 AM, p=0.0008 at 10 AM, and p=0.0015 at 4 PM). The IOP lowering effect as reduction from baseline at the three time points (8 AM, 10 AM and 4 PM IOPs) across Day 7, Day 14 and Day 28 ranged from 7.6 to 9.8 mmHg for the 0.065% concentration of NCX 470 compared with 6.3 to 8.8 mmHg for latanoprost. Additionally, at Day 28, 44% of patients dosed with NCX 470 (0.065%) had a 1 mmHg or greater mean diurnal IOP reduction from baseline compared with the mean of 7.4 mmHg for the latanoprost group (p-value not significant); 37% of patients had 2 mmHg or greater reduction (p-value not significant); 27% had a 3 mmHg or greater reduction (p=0.0175); 16% had a 4 mmHg or greater reduction (p-value not significant); and 12% had a 5 mmHg or greater reduction (p=0.0150); compared with the mean for the latanoprost group. Furthermore, greater proportion of patients dosed with NCX 470 (0.065%) achieved a mean diurnal IOP reduction at Day 28 of 40% or greater (p=0.0287), 35% or greater (p=0.0393), 30% or greater (p-value not statistically significant), 25% or greater (p=0.0479) and 20% or greater (p=0.0115), compared with those dosed with latanoprost.

NCX 470 ophthalmic solution 0.065% demonstrated non-inferiority and statistical superiority, based on the trial's prespecified statistical analysis plan of diurnal mean IOP reduction at Day 28, to latanoprost ophthalmic solution, 0.005%, the U.S. market leader in prostaglandin analog prescriptions.

NCX 470 was well tolerated when dosed once daily for 28 days in patients with open-angle glaucoma or ocular hypertension. Only three out of the 433 patients in the trial discontinued due to an adverse event. The majority of adverse events in the trial were mild. The most frequently reported adverse event was conjunctival hyperemia, the majority of which were mild, in 16.8% of patients who dosed with the 0.065% dose of NCX 470 compared with 6.5% of patients who dosed with latanoprost. Notably, adverse events for conjunctival hyperemia plateaued at the 0.042% concentration, for which it was reported for 22.2% of patients. There were no treatment-related serious adverse events, and no evidence of treatment-related systemic side effects.

NCX 470 nonclinical studies

In rabbit, dog and nonhuman primate nonclinical models of IOP, our data demonstrate that NCX 470 is able to lower IOP more than bimatoprost alone, with up to 3.5 mmHg greater lowering of IOP with NCX 470 as compared with bimatoprost 0.03% in a non-human primate model when tested with equimolar solutions (or solutions containing equivalent numbers/concentrations of molecules). Additionally, and notably, in the nonclinical model of ocular hypertension in rabbits in which bimatoprost is known not have an effect on IOP, NCX 470 appeared to lower IOP, with up to 8.4

mmHg IOP lowering due to NO alone, suggesting that its NO-donating part of the molecule produces an IOP lowering- action.

NCX 470 exploratory nonclinical studies

Exploratory studies in a nonclinical model of retinal cell damage induced by endothelin-1 (ET-1) investigated the potential protective effects of NCX 470 on the retina and the optic nerve head. The results suggest that NCX 470 improves ocular perfusion and retinal function in damaged eyes compared to vehicle and therefore may have therapeutic properties in addition to lowering of IOP.

Nonclinical experiments were performed to determine the effect of NCX 470 on ocular vascular reactivity and retinal function after repeated topical ocular dosing in a well-defined model of ischemia/reperfusion injury to the optic nerve in rabbits induced by ET-1. ET-1 alone was administered twice-weekly for 2 weeks, followed by concomitant dosing with NCX 470 or vehicle for a further 4 weeks. Twice-weekly dosing with ET-1 increased ophthalmic artery resistivity after 2 weeks ($p<0.05$ vs. baseline), and the resistivity continued to increase during the next 4 weeks up to approximately 40% of baseline at week 6 in animals treated with ET-1 and vehicle. This detrimental effect was significantly reversed in eyes where ET-1 was co-administered with NCX 470 0.1% twice daily ($p<0.05$ vs. vehicle at week 6). In addition, ET-1 dosing resulted in a marked decline in photoreceptor responses, which continued in eyes treated with vehicle. The decline was almost completely reversed by week 6 in eyes treated with NCX 470 ($p<0.05$ vs. vehicle). These effects are only partially shared by bimatoprost administered at the commercial dose (Lumigan 0.01% ophthalmic solution) or at equimolar doses as that released by NCX 470.

NCX 1728 - Lead compound in a new class of NO-donating molecules based on NO-mediated activity.

NCX 1728, an NO-donating Phosphodiesterase-5 (PDE5) inhibitor, is the lead candidate of a new class of NO-donating molecules in which the NO-mediated effects are enhanced by concomitant action of phosphodiesterase type-5 (PDE5) inhibition within the same molecule. PDE5 inhibition has been shown to enhance the efficacy and the duration of NO-mediated effects. NCX 1728 is currently at a non-clinical stage for development in retinal conditions. Nonclinical data have demonstrated potential for the development of NCX 1728 in a number of ophthalmic conditions and the Company is exploring continuing the development of this product candidate through partnerships.

NCX 4251

NCX 4251, which leverages an established molecule, is a novel patented ophthalmic suspension of fluticasone propionate nanocrystals at the clinical stage as a topical treatment for patients with dry eye disease with a unique mode of application to the eyelid margins via an applicator minimizing the potential steroid exposure through the cornea which can lead to damaging side effects such as intraocular pressure increase found with current topical steroids. NCX 4251 has been evaluated in a Phase 2 trial, Danube, and a larger Phase 2b trial, Mississippi, both of which studied patients with blepharitis. The primary outcome measure in the Mississippi trial was the proportion of patients achieving complete cure in all three hallmark signs and symptoms of blepharitis, eyelid redness, eyelid debris and eyelid discomfort, at Day 15, with two secondary outcome measures focused on signs and symptoms of dry eye disease. The Mississippi trial did not meet the primary or secondary efficacy endpoints. Following the post hoc results from the Mississippi trial and a subsequent meeting with the U.S. FDA, the future development of NCX 4251 is focused on dry eye disease.

Fluticasone propionate, the active ingredient in NCX 4251, which has not previously been approved in a topical formulation for use in ophthalmology, has an affinity for the glucocorticoid receptors which is approximately ten times greater than dexamethasone, a corticosteroid commonly used in ophthalmology. Fluticasone is a glucocorticoid with potent anti-inflammatory- properties that has been approved in numerous drug products over the past 20 years for the treatment of various indications including dermatology, rhinitis, and asthma. Fluticasone propionate has not been approved previously for topical ophthalmic use.

In the first half of 2022, the Company decided to stop the internal development of NCX 4251 for the US market, as the development plan for NCX 4251 is not financed. This drug candidate remains available for a partnership outside China.

In the event that the Company finds a partner to pursue the development of NCX 4251 in the U.S., the regulatory approval for NCX 4251 using the FDA's Section 505(b)(2) regulatory pathway, similar to ZERVIATE, would be the procedure to follow because it would enables us to rely, in part, on the FDA's prior findings of safety and efficacy for fluticasone propionate, or published literature, in support of our NDA.

In July 2019, Nicox entered into an exclusive license agreement with Ocumension for the development and commercialization of NCX 4251 for blepharitis in the Chinese market. Ocumension is currently reviewing the pharmaceutical development activities which would be needed to enter in clinical trials in China.

Revenue generating products

VYZULTA®

Overview

VYZULTA (latanoprostene bunod ophthalmic solution), 0.024%, represents the first FDA approved drug based on the Company's internally developed NO-donating research platform. In VYZULTA, a NO-donating group was linked to latanoprost, the active ingredient in XALATAN, a PGA, structurally related to prostaglandins. PGAs are in a class of molecules used in ophthalmology to lower IOP and are believed to do so by activating FP receptors located on the surface of cells. In the U.S., PGAs are the first line and the most commonly prescribed pharmacotherapy class for the lowering of IOP in glaucoma and ocular hypertensive patients.

VYZULTA is the first PGA with one of its metabolites being NO approved by the FDA for the reduction of IOP. NO is believed to lower IOP by increasing the outflow of fluid from the eye via activation of soluble guanylate cyclase (sGC), a different mechanism from that of PGAs. Thus, VYZULTA is believed to possess a dual MOA in a single molecule. At the time of its approval, by the FDA in November 2017 for the reduction of IOP in patients with open angle-glaucoma or ocular hypertension VYZULTA was the first eye drop approved in twenty years with a novel approach to reduce IOP.

Bausch + Lomb, a leading eye health company, has exclusive worldwide rights to develop and market VYZULTA which is commercialized in more than 15 countries, including the U.S., and also approved in a number of other countries. Other launches are expected in 2024 and beyond.

VYZULTA has demonstrated greater IOP lowering at many of the trial's timepoints, and a comparable safety profile compared with two currently available medications for the lowering of IOP

in open angle- glaucoma or ocular hypertension in one Phase 2 clinical trial (compared to latanoprost), and two Phase 3 clinical trials (compared to timolol), respectively.

We believe there is an inadequately met or unmet medical need for products with increased IOP lowering in the glaucoma market. We believe that VYZULTA offers a differentiated treatment based on:

- **Increased IOP lowering**: In the Phase 3 clinical trials, VYZULTA dosed once daily demonstrated statistically significantly greater IOP lowering than twice daily dosed timolol maleate ophthalmic solution 0.5% throughout the day at three months of treatment. Based on analysis of the pooled results of these trials, the IOP reduction from baseline was in the range of 7.5-9.1 mmHg across three months of treatment. Additionally, in the open-label safety extensions for both Phase 3 trials, VYZULTA demonstrated sustained IOP-lowering effect without any loss of efficacy over 12 months (12-month duration of treatment in first Phase 3 trial and 6-month duration of treatment in the second Phase 3 trial). In the 413 subject Phase 2 randomized trial, VYZULTA demonstrated statistically significantly greater IOP lowering than latanoprost ophthalmic solution, 0.005% after four weeks of treatment. VYZULTA, the 0.024% dose (N=83), showed statistically significant $p<0.01$ greater day time IOP lowering from baseline compared with latanoprost at a dose of 0.005% at day 28, with the difference for VYZULTA reaching greater than 1 mmHg (statistical significance: $p<0.01$).

- **Novel dual mechanism of action**: VYZULTA is the first PGA approved by the FDA for the lowering of IOP with one of its metabolites being NO and the only QD single agent IOP- lowering- product to provide activity through two potential distinct MOAs that are mediated by a prostaglandin and NO.

- **Established tolerability profile** : In the Phase 3 clinical trials, 562 patients were exposed to the drug. VYZULTA administered once a day in the evening was well tolerated with no serious adverse events. The most common ocular adverse reactions with incidence ≥2% are conjunctival hyperemia (6%), eye irritation (4%), eye pain (3%), and instillation site pain (2%).

With VYZULTA, as with other PGAs, increased pigmentation of the iris and eyelid can occur with iris pigmentation likely to be permanent. Gradual changes to eyelashes, including increased length, increased thickness and number of eyelashes, can occur and are usually reversible upon discontinuation of treatment. The most common ocular adverse reactions are conjunctival hyperemia, eye irritation, eye pain and instillation site pain.

ZERVIATE®

Overview

ZERVIATE, the brand name for our cetirizine ophthalmic solution, 0.24%, the second product marketed by Nicox, is a novel formulation of cetirizine developed and approved for the first time in the form of an eye drop for topical ocular application. ZERVIATE, which is indicated for the treatment of ocular itching associated with allergic conjunctivitis, is the first product for the topical treatment of ocular allergies to use cetirizine, the active ingredient in ZYRTEC, a well-established oral antihistamine which has been marketed for over 20 years. We believe that the proven safety and efficacy of oral cetirizine currently recognized by physicians will encourage the adoption of

ZERVIATE ophthalmic solution. Cetirizine, the active ingredient in ZYRTEC®, is a second-generation antihistamine (H1 receptor antagonist) that binds competitively to histamine receptor sites. Cetirizine, in approved oral formulations, has a well-characterized systemic efficacy and safety profile with world-wide exposure resulting from 20 years of oral use. ZERVIATE is the first and only eye drop formulation of the antihistamine cetirizine. In May 2017, the U.S. FDA approved the NDA for ZERVIATE for the treatment of ocular itching associated with allergic conjunctivitis.

The efficacy of ZERVIATE was established in three Phase 3 trials using the CAC (Conjunctival Allergen Challenge) model that were randomized, doublemasked, placebo-controlled, conjunctival antigen challenged trials in patients with a history of allergic conjunctivitis. Onset and duration of action were evaluated in two of these trials, and patients treated with ZERVIATE demonstrated statistically and clinically significantly less ocular itching compared to its vehicle at 15 minutes and eight hours after treatment ($p<0.05$).

Regulatory approval for ZERVIATE was obtained via the FDA's Section 505(b)(2) regulatory pathway, which enabled us to rely, in part, on the FDA's prior findings of safety and efficacy for cetirizine and the published literature in support of our NDA.

In seven clinical trials conducted in patients with allergic conjunctivitis or those at risk of developing allergic conjunctivitis, the most commonly reported adverse reactions occurred in approximately 1% to 7% of patients treated with either ZERVIATE or vehicle. These reactions were ocular hyperemia, instillation site pain and visual acuity reduced.

In September 2017, Nicox entered into an exclusive licensing agreement with Eyevance for the commercialization of ZERVIATE in the U.S. which is commercialized there since March 2020. ZERVIATE in now commercialized in the U.S. by exclusive U.S. partner Harrow, Inc., following the acquisition in July 2023 of the commercial rights to certain U.S. ophthalmology products from Santen Pharmaceutical Co., Ltd, by Harrow which owns the Eyevance subsidiary.

In March 2019 Nicox entered into an exclusive licensing agreement with Ocumension for the development and commercialization of ZERVIATE in the Chinese market. In March 2020 the exclusive rights were expanded to the majority of Southeast Asian markets. Ocumension successfully completed a Phase 3 clinical trial of ZERVIATE in China in February 2022. ZERVIATE was found to be non-inferior to emedastine difumarate, an antihistamine marketed under the brand name EMADINE®. Subject to any additional data requested by the Chinese National Medical Products Administration of the People's Republic of China (NMPA), this Phase 3 trial, in addition to the clinical data package used by the FDA for ZERVIATE in the U.S., is expected to be sufficient to support a Chinese NDA and approval to commercialize ZERVIATE in China. Ocumension has submitted an NDA for the Chinese market in April 2023 which has been included in the priority review and approval process of the NMPA. This NDA has been included in the priority review and approval process of the National Medical Products Administration of the People's Republic of China (NMPA). This will accelerate the approval process and launch of ZERVIATE expected in China in 2024.

In December 2019 Nicox entered into an exclusive licensing agreement with Samil for the development and commercialization of ZERVIATE in South Korea This agreement was expanded to include Vietnam in February 2022.

In August 2020 Nicox entered into an exclusive licensing agreement with ITROM for the registration and commercialization of ZERVIATE in Gulf and Arab markets.

In May 2021, Nicox signed an exclusive license agreement with Laboratorios Grin for the registration and commercialization of ZERVIATE in Mexico. Laboratorios Grin notified Nicox that the license agreement would be terminated effective July 23, 2023, with no financial impact for the Company.

Non-ophthalmology partnered program

Naproxcinod

Naproxcinod is a CINOD (Cyclooxygenase-Inhibiting Nitric Oxide-Donating) anti-inflammatory drug candidate, which is partnered with Fera Pharmaceuticals in the U.S. Fera Fera has examined development opportunities for naproxcinod in a number of indications, and has conducted pre-clinical development work on naproxcinod in models of both COVID-19 infections and sickle cell disease. Efforts will continue focusing on sickle cell disease and other undisclosed therapeutic indications in which the properties of naproxcinod may be beneficial. In February 2022, Fera received an Orphan Drug Designation (ODD) from the FDA for the use of naproxcinod for the treatment of sickle-cell disease.

Nicox had previously completed a broad clinical program for naproxcinod in osteoarthritis, including three phase 3 clinical trials with over 2,700 patients. Nicox submitted an NDA for naproxcinod for osteoarthritis in 2009 and received a Complete Response Letter in 2010 in which the FDA requested substantial additional long-term safety data on the product. The Company does not plan to further develop naproxcinod for osteoarthritis.

1.2.1.5. Environmental information that may influence the use made by the Company of its property, plant and equipment

In accordance with the MiddleNext corporate governance code updated in September 2021 to which the company refers and the Board of Directors' internal rules of procedure, the Corporate Governance Committee, followed by the Board of Directors, reviewed the employment-related, social and environmental consequences of the Company's business activities and strategy. The Board of Directors considered that the Company's business activities and strategy did not have material consequences requiring a specific action.

The Group has only offices which have a limited effect on the environment. Moreover, the activities subcontracted by the Group are for the most part intellectual activities with a modest impact on the environment. The other subcontracted activities (in particular research and development activities) are limited in terms of financial flows as of the publication date of this report.

The Group is not subject to any specific environmental certification procedures.

There are no provisions or guarantees for environmental risks.

The Group did not pay any compensation during the fiscal year pursuant to any court decision in respect of the environment.

2. Presentation of financial statements and other financial information

2.1. Annual financial highlights

The annual financial statements for the fiscal year ended December 31, 2023 were adopted by the Board of Directors and certified by the Statutory Auditors.

Key events of 2023

Revenue for FY 2023 totaled €6.9 million (including €6.6 million in royalties), up from €5.5 million (including €5.2 million in royalties) for FY 2022. These royalties were derived entirely from sales of VYZULTA, and their net amount (after deducting royalties paid to Pfizer) in 2023 and 2022 was €4.1 million and €3.3 million respectively.

Operating expenses for 2023 amounted to €24.1 million, compared with €24.8 million for 2022.

The Company's net loss for FY 2023 amounted to €20.9 million, compared with €31.3 million for FY 2022. This includes a non-cash amount of €2.9 million in 2023, compared with €11.5 million in 2022, resulting from the impairment of investments in the US subsidiary Nicox Ophthalmics Inc. after the value of this subsidiary's assets was tested for impairment.

As of December 31, 2023, the Company had cash and cash equivalents of €11.3 million, as compared with €27.1 million one year earlier. The Company estimates that it has financing until November 2024, exclusively on the basis of the development of NCX 470.

At December 31, 2023, the Company's financial debt amounted to €20.9 million, including (i) €19.6 million in bond financing granted by Kreos Capital in January 2019 and (ii) €1.3 million in French government-guaranteed Covid-relief loans.

Key statutory financial data (French GAAP) in thousands of euros

NICOX SA STATEMENT OF PROFIT OR LOSS (audited)

(In thousands of euros)	31-Dec-23	31-Dec-22
Sales of services - misc. amounts charged back	257	212
Patent royalties	6,646	5,242
REVENUE	**6,903**	**5,453**
Reversals of depreciation, amortization and provisions, expense transfers	13	97
Other income from ordinary activities	225	0
OPERATING REVENUE	**7,141**	**5,550**
Other purchases and external expenses	(18,406)	(18,103)
Taxes, duties and similar payments (other than on income)	(99)	(184)
Salaries and wages	(1,764)	(3,053)
Social charges	(739)	(1,177)
Allowances for the depreciation of fixed assets	(21)	(13)
Provisions for fixed assets	0	0
Provisions for contingencies and charges	(122)	(41)
Other expenses	(2,825)	(2,241)
Foreign exchange losses on trade receivables and payables	(221)	0
OPERATING EXPENSES	**(24,197)**	**(24,812)**
OPERATING LOSS	**(17,056)**	**(19,262)**
Other interest and similar income	1,099	1,120
Proceeds from disposals of financial assets	0	1
Reversals of provisions, expense reclassifications	39	3
Foreign exchange gains	117	872
FINANCIAL INCOME	**1,255**	**1,996**
Allowances for amortization and reserves	(3,543)	(12,142)
Interest and similar expenses	(1,580)	(1,582)
Foreign exchange losses	(244)	(401)
Loan interest	(53)	(48)
Losses from the disposal of financial assets	(200)	(349)
FINANCE EXPENSE	**(5,621)**	**(14,523)**
NET FINANCE EXPENSE	**(4,366)**	**(12,527)**
OPERATING LOSS BEFORE TAX	**(21,422)**	**(31,789)**
Non-recurring income from prior years	63	0
NON-RECURRING INCOME	**63**	**0**
NET NON-RECURRING INCOME (LOSS)	**63**	**0**
Research tax credit - (Corporate income tax)	478	504
LOSS	**(20,881)**	**(31,285)**

NICOX SA STATEMENT OF FINANCIAL POSITION (audited)

(In thousands of euros)	31-Dec-23	31-Dec-22
ASSETS		
Intangible assets	24	1
Property, plant and equipment	26	25
Financial assets	1,805	4,926
TOTAL NON-CURRENT ASSETS	**1,855**	**4,952**
Trade receivables and related accounts	3,424	2,623
Other receivables	34,323	37,844
Cash	11,259	27,080
Prepayments	886	1,480
TOTAL CURRENT ASSETS	**49,893**	**69,028**
Unrealized foreign exchange losses	13	36
Bond redemption premium	1,218	1,827
TOTAL ADJUSTMENT ACCOUNTS	**1,231**	**1,863**
TOTAL ASSETS	**52,980**	**75,843**
LIABILITIES		
Issued capital	50,170	50,100
Share premium	529,478	529,547
Retained earnings	(537,354)	(506,069)
Loss for the period	(20,881)	(31,285)
TOTAL EQUITY	**21,413**	**42,293**
Provision for contingencies	13	39
Provision for charges	700	578
PROVISIONS FOR CONTINGENCIES & CHARGES	**713**	**616**
Bank borrowings and overdrafts	20,895	21,260
Miscellaneous borrowings	4,258	4,037
Trade payables and equivalent	2,499	2,537
Tax and social security liabilities	648	1,072
Deferred revenue	1,919	2,169
TOTAL LIABILITIES	**30,218**	**31,074**
Unrealized foreign exchange gains	635	1,859
TOTAL LIABILITIES	**52,980**	**75,843**

Research and development

The Group's research and development programs are described in Section 1.2.1.4 “Company pipeline”.

Nicox's Research and Development activities are organized in such a way as to achieve efficient product development with a maximum flexibility and the rational use of resources.

In 2023, external expenditures on NCX470 accounted for 60.8% of Group R&D expenditure.

Summary of expenses linked to patent filings and managing our patent portfolio included in our research and development expenditures is presented in the above table:

(€ 000s)	**FY**	
	2023	**2022**
Expenses linked to the patent portfolio	499	613

Current investments

The Company has no significant current investments

2.2. Cash flows

The net change in the Company's cash flow represented an outflow of €15.8 million in 2023 compared with an outflow of €14.1 million in 2022.

There were no cash flows from financing activities in 2023 compared with €8.9 million in 2022 representing funds received through a capital increase from a specialized investor.

There were no significant cash flows from investing activities in 2023 and 2022.

Information concerning the issuer’s capital resources (both short term and long term)

Since its Initial Public Offering, the Company has financed itself mainly by raising funds through private and public placements on Euronext. To date, the Company has earned little revenue from the sale of pharmaceuticals, medical devices and nutraceuticals in ophthalmics in Europe and international markets from 2013 until August 2016, the date these operations were transferred. Nicox also receives payments from strategic partners in connection with collaboration agreements though these payments are not sufficient to cover operating expenses.

Accordingly, in March 2010, Bausch + Lomb (an affiliate of the Valeant group) entered into a worldwide licensing agreement with Nicox for latanoprostene bunod and has made to date three milestone payments to Nicox totaling $22.5 million, after deducting amounts paid to Pfizer under the terms of the agreement executed in 2009 by which Nicox recovered the rights to latanoprostene bunod previously licensed to the former. Following the commercial launch of VYZULTA (latanoprostene bunod ophthalmic solution), 0.024% in December 2017, the Company receives royalties on net sales after deducting payments to Pfizer.

In 2017, Nicox also entered into a license agreement with Eyevance for the marketing of ZERVIATE in the United States (this contract has since been transferred to Harrow Inc.). On that basis, it received an initial payment of US$6 million in 2017 and a milestone payment of €3 million dollars in 2019. Nicox receives royalties on net sales of ZERVIATE.

In December 2018, the Company entered into an exclusive license agreement with Ocumension Therapeutics, an international ophthalmology company. The agreement concerns the development and commercialization of its NCX 470 drug candidate, targeting patients with glaucoma or ocular hypertension for a territory comprising mainland China, Hong Kong, Macau, and Taiwan. Under the terms of this agreement, the company received in December 2018 a one-time upfront payment of €3 million and may receive €33.25 million in milestone payments associated with progress of NCX 470 up to regulatory approval and commercial objectives. The Company will also receive tiered royalties from 6% to 12% on sales.

In March 2019, Nicox entered into an exclusive licensing agreement with Ocumension for the development and commercialization in the Chinese market of its product, ZERVIATE® for the treatment of allergic conjunctivitis. Nicox granted Ocumension exclusive rights to develop and commercialize ZERVIATE, at its own costs, in the agreed territory. In March 2020, Nicox amended its license agreement with Ocumension Therapeutics granting it exclusive rights to develop and commercialize ZERVIATE® in the Chinese and the majority of South East Asian markets. Under the terms of an amended agreement concluded in July 2021, Ocumension paid Nicox US$2 million in full advance payment of the future development and regulatory milestones for ZERVIATE. Nicox remains eligible to receive the same sales milestones of up US$17,2 million together with tiered royalties of between 5% and 9% on net sales of ZERVIATE by Ocumension. Ocumension submitted an NDA for the Chinese market in April 2023. The NDA was included in the priority review and approval process of the NMPA (National Medical Products Administration of the People's Republic of China). This will accelerate the approval process and launch of ZERVIATE expected in China in 2024.

In June 2019, the Company entered into an exclusive license agreement with Ocumension for the development and commercialization of its drug candidate, NCX 4251 for a territory covering continental China, Hong Kong, Macao and Taiwan. Ocumension is responsible, at its own cost, for all development activities necessary for the approval of NCX 4251 in the relevant territory. Ocumension was granted exclusive rights for the agreed territory to develop and commercialize NCX 4251 for blepharitis. Under the terms of the agreement, the Company received an initial payment of US$2.3 million and may potentially receive development and sales milestone payments of up to US$11.3 million together with tiered royalties of between 5% and 10% on sales of NCX 4251. The potential development of this product in China is currently being evaluated by the Chinese partner Ocumension.

In December 2019, the Company signed an exclusive license agreement with Samil Pharmaceutical Co., Ltd for the development and commercialization of ZERVIATE™ (cetirizine ophthalmic solution), 0.24% for the treatment of ocular itching associated with allergic conjunctivitis in South Korea. Nicox thus granted Samil Pharmaceutical exclusive rights to develop and commercialize ZERVIATE in South Korea. Nicox is eligible to receive 10% royalties on net sales on ZERVIATE in South Korea and a milestone payment of 5% of net sales for each calendar year in which net sales exceed approximately US$900,000. Nicox received a significant license fee upon the signature of the agreement, and may receive in addition approval and launch milestone payments which may total approximately US$189,000. Samil Pharmaceutical will be responsible, at its cost, for the development and commercialization of ZERVIATE in South Korea. ZERVIATE is expected to require

manufacturing transfer and associated pharmaceutical development to support approval in South Korea, in addition to the existing approved U.S. NDA package.

In March 2020, Nicox signed an amendment to the license agreement with Ocumension for NCX 470. Under the amended agreement, Ocumension paid Nicox €15 million (€14 million of which is repayable under certain conditions), replacing in full the milestone payments under the original agreement. Under the amended agreement, Ocumension gained additional exclusive rights to NCX 470 for Korea and South East Asia and undertakes to pay 50% of the costs of the second glaucoma Phase 3 clinical trial of NCX 470 ("Denali"). The two companies jointly manage the Denali trial in the U.S. and China. No future NCX 470 milestones will be due from Ocumension to Nicox. In the unlikely case that the Joint Trial would not take place, partial refunds may be made and in certain situations the original milestones of the agreement would again apply. The tiered royalties of 6% to 12% of the original agreement remain unchanged and will apply to sales in the original and the additional territories.

In August 2020, ITROM was granted exclusive rights to develop and commercialize ZERVIATE in Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, the Kingdom of Saudi Arabia, the United Arab Emirates and Yemen. Nicox is eligible to receive 15% royalties on net sales of ZERVIATE in certain key countries, and 10% in other countries. Nicox will also receive a non-significant license fee on signature and may receive a future milestone payment upon the product launch of ZERVIATE. ITROM will be responsible, at its own cost, for development and commercialization of ZERVIATE in the countries of the agreement. ZERVIATE is expected to require only the existing approved U.S. New Drug Application (NDA) package to support approval.

In February 2024 the Company signed an agreement granting Kowa Company, Ltd. exclusive Japanese rights to develop and commercialize NCX 470, Nicox's nitric oxide (NO)-donating bimatoprost eye drop, for the lowering of intraocular pressure (IOP) in patients with glaucoma or ocular hypertension. Kowa, is a Japanese company with a global pharmaceutical business engaged in ground-breaking research, development and marketing. Under the terms of the exclusive licensing agreement, Kowa has the rights to develop and commercialize NCX 470 in Japan. Kowa made a non-refundable upfront payment of €3 million to Nicox, with a further potential €10 million in development and regulatory milestones, €17.5 million in sales milestones and tiered royalties from 7% to 12% on net sales. Kowa shall be responsible for all development, regulatory and commercialization costs for NCX 470 in Japan. The collaboration will be managed by a Joint Steering Committee. Kowa expects to conduct additional clinical trials in Japanese patients as required for regulatory approval of NCX 470 in Japan in addition to the development data from Nicox.

In January 2019, the Company obtained financing from Kreos Capital for up to €20 million structured as bonds and consisting of 3 tranches. These tranches were all subscribed for in 2019, while the funds of the last tranche were however not received until January 2, 2020.

After being restructured in November 2021 this loan agreement now includes a bond component convertible into shares amounting to €3.3 million. Nicox also obtained in 2020, a €2.0 million French State guaranteed Covid-19 relief loan. In addition, in December 2022, the Company carried out a capital increase reserved for private institutional investors for a gross amount of €10 million.

In March 2024, the Company signed an amendment with Kreos Capital, henceforth a subsidiary of BlackRock, to restructure its debt and extend the interest-only repayment period to September 2024. This period may be further extended if the Company raises at least €3 million in equity financing. Any additional financing it obtains over and above this €3 million will extend the interest payment period to December 2025 at the latest. On the basis of this agreement, the Company was able to extend its cash runway to November 2024.

At December 31, 2022, he Company's cash and cash equivalents amounted to €11.3 million compared to €27.1 million at December 31, 2022.

In the future, Nicox may need to seek new sources of financing, either through a capital increase or new licensing agreements, given the remaining costs to complete the development of its lead drug candidate NCX 470 and in order to cover debt payments in 2026.

The following table summarizes the main equity financing operations of the Company on the Annual Report date (gross proceeds in €m) :

TYPE OF TRANSACTION	1996	1997	1999	2001	2004	2006	2007	2009	2015	2016	2017	2019	2020	2021	2022	Total
Venture Capital	2	6.3														8.3
Initial public offering (Paris)			33.2													33.2
Offer				59.3			130	69.9								258.9
Private investment in a public entity (PIPE)					26	45.5		30.5	27	18	26.3	12.5	15	15	10	215.8
Private investment in a public entity (PIPE) – Pfizer							15									15
TOTAL	**2**	**6.3**	**33.2**	**59.3**	**26**	**45.5**	**145**	**100**	**27**	**18**	**26.3**	**12.5**	**15**	**15**	**10**	**546.2**

The sources and amounts of and a narrative description of the issuer's cash flows

Historically, the company financing capital has been derived from capital increases for a specific category of investors or public offerings, payments received from partners in connection with license agreements and research tax credits. In addition, in January 2019, the Company secured a loan that was then subject to successive amendments. The last amendment was executed on March 29, 2024. In 2020, the Company also obtained a French government backed loan. The corresponding terms and conditions are described below in the section "Borrowing requirements and funding structure".

Information on the financing needs and funding structure of the Company

The bond issue agreement with Kreos Capital executed on January 29, 2019 for €20 million was subject to a series of amendments, notably in January 2021 to extend the principal repayment period, on November 30, 2021 to convert a portion of the debt into convertible bonds and defer the principal repayment period, and then again on March 29, 2024. At December 31, 2023, prior to the amendment, the loan was broken down into three separate types of debt: a €11.8 million amortizing bond maturing on July 1, 2026, the principal of which was to be repaid as from February 1, 2024, a €3.3 million convertible bond maturing on January 1, 2026, and a €1.8 million bond with a €2.4 million premium due on January 1, 2026.

The debt restructuring effective March 29, 2024 is intended to facilitate future financing and in parallel pursue strategic options which would allow the completion of the NCX 470 Phase 3 clinical trial, Denali. The debt restructuring and related signature of the amended debt agreements was subject to (1) Nicox initiating the Board-approved streamlining of its operating costs to focus the Company's resources on completing the Denali trial; and (2) calling an Extraordinary General Meeting ("EGM") to enable future financing. The debt restructuring together with a reduction in operating costs (mainly a reduction in headcount whose cost to the Company in 2024 is estimated at €798,000) allow for the interest-only period on the entire outstanding debt to be continued to 30 September 2024, extending

the Company's cash runway to November 2024. Subsequently such interest only period would be further extended proportionally with future increases in the cash runway, provided however that the Company raises at least €3 million in equity financing by 30 September 2024, which would extend the cash runway into Q1 2025. The Company's core ophthalmology development and key corporate functions will focus on the ongoing clinical development of NCX 470 in the pivotal Denali trial, preparation of a New Drug Application (NDA) and discussions on partnering and other strategic opportunities.

Nicox has the option to make capital repayments as part of paying down the amortizing bond. If Nicox decides not to make these payments, the interest rate on the entire debt would increase to 13.5% (from 9.25%) until such payments are made. Nicox will pay BlackRock a 3% restructuring fee when the contract amendments have been executed.

The non-amortizing bonds are currently due to be repaid on 1 January 2026 Under the amended agreement, Nicox may, at its sole discretion, repay only part of these amounts, on 1 January 2026, and pay a fee on any unpaid amount, in which case Nicox will continue to pay interest on the remaining amount until 1 July 2026, which will be the final term of the debt The settlement fee of 3% due on repayment of the entire debt due on 1 July 2026 shall be increased to 8% regardless of any pre-payments. Subject to a favorable vote at the EGM, the existing non-amortizing convertible bond shall be cancelled and replaced with a new Convertible Bond at a revised conversion price (€0.4312, the 30-day VWAP prior to signature of the term sheet, subject to realignment with the next equity raise). If such a vote is not obtained, Nicox would pay back the loan in cash at the term together with a premium, which would be calculated as if the new pricing had been set for the convertible loan i.e. based on the share price increase at the time of repayment. The repayment may be made in cash or cash and shares, at BlackRock's discretion. BlackRock still holds 100,000 warrants to acquire Nicox shares at €4.2344 from a previous debt restructuring in January 2021. Nicox has proposed a business plan for the remaining term of the bonds based on estimations of costs and expected revenue and any significant deviation from the plan would require BlackRock's approval. BlackRock will appoint two observers (*censeurs*) to the Nicox Board of Directors, subject to EGM approval.

The contract provides for various events of default, and in particular a breach of a material obligation of the contract, such as payment of amounts due or failure to provide financial information; failure to pay a debt exceeding €150,000; initiation of legal proceedings or suspension of activity. In the case of an event of default under the agreement, the amounts due under the loan would become immediately repayable and, in the event of non-payment, Kreos could enforce the security guarantees. There can be no assurance that Nicox will have the resources required for the early repayment of this bond issue. There can also be no assurance that cash flows generated by Nicox will be sufficient to pay the bonds at their maturity which could have a material adverse effect on its business, with security interests having been granted over certain tangible and intangible assets of Nicox S.A., and notably patents relating to the VYZULTA product (with the pledge having no impact on the exclusive worldwide license agreement with Bausch + Lomb), securities of the subsidiary Nicox Ophthalmics Inc. as well as a pledge of bank account balances and all receivables in excess of €100,000.

In the 2020 third quarter, the Group obtained loan agreements guaranteed by the French State (up to 90%) from Société Générale and LCL for an amount totaling €2 million in the context of the COVID-19 pandemic. These loans, unsecured by Group assets, with an initial maturity of 12 months, were extended by a further 12 months. The period for repayment is five years beginning in August 2022.

Information concerning no restrictions on the use of capital resources that have materially affected or could materially affect, directly or indirectly, the Company's activities.

The pledges given for the bond issue described above could limit the use of the Company's capital resources in the event of a default in the payment of this debt. In such case, this restriction would

adversely affect the good conduct of the Company's business (see section 2.7.1.1 “Risks relating to cash burn”).

Information concerning anticipated sources of funds required to honor material investments of the Company in progress or for which firm commitments have already been made

The tangible fixed assets of the Company are not significant. Should the Company decide to embark on investment projects, their funding would be explored case-by-case on an ad-hoc basis. This may involve securities-backed or cash financing, or the transfer of assets already owned by the Company. In the first two instances, the Company will make capital increases pursuant to resolutions passed by the extraordinary general meeting in force.

2.3. Significant events for the year ended December 31, 2023

Submission of a New Drug Application for ZERVIATE in China

On April 14, 2023, the Company announced that its exclusive Chinese partner, Ocumension Therapeutics, has submitted a New Drug Application (NDA) for approval to commercialize ZERVIATE® (cetirizine ophthalmic solution), 0.24%, in China, for ocular itching associated with allergic conjunctivitis. The approval process is expected to take around 12 months, leading to a potential launch of ZERVIATE in China in 2024. Ocumension plans to manufacture ZERVIATE in their new state-of-the-art purpose-built manufacturing facility located in Suzhou, China.

On April 28, 2023, this application was granted priority review.

ZERVIATE is the first and only eye drop formulation of the antihistamine cetirizine, the active ingredient in ZYRTEC®. ZERVIATE is currently commercialized in the U.S. for ocular itching associated with allergic conjunctivitis. The prescription market for allergic conjunctivitis products in China is expected to grow to almost $500 million by 2030.

The ZERVIATE NDA in China is supported by the data package licensed by Nicox to Ocumension and an additional Chinese Phase 3 clinical trial of ZERVIATE run by Ocumension. In this study, ZERVIATE was compared to emedastine difumarate ophthalmic solution, 0.05%, an antihistamine marketed under the brand name EMADINE®. ZERVIATE was found to be non-inferior to emedastine difumarate in the primary efficacy endpoint of change from baseline in the itching score and in the 24 hours prior to the Day 14 visit. ZERVIATE was safe and well-tolerated with no difference in the proportion of patients with adverse events compared to emedastine difumarate.

ZERVIATE is exclusively licensed to Ocumension Therapeutics for development and commercialization in the Chinese and the majority of the Southeast Asian markets. All costs of commercialization are borne by Ocumension and Nicox may potentially receive sales milestones of up to US$17.2 million together with royalties of between 5% and 9% of net sales of ZERVIATE by Ocumension.

Transfer of Nicox shares from the regulated market of Euronext Paris to the multilateral trading facility of Euronext Growth Paris

The transfer of listing of the Company's shares from the regulated market of Euronext Paris (Compartment C) to the multilateral trading facility of Euronext Growth Paris (the “Transfer”) became effective beginning on the trading session of April 28, 2023.

From April 28, 2023, the new mnemonic code for Nicox shares was ALCOX. The ISIN code remains unchanged: FR0013018124.

This operation aims to allow the Company to have its securities admitted to trading on a market more commensurate with its size and market capitalization. Indeed, the Transfer to Euronext Growth enables the Company to reduce its obligations and constraints and, as a result, reduce the costs associated with its listing, while maintaining the shares' tradability on a financial market.

The Company will continue to provide accurate, precise and truthful information, by disclosing any privileged information concerning the Company to the public, in accordance with the European Regulation on Market Abuse ("MAR"). The provisions of the MAR Regulation will also remain fully applicable to the Company, with respect to the disclosure of dealings in securities by directors.

For this transfer, the Company was assisted by Bryan, Garnier & Co. as Listing Sponsor.

First patient screened in the Whistler Phase 3b trial of NCX 470 in glaucoma

On December 18, 2023, the Company announced that the first patient has been screened in the Whistler Phase 3b clinical trial investigating the dual mechanism of action (nitric oxide and prostaglandin analog) of NCX 470 in intraocular pressure (IOP) lowering. NCX 470, a novel nitric oxide (NO)-donating bimatoprost eye drop, is Nicox's lead product candidate in Phase 3 clinical development for IOP lowering in patients with open-angle glaucoma or ocular hypertension.

The Whistler Phase 3b trial will enroll ~20 healthy volunteers with ocular hypertension in a double-masked, placebo-controlled study which will investigate the action of NCX 470 on aqueous humor parameters including trabecular meshwork outflow and episcleral venous pressure. Each subject will participate in the trial for ~8 days and the trial which is expected to last about a year will provide insight into the mechanism of action of NCX 470.

All the Company's press releases are available at https://www.nicox.com/news-and-events/press-releases-archive/.

2.4. Material subsequent events

License agreement with Kowa for NCX 470 development and commercialization in Japan

On February 8, 2024, the Company announced the signature of an agreement granting Kowa Company, Ltd. exclusive Japanese rights to develop and commercialize NCX 470, Nicox's nitric oxide (NO)-donating bimatoprost eye drop, for the lowering of intraocular pressure (IOP) in patients with glaucoma or ocular hypertension. Kowa, is a Japanese company with a global pharmaceutical business engaged in ground-breaking research, development and marketing.

Under the terms of the exclusive licensing agreement, Kowa has the rights to develop and commercialize NCX 470 in Japan. Kowa shall make a non-refundable upfront payment of €3 million to Nicox, with a further potential €10 million in development and regulatory milestones, €17.5 million in sales milestones and tiered royalties from 7% to 12% on net sales. Kowa shall be responsible for all development, regulatory and commercialization costs for NCX 470 in Japan.

The collaboration will be managed by a Joint Steering Committee. Kowa expects to conduct additional clinical trials in Japanese patients as required for regulatory approval of NCX 470 in Japan in addition to the development data from Nicox.

Debt restructuring, streamlining of the Company's corporate structure to extend its cash runway and focusing resources on the pivotal NCX 470 study

On February 28, 2024, the Company announced that it had signed an agreement in principle to amend its debt agreements with funds and accounts managed by BlackRock, Inc. and its affiliates ("**BlackRock**")[1]. The debt restructuring is intended to facilitate future financing and in parallel pursue strategic options which would allow the completion of the NCX 470 Phase 3 clinical trial, Denali.

The debt restructuring and related signature of the amended debt agreements (the "Closing") will come into effect subject to (1) Nicox initiating the Board-approved streamlining of its operating costs to focus on the completion of the Denali trial; and (2) calling an Extraordinary General Meeting ("EGM") to enable future financing.

The debt restructuring together with a reduction in operating costs allows for the interest-only period on the entire outstanding debt to be continued to 30 September 2024, extending the Company's cash runway to November 2024. Subsequently such interest only period would be further extended proportionally with future increases in the cash runway, provided however that the Company raises at least €3 million in equity financing by 30 September 2024, which would extend the cash runway into Q1 2025.

The Company's core ophthalmology development and key corporate functions will focus on the ongoing clinical development of NCX 470 in the pivotal Denali trial, preparation of a New Drug Application (NDA) and discussions on partnering and other strategic opportunities.

Bond debt restructuring agreement

Bond debt

As of 28 February 2024, Nicox had a total amount of €16.9 million debt outstanding from Kreos Capital VI (UK) Limited (together with its affiliates "Kreos"), in the form of amortizing and non-amortizing bonds. Further details on debt are given in notes 2.10 and 2.29.3 to the annual financial statements of Nicox SA.

[1] BlackRock Inc. announced the completion of its acquisition of Kreos, a leading provider of growth and venture debt financing to companies in the technology and healthcare industries, on 2 August 2023.

Payments up to 31 December 2025

- Under the current bond agreement, Nicox was due to begin repaying the Amortizing Bond to Kreos from February 1, 2024.
- Under the agreed terms of the amendment announced today, Nicox will make payments of interest only on the entire debt to Kreos until September 30, 2024, based on a cash runway until November 2024. Provided that Nicox raises at least €3 million in equity by 30 September 2024, the interest-only period will be extended each time the cash runway is increased, and no later than December 31, 2025.
- Nicox has the option to make capital repayments as part of paying down the amortizing bond. If Nicox decides not to make these payments, the interest rate on the entire debt would increase to 13.5% (from 9.25%) until such payments are made.
- Nicox will pay Kreos a 3% restructuring fee upon Closing.

Payments from January 1, 2026

- The non-amortizing bonds are currently due to be repaid on 1 January 2026
- Under the amended agreement, Nicox may, at its sole discretion, repay only part of these amounts, on 1 January 2026, and pay a fee on any unpaid amount, in which case Nicox will continue to pay interest on the remaining amount until 1 July 2026, which will be the final term of the debt.
- The settlement fee of 3% due on repayment of the entire debt due on 1 July 2026 shall be increased to 8% regardless of any pre-payments.
- Subject to a favorable vote at the EGM, the existing non-amortizing convertible bond shall be canceled and replaced with a new Convertible Bond at a revised conversion price (€0.4312, the 30-day VWAP prior to signature of the term sheet, subject to realignment with the next equity raise). If such a vote is not obtained, Nicox would pay back the loan in cash at the term together with a premium, which would be calculated as if the new pricing had been set for the convertible loan i.e. based on the share price increase at the time of repayment. The repayment may be made in cash or cash and shares, at Kreos' discretion.
- Kreos still holds 100,000 warrants to acquire Nicox shares at €4.2344 from a previous debt restructuring in January 2021.

Additional obligations upon Nicox

Under the terms of the amendment, Nicox undertakes to:

- Immediately initiate implementation of the Board decision to reduce its operations in France and Italy to reduce operating costs and optimize the structure of the Company for the completion of the second phase 3 trial, Denali.
- Call a Combined Ordinary and Extraordinary General Meeting to vote on future

financing resolutions and the changes to the Convertible Bond noted above.

Execution of the loan agreement

- The contractual amendment documents were signed by Nicox and Kreos on March 29, 2024.
- Nicox has proposed a business plan for the remaining term of the bonds based on estimations of costs and expected revenue and any significant deviation from the plan would require BlackRock's approval.
- Kreos will appoint two Observers (*Censeurs*) to the Nicox Board of Directors, subject to EGM approval.

Cash runway and cash needs

The debt restructuring and cost reductions extend the Company's cash runway to November 2024, based on focusing exclusively on the development of NCX 470.

The Company is pursuing business development discussions, including the sale or license of certain assets, and exploring multiple strategic options which could further extend the cash runway. The Company is evaluating all options for financing and will use the most appropriate at the time.

If the Company is unable to continue extending the cash runway and hence the interest-only period of the Amortizing Bond, the Company would be required to start repaying the capital of the Amortizing Bond, and may not have sufficient financial resources to do so, which could require the Company to sell assets or take other necessary steps to safeguard the situation in case it is unable to make the debt repayments

Corporate cost reductions

The Company is planning to reduce its operational costs to focus on the activities related to the Denali Phase 3 trial only. The implementation by the Company of their cost-reduction plan is a key feature of the debt restructuring agreement. The development team in the U.S., considered essential for the completion of the Denali trial, is not impacted by these changes.

Corporate governance changes

In the context of the cost reduction and downsizing, the following members of the Nicox Board of Directors have tendered their resignation, effective immediately: Adrienne Graves, Lauren Silvernail and Luzi von Bidder. These members will not be replaced on the Board of Directors

Nicox appoints experienced biotech executive Gavin Spencer as Chief Executive Officer

On February 28, 2024, the Company announced that its Board of Directors appointed the highly experienced biotech executive, Gavin Spencer. This appointment had immediate effect, following the Board's decision to end the term of office of Andreas Segerros.

Gavin Spencer was most recently Executive Vice-President, Chief Business Officer & Head of Corporate Development at Nicox. He has spent more than 25 years in the life sciences industry and combines strong business acumen with a solid scientific background and broad strategic, financial, corporate development, commercial and operational management experience in biotechs and large pharma.

In the context of cost and staff reductions, he will not be replaced in his previous position as Chief Business Officer, Executive Vice President.

All the Company's press releases are available at https://www.nicox.com/news-and-events/press-releases-archive/.

2.5. Outlook and trend information

Significant events since January 1, 2024 are described in section 2.4 of this Annual Report.

The uncertainties surrounding the company's prospects and operations are described in section 3 of this Annual Report.

Since January 1, 2024, the Company has extended its cash runway through the agreement with BlackRock (see section 2.3 *Financing*) and the agreement with Kowa (see section 2.4 *Material subsequent events* and the February 8 press release).

2.6. Profit forecasts or estimates

The Company does not publish profit forecasts or estimates.

3. Risk factors

This section presents the key risks which on the date of this Annual Report could have a material adverse effect on its business, financial status, operating results, or ability to achieve its objectives. However, the occurrence of risks unknown on the date of this Annual Report or not considered likely to have a material adverse effect on the date of this Annual Report cannot be excluded. Each year the Board of Directors reviews the risks to which the Company is exposed and issues an opinion as to their importance.

The key risks to which the Company considers it is exposed are presented according to the following categories, without any order of importance: (i) risks relating to the Company's financial position and capital requirements, (ii) risks relating to the products developed by the Company, regulatory authorizations and sale, (iii) risks relating to a dependence on third parties, (iv) risks relating the Company's intellectual property, (v) risks relating to the Company's organization, structure and operations, and (vi) risks relating to legal and administrative proceedings.

3.1. Risks relating to the Company's financial position and capital requirements

3.1.1. Risks associated with cash burn

At December 31, 2023 Nicox Group had cash and cash equivalents in the amount of €11.3 million compared to €27.1 million at December 31, 2022.

Nicox conducted a specific review of its liquidity risk and at the date of this report considers that the Company does not have sufficient net working capital, with respect to its current development plan, to meet its cash requirements over the next twelve months.

After the restructuring of its debt with Kreos Capital (an investment fund integrated into the BlackRock group) announced on February 28, 2024, and the signature of the agreement with Kowa on February 8, 2024, the Company currently has financing up to the end of November 2024, based exclusively on the development of NCX 470. The Company estimates that the Denali Phase 3 clinical trial on NCX 470 will be completed in the second half of 2025, and that additional financing will be required to complete this trial.

As part of the restructuring of the Company's debt held by Kreos Capital (now BlackRock) announced on February 28, 2024, the Company is required to raise at least €3 million in equity financing by September 30, 2024, and to have at least two months of available cash to extend the interest-only period which would extend the cash runway to Q1 2025 (see note 2.29.3 Subsequent events). If either of these conditions are not met, the creditor will be entitled to demand immediate repayment of all suspended installments, which would immediately place the Company in a situation of default.

In order to obtain at least €3 million in equity financing at the Company has undertaken which should extend its cash runway to at least February 2025, an extraordinary general meeting was called on the basis of a second meeting notice on May 6, 2024, as the Company did not reach the quorum required on the first meeting notice. The purpose of this meeting is to obtain the shareholders' approval of the financial resolutions submitted which are destined to enable the Company to complete its financing. However, the Company cannot guarantee that a quorum will be reached, that the shareholders will approve these resolutions, or that the public offering planned thereafter to obtain additional financing will be successful.

The Company is also pursuing discussions with a view to concluding cash-generating agreements, notably the sale or licensing of certain assets. It is also studying several other strategic options to extend its cash runway.

Although the Company has taken and will continue to take steps to obtain new financing and optimize its operating expenses, uncertainties regarding the ability to obtain such financing and the constraints imposed by the BlackRock agreement raise material doubts as to the Company's ability to meet its future cash requirements and in consequence continue as a going concern. Based on the measures taken thus far and those planned, the Board of Directors has concluded that the preparation of financial statements for the year ended December 31, 2023 on a going concern basis is appropriate, under the assumption that the Company will continue as a going concern for the foreseeable future.

3.1.2. Geopolitical risks

Although the global geopolitical situation has not had any direct impact on the Group's financial situation as of the date of this report, the Company cannot guarantee that it will not have an impact in the future.

3.1.3. Risk relating to the history of losses or the risk of future losses

To date, the Company has not generated sufficiently significant revenues to finance its activities. The Company has not yet generated profit and has incurred operating losses each year since the commencement of its operations in 1996 which amounted to €537,354,000 as of December 31, 2023.

Almost all the operating losses of the Company resulted from costs incurred in connection with research and development programs and the manufacture of products in preparation for their commercial launch, including activities in clinical and pre-clinical development phases, general and administrative costs linked to the Company's activities.

The payments that Nicox might receive from strategic partners under collaboration agreements might not be sufficient to cover its operating expenses and there is no guarantee, moreover, that the Group will receive additional payments under its collaboration agreements.

Nicox may be expected to continue to incur significant expenses and its operating losses should increase in the near future as a consequence of the significant investments carried out in connection with the development of its lead drug candidate.

These operating losses have had and may have a material unfavorable effect on the Company's financial position, cash flows and working capital. For that reason, no assurance can be given that the Company may one day be able to distribute dividends to its shareholders.

In addition, the Company has a €32 million receivable owed by its U.S. subsidiary Nicox Ophthalmics Inc. representing mainly cash advances historically granted under a cash pooling agreement between the parent company and its subsidiary. The subsidiary's ability to repay its debt to the parent company is intrinsically linked to ZERVIATE's commercial success in China. Based on the forecasts for sales (and by extension future royalty payments to the US subsidiary) provided by the Chinese partner Ocumension, it is reasonable to conclude that the subsidiary should be able to repay this debt.

If, in the future, the marketing authorization for ZERVIATE in China was not granted, or if the product's commercial success was not in line with the estimates provided by the partner, this would compromise the subsidiary's ability to repay this amount, and would force the Company to write down all or part of this amount, resulting in a significant increase in the Company's losses.

3.1.4. Risks relating to commitments incurred in connection with bond financing obtained from Kreos Capital

Nicox entered into a financing agreement for up to €20 million with Kreos Capital, structured as senior secured bonds and consisting of three tranches. All tranches were paid before January 2, 2020. This agreement was amended several times to extend the interest-only period and the maturity of the loan and convert a portion of the debt into convertible bonds. At December 31, 2023, the loan was broken down into three separate types of debt: a €11.8 million amortizing bond maturing on July 1, 2026, the principal of which was to be repaid as from February 1, 2024, a €3.3 million convertible bond maturing on January 1, 2026, and a €1.8 million bond with a €2.4 million premium due on January 1, 2026. This agreement was further restructured on February 27, 2024 (see section *2.3 Financing)*

The contract provides for various events of default, and in particular a breach of a material obligation of the contract, such as payment of amounts due or failure to provide financial information; failure to pay a debt exceeding €150,000; initiation of legal proceedings or suspension of activity. In the case of an event of default under the agreement, the amounts due under the loan would become immediately repayable and, in the event of non-payment, Kreos could enforce the security guarantees. There can be no assurance that Nicox will have the resources required for the early repayment of this bond issue. There can also be no assurance that cash flows generated by Nicox will be sufficient to pay the bonds at their maturity which could have a material adverse effect on its business, with security interests having been granted over certain tangible and intangible assets of Nicox S.A., and notably patents relating to the VYZULTA product (with the pledge having no impact on the exclusive worldwide license agreement with Bausch + Lomb), securities of the subsidiary Nicox Ophthalmics Inc. as well as a pledge of bank account balances and all receivables in excess of €100,000.

3.1.5. Risks associated with income and exchange rate fluctuations, reliability of investments

Nicox Group's recurring revenue to date consists of royalties on sales of VYZULTA and ZERVIATE. The Group considers that there exists an uncertainty about the evolution and stability of this revenue which could potentially impact its sources of funds.

The majority of Nicox Group's expenses is denominated in US dollars.

Royalty payments and milestone payments denominated in US dollars expected by the Group, and in particular through the exclusive worldwide license agreement granted to Bausch + Lomb for VYZULTA, are not of sufficient size for fluctuations in the euro's value against the US dollar to have a material impact on the Group's operating results.

Nicox Group does not have significant receivables subject to foreign exchange risks.

The Group also holds US dollar bank accounts that are translated into euros in the consolidated financial statements at each year-end exchange rate and which could be materially impacted by a significant change in the Euro/US Dollar exchange rate. This risk is however mitigated by the fact that cash is exclusively destined to cover the Group's expenses denominated in US dollars resulting from its research and development activities in the United States over the medium term.

3.1.6. Market risks

The Group does not have any financial instruments and in consequence does not have an exposure to market risk.

3.2. Risks relating to regulatory authorizations and the sale of products developed by the Company

3.2.1. Specific risks relating to NCX 470 and NCX 4251 whose development cannot be guaranteed

NCX 470 is a novel nitric oxide (NO)-donating bimatoprost eye drop in development for the reduction of IOP in patients with open-angle glaucoma and ocular hypertension. Another Nicox product candidate, which leverages an established molecule, is NCX 4251, a novel patented ophthalmic suspension of fluticasone propionate nanocrystals which is at clinical development stage for dry eye disease.

The first Phase 3 clinical trial, Mont Blanc, necessary for U.S. regulatory approval was initiated in the U.S. in June 2020 following a successful End-of-Phase 2 meeting with the FDA, and the topline results were announced on October 31, 2022. The second Phase 3 clinical trial, Denali, was initiated in November 2020. The Mont Blanc and Denali trials were designed to comply with the safety and efficacy regulatory requirements of Phase 3 studies for NCX 470 NDA submissions in both the U.S. and in China. The Denali trial is jointly conducted and financed in equal parts by Nicox and our exclusive Chinese partner Ocumension and includes clinical sites in both the U.S. and China, with approximately 80% of the patients to be recruited in the U.S. and the remaining 20% of the patients to be recruited in China. Based on the current patient enrolment rate, topline results for the Denali study are expected in the second half of 2025. The management of a multi-country clinical trial is more complex than in one country alone. The Denali trial includes a long-term safety extension with participation of patients from the U.S. and China. On November 7, 2022 the Company announced its intention to seek commercial partnerships for NCX 470 in the U.S. and Japanese markets and in February 2024 signed a partnership for Japan with Kowa.

Certain additional clinical and non-clinical data will be required to support NDA submissions. The requirements for a complete Chinese NDA submission may be different from those in the U.S. Changes in the regulatory environment in one country may impact Nicox's products or product candidates in other countries. For Japan, Kowa expects to conduct additional clinical trials in Japanese patients as required for regulatory approval of NCX 470 in Japan in addition to clinical development data from Nicox.

The Company has also completed a Phase 2b clinical trial for NCX 4251, Mississippi trial, initiated in December 2020 for the treatment of acute exacerbations of blepharitis, whose results were announced in September 2021. The Mississippi trial did not meet the primary efficacy endpoint of demonstrating complete resolution of the signs (eyelid margin redness and eyelid debris) and symptom (eyelid discomfort) of blepharitis, or secondary efficacy endpoints. However post hoc results suggested that once daily dosed NCX 4251, fluticasone propionate ophthalmic suspension 0.1%, is effective in reducing dry eye symptoms in patients scoring more highly for a key sign of dry eye. In February 2022, Nicox announced that it will be focusing the future development of NCX 4251 on dry eye disease rather than the indication for blepharitisas as initially planned, and in the first half of 2022, that it decided to stop the internal development of the product candidate and to seek a partner to develop it in the U.S, as the development plan for NCX 4251 was not financed. No partner has been identified to date, no development is in progress outside China, and the program remains available for licensing. In the event that the Company does not find a partner to advance the development of NCX 4251 outside of China, and is unable to finance such development itself, there is a risk that the development of NCX 4251 outside of China will never be pursued.

NCX 4251 is licensed in China to Ocumension Therapeutics that is currently reviewing the pharmaceutical development activities which would be needed to enter in clinical trials in that country. The requirements for a Chinese NDA submission may be different from those in the U.S., and in the event that Ocumension develops NCX 4251 for a different indication, this may require additional clinical and/or non-clinical data, or further pharmaceutical development.

There is a risk that the results of the NCX 470 clinical trials may not be sufficient to move forward with NDA submissions or that additional trials may be necessary to file for approval to commercialize NCX 470.

For NCX 4251, there is a risk that the development, if completed, may not lead to a commercially viable business, or that additional trials may be necessary to advance the development or in order to file for approval to commercialize NCX 4251.

Clinical trials or other development activities may be more costly or of longer duration than expected. There is no guarantee that Nicox, or a partner, can file an NDA for NCX 470 or NCX 4251 in the future.

The development of NCX 470 and NCX 4251 could be delayed or fail.

The Company's decisions to find a commercial partner in the U.S. for NCX 470 and to find a partner to continue the development of NCX 4251 in the U.S. could lead to expected future revenues that are lower than those that the Company could have expected if these products had been marketed directly, and consequently affect the recoverable value of the goodwill recognized on the statement of financial position.

3.2.2. Specific risks relating to NCX 470, NCX 4251 and ZERVIATE development in ex-US, ex-China and ex-Japan geographies

The Company has collaborations for the development and commercialization of its product and drug candidates in countries outside the United States, China and Japan, and expects to enter into further collaborations in the future. The regulatory requirements in such countries may be different from those in the U.S., China and Japan. If additional clinical or nonclinical studies are required, the Company or its partners may have difficulty finding suitable local contractors.

The development plans for product candidates are currently focused on obtaining regulatory approval in the U.S. initially. For NCX 470, the next expected approval would be in China. Other countries may require additional clinical or non-clinical data to support regulatory approval, which may delay development and launch in those countries. Generating additional data or incorporating the regulatory requirements of those countries into the Company's development plans may result in delay to, or increase the risk of, the development of such product candidates in those countries.

For products which have been approved in the U.S., FDA approval may, in some cases, be used as a basis for regulatory approval outside of the U.S. However, there is no guarantee that such regulatory approval will be achieved without the generation of additional clinical or non-clinical data, or that the product approved in the U.S. will be approved outside of the U.S.

3.2.3. Risks associated with clinical and non-clinical studies, affecting mainly NCX 470 and NCX 4251 which could significantly impact the Company's activity in the event of failure or delays

It cannot be guaranteed that the necessary authorizations will be obtained to conduct clinical studies.

There can be no assurance that the authorized trials will be conducted in a timely manner or that they can be conducted without significant additional resources or knowledge. Significant delays in the conduct of clinical trials and non-clinical studies could generate additional costs in connection with the development of the drug candidates in question. Such delays could also limit the period of exclusivity available to Nicox to commercialize its drug candidates.

Pharmaceutical companies or the regulatory authorities may suspend or terminate clinical trials if they consider that the trial patients are exposed to health risks.

The conduct of clinical trials depends on various factors such as indication, size of the affected population, nature of the clinical protocols followed, proximity between patients and clinical trial sites, eligibility criteria for trials, competition from other companies for the enrollment of patients to conduct clinical trials, availability of sufficient amounts of a compound of appropriate quality, ability to enter into agreements with appropriate subcontractors (and the discharge by them of their contractual obligations), and compliance with the regulatory standards.

The product candidates under development may not have the desired effects or may cause adverse reactions that preclude regulatory approval or limit their marketing potential. It frequently occurs that the favorable results of non-clinical studies and preliminary clinical trials are not confirmed in subsequent clinical trials.

Clinical trials may produce insufficient data to obtain regulatory approval.

This risk concerns mainly NCX 470 and NCX 4251 which are currently in the clinical development phase. The risks related to the development of NCX 470 and NCX 4251 may be different for countries other than the US, China and Japan, where development is currently focused.

While VYZULTA and ZERVIATE have been approved in selected territories, they remain subject to risks relating to clinical development in those territories where a marketing authorization is required which remains contingent on the nature of requirements imposed by regulatory authorities in these territories.

3.2.4. Risks associated with new products

The development or sale of new products generates risks associated with their novelty.

New Molecular Entities (NMEs) are compounds whose chemical and pharmacological profile is unknown at the time of their discovery. The product candidates under development covered by patents filed by Nicox relating to our nitric oxide (NO) release technology are NMEs. Each NME must be subjected to studies or extensive testing so that its chemical and pharmacological properties can be studied and investigated in detail. The outcome of these studies can entail a degree of uncertainty. Consequently, there can be no assurance that these compounds will demonstrate the same chemical and pharmacological properties in patients as those observed in the preliminary laboratory and animal studies, nor that these compounds will not interact unpredictably and intolerably with human biological functions.

When a molecule achieves first regulatory approval, it may be considered a NME. This classification allows for certain additional periods of marketing or patent exclusivity.

As new compounds, given that the uncertainties of their development, manufacture and properties are not known at the time of their design, difficulties may arise which might cause the company to terminate their development or their sale, thereby potentially affecting the company's prospects or financial position.

Certain product candidates under development by Nicox may include molecules that have already been approved. If the development data relating to the previous development of these molecules is available, Nicox may use it, but there is a risk that a molecule used in another formulation or for another indication or for another route of administration will present new or different side effects. Additional safety studies and/or efficacy studies on the new indication or formulation or route of administration may be required. NCX 4251 is a product candidate containing a molecule which has already been approved.

Recent changes in FDA regulations now consider NCX 4251 and NCX 470 as drug-led combination products in the U.S. This leads to a requirement to generate additional data and the product candidate will be subject to additional review steps for approval in the U.S., which leads to additional costs and/or a longer period for the review and approval of NCX 4251 and/or NCX 470 than would have been expected had it been treated purely as a drug product.

3.2.5. Risks relating to competition and rapid technological developments

The markets in which Nicox operates are highly competitive and rapidly changing. The company competes with larger companies with development programs that target the same indications, and with greater experience in the development and marketing of products. In addition, these companies

have far greater financial and human resources than the company. As a result, the company cannot guarantee that its products:

- Will be able to obtain the required regulatory approval or be brought to market more quickly than those of its competitors;
- will be able to compete with safer, more effective or less expensive existing or future products, including products which become generic;
- will adapt quickly enough to new technologies and scientific progress; and
- will be accepted and selected by medical centers, physicians or patients to replace or complement existing products.

New developments are expected both in the healthcare industry and in public and private research facilities. In addition to the development of safer, more effective and less costly products than those developed or marketed by Nicox, its competitors may manufacture and market products under better conditions. Furthermore, competitors' rapid technology developments, including new products developed during the development of our product candidates, may render Nicox's products obsolete before they can become commercially viable. In certain therapeutic areas targeted by Nicox products and product candidates, such as dry eye and allergic conjunctivitis, products may initially be obtained only by prescription and subsequently sold without prescription, which may have a significant impact on the available market for Nicox products and product candidates.

3.2.6. Uncertainty surrounding pricing and reimbursement schemes and reform of health insurance schemes

The ability of Nicox and its partners to secure commercially viable prices for its products that may potentially be marketed in the future depends on several factors, including the profile of its product compared to that of its competitors' products, the price of competing products, the existence of generic products and the targeted geographic area. The Company cannot guarantee that its products will secure pricing agreements for cost-effective marketing within the broader context, where pressure on pricing and reimbursement intensifies (greater control over prices, increased delisting, trend towards the promotion of generics). In some countries, specifically the U.S., the use of Nicox products may be constrained by the need for a patient to try an alternative, generally cheaper, product first before being prescribed a Nicox product. In certain cases, the healthcare prescriber may be required to specifically justify the prescription of the Nicox product in order for the patient to receive reimbursement. Such request can be refused by the company providing the reimbursement.

The commercial success of the Group's products depends in part on the agreement of the regulatory authorities responsible for health insurance, private insurance companies and other similar organizations in terms of product prices and reimbursement rates. Governments and third-party payers seek to control public health expenditure by limiting the reimbursement of new products. The Group cannot guarantee that it, its partners or its distributors will obtain a high enough reimbursement rate or price for the Company's products and the commercial profitability of these products in the market may consequently be affected.

In addition, pricing and prescribing freedom in some markets are governed and limited by the public authorities. The introduction of more stringent controls on pharmaceutical pricing can have a negative

impact on the company's activities, either directly on the products it intends to sell or indirectly on the amount of income that the company can earn through its partnerships and licensing agreements.

3.2.7. Risks related to the market launch of pharmaceutical products

The market launch of pharmaceutical products of the Company is subject to the following risks which could seriously affect the Company's financial position and prospects:

- Regulatory approvals, including approval of branding, may not be granted in time to secure a commercial return;
- The products may be difficult to produce on an industrial scale or their production on an industrial scale may prove too expensive;
- The products may not be profitable because of their cost of production, distribution and/or sale price as imposed by the relevant regulatory authorities;
- The products may not qualify for reimbursement arrangements in some countries, thereby potentially jeopardizing their commercial potential in certain jurisdictions;
- It may be difficult to achieve acceptable quality standards;
- The company may not find a trading partner for the marketing of its products;
- The products may not be marketable on account of rights held by third parties;
- third parties may market similar products that offer a higher benefit-risk ratio or a more competitive price; and
- A secondary effect or a manufacturing quality problem may arise at any time for a marketed product, which could lead to the restriction or withdrawal of regulatory authorizations for this product.

This risk concerns, in the short term, VYZULTA and ZERVIATE. Specifically, VYZULTA is currently being commercialized by exclusive worldwide partner Bausch + Lomb in more than 15 countries, including the U.S., and is also approved in a number of other countries. However, no assurance can be given that the product will be marketed in other territories. While ZERVIATE is marketed in the U.S. by exclusive U.S. partner Harrow, Inc. it is possible that it might never be marketed in other territories, including China where an NDA has been filed by its partner Ocumension in April 2023. With respect to the other product candidates, the risk associated with marketing will persist until a future date in light of their current stage of development.

3.2.8. Risks associated with regulatory constraints

The regulatory process may give rise to delays or rejections. The U.S. and European regulatory authorities tend to impose ever more cumbersome requirements, particularly regarding the volume of data required to demonstrate safety and efficacy. Other regulatory authorities, including China and Japan, may also change their requirements for the approval of pharmaceutical products.

Pharmaceutical products cannot be marketed in a given jurisdiction until they have been approved by the relevant regulatory authority, and all pharmaceutical development requires non-clinical and

clinical trials to demonstrate the safety and efficacy of the compound under evaluation. The unfavorable outcome of clinical trials or applications for regulatory approval of the therapeutic products developed by the Group is likely to have a material adverse effect on its business.

The achievement of primary endpoints of clinical trials, even with statistically significant results, does not guarantee that the drug-candidate will then be approved by the regulatory authorities. Those authorities may argue that the comparator was inadequate, that the number of patients involved was insufficient, or that the results, although statistically significant, are not clinically significant or that there is inadequate benefit-to-risk to approve the product.

Even after they have been approved, drugs and their manufacturers are subject to continuous and permanent review and the uncovering of problems or the inability to comply with the manufacturing and quality control requirements may lead to restrictions in the distribution, sale or use of these products and even to their withdrawal from the market.

The regulatory authorities have the authority, when approving a product, to impose significant limitations on the product in the form of warnings, precautions and contraindications, or restrictions on the indicated use, conditions for use, labeling, advertising, promotion, marketing, distribution and/or production of the product that could negatively affect its profitability.

The EMEA (European Medicines Agency), the US FDA (Food and Drug Administration), the Chinese NMPA (National Medical Product Administration), the Japanese PMDA (Pharmaceutical and Medical Devices Agency) and similar regulatory bodies may also implement new standards, or change their interpretation and enforcement of existing standards and requirements, for the manufacture, packaging or testing of products at any time. A company that is unable to comply could be subject to regulatory or civil proceedings or be ordered to pay fines.

New regulations may be enacted. Given the disparity of the regulations and procedures, which vary from one country or jurisdiction to another, obtaining authorization in each country within a reasonable time frame cannot be guaranteed.

The Risk Factors addressed here are on the basis of the regulatory environment at the date of this document. Regulatory requirements may be changed by regulatory bodies which may impact either the ability to commercialize already-approved products in the concerned territory, or may increase the costs and the time for development of product candidates. An example is the recent change in the FDA's position on ophthalmic dispensers, which are now considered medical devices, as noted in section 3.2.4. Specifically, FDA has determined that the language in 21 CFR 200.50(c) indicating that eye cups, eye droppers, and ophthalmic dispensers are regulated as drugs when packaged with other drugs is now obsolete, as these articles meet the "device" definition.

As part of its research and development work Nicox is, or may be, subject to regulations concerning safety standards, good laboratory practice (GLP), good clinical practice (GCP), good manufacturing practice (GMP), the experimental use of animals, the use and destruction of hazardous substances, in addition to regulations and market surveillance good practice (including medical device vigilance and pharmacovigilance) where the products are marketed. In the event of non-compliance with the applicable regulations, the company may be subject to penalties which may take the form of temporary or permanent suspension of operations, withdrawal of the product, restrictions on the marketing of the product and civil and criminal penalties.

3.2.9. Specific risks related to VYZULTA® (latanoprostene bunod ophthalmic solution), 0.024%

0.024% VYZULTA® is a prostaglandin analog with one of its metabolites being NO. VYZULTA was developed for the reduction of IOP in patients with open angle glaucoma or ocular hypertension in the U.S. The marketing authorization application for VYZULTA, submitted by its exclusive worldwide licensee, Bausch + Lomb was approved by the U.S. FDA in November 2017. VYZULTA is commercialized in more than 15 countries, including the U.S., and is also approved in a number of other countries.

The Company has identified the main risks related to VYZULTA below. Moreover, it should be noted that all of the "Risks related to Nicox's strategy and business: the research, development and marketing of ophthalmic products" apply to VYZULTA.

Outside of the countries mentioned in the first paragraph, it is still necessary to obtain regulatory approvals before launching VYZULTA on the market. There is no guarantee that Bausch + Lomb will file an application for countries other than these countries, or that if such applications are filed, that they will be successful.

As for marketing authorizations in Europe, a marketing authorization application (MAA) must be filed with the EMA (European Medicines Agency) or – in accordance with the decentralized procedure – with the national regulatory authorities of the European countries covered, which would conduct a validation process and scientific approval to evaluate the safety and efficacy of the drug.

The requirements of the EMA or national regulatory authorities may differ significantly from those of the U.S. FDA and these authorities may request the conduct of different non-clinical and clinical studies.

If VYZULTA has limited or no commercial potential, the Group's activities could be harmed

Nicox is contractually entitled to receive from Bausch + Lomb net royalties on sales of 6 % to 12 % after deduction of payments owed to Pfizer. Royalties received by Nicox depend on sales generated by Bausch + Lomb, which depend on the commercial success of VYZULTA in the countries where it is commercialized and any other territories where it may be commercialized. Nicox cannot guarantee such commercial success. Figures for actual sales may be impacted by the following factors:

- The commercial success of VYZULTA depends on several factors (none of these factors can be guaranteed by the Group), including:
    - Bausch + Lomb's success in obtaining a satisfactory product reimbursement level and sale price after, as applicable, discounts, allowing for viable business development;
    - The maintenance and development of commercial production capabilities at Bausch + Lomb that provide for flexible conditions to ensure enough orders are processed;
    - Continuing investments by Bausch + Lomb in medical, marketing and sales support at an appropriate level;

- VYZULTA's acceptance by the medical community, and, more generally, the success of its launch, commercial sales and distribution.

- Bausch + Lomb's ability to manufacture VYZULTA in accordance with applicable regulatory requirements; and

- Bausch + Lomb's continuing ability to obtain marketing approvals in other countries for VYZULTA and its wish to apply for such authorizations.

- In addition, restrictions on the use, promotion or sale of VYZULTA or other post-approval restrictions could limit the market potential and reduce the sales volume of the product and its profitability;

Bausch + Lomb has focused its efforts on the United States and countries which accept US FDA approval or reference to existing studies in support of marketing applications in local countries. To our knowledge, marketing applications have not been filed in Europe or Japan and we are not aware of any such plans. In addition, no assurances can be given that such marketing authorizations would be approved. The absence of a marketing authorization for VYZULTA outside of the countries where it is commercialized could limit the commercial success of this product and have a significant effect on the Company's financial position and delay achieving its objectives.

3.2.10. Specific risks related to ZERVIATE® (cetirizine ophthalmic solution), 0.24%

ZERVIATE® is an innovative and patented cetirizine-based eye-drop developed to treat ocular pruritus (itchy eyes associated with allergic conjunctivitis).

The Company has identified the main specific risks associated with ZERVIATE which are listed below.

If ZERVIATE has limited or no commercial potential, the Group's activities could be harmed

In September 2017, Nicox entered into an exclusive license agreement with Eyevance Pharmaceuticals (an affiliate of Santen Pharmaceuticals, Ltd., Japan) for the commercialization of ZERVIATE in the U.S. All manufacturing and regulatory responsibilities, together with decisions on launch timing, lie with Eyevance. In March 2020, Eyevance launched ZERVIATE in a unit-dose presentation in the U.S. In July 2023, Harrow, Inc. acquired from Santen, the owner of Eyevance, the commercial rights to certain U.S. ophthalmology products. Many countries outside of the U.S. and other major markets base their regulatory approval on FDA approvals. Consequently, the development programs outside of the U.S. may be negatively impacted by the delayed availability of the multi-dose trade unit product presentation and their development risks may increase.

In March 2019, the Company entered into an exclusive license agreement with Ocumension Therapeutics for the development and commercialization of ZERVIATE for a territory comprising mainland China, Hong Kong, Macau and Taiwan or the Chinese market. In March 2020 the license agreement was amended to expand Ocumension exclusive rights to the majority of the Southeastern Asian countries. In February 2022 a Phase 3 clinical trial in China was successfully completed by Ocumension which has submitted an NDA for the Chinese market in April 2023. A Chinese marketing authorization application filed in April 2023 was included in the priority review and approval process of National Medical Products Administration of the People’s Republic of China (NMPA). Approval and commercial launch of ZERVIATE in China is expected in 2024.

In December 2019 the Company entered into an exclusive licensing agreement with Samil Pharmaceutical for the development and commercialization of ZERVIATE in South Korea which was expanded in February 2022 to include Vietnam.

In August 2020, the Company entered into an exclusive license agreement with ITROM Pharmaceutical Group for the development and commercialization in Gulf and Arab markets.

In May 2021, the Company entered into an exclusive license agreement with Laboratorios Grin for the registration and commercialization in Mexico. Laboratorios Grin notified Nicox that the license agreement would be terminated effective July 23, 2023, with no financial impact for the Company

No guarantee exists that the Company or its partners will obtain regulatory authorizations to sell ZERVIATE outside the U.S.

- The Company does not plan to commercialize ZERVIATE directly in any country and therefore cannot guarantee its commercial success. Potential partners make evaluations of the regulatory and commercial environment concerning products for allergic conjunctivitis, and the potential costs for approving and commercializing ZERVIATE. The Company cannot guarantee that any such evaluations will be positive, and that any positive evaluation will lead to the signature of an agreement. Regulatory authorities might impose restrictions on the use or sale of ZERVIATE. These restrictions could limit the potential market, delay the launch and/or reduce the level of sales and profitability of the product.

- The commercial success of ZERVIATE will depend on several factors (none of which can be guaranteed by the Group), including:

    - Availability of the product within the timeframe and in sufficient quantities to support its commercial launch;

    - The maintenance and development of commercial production capacities that provide for flexible conditions to ensure enough orders are processed;

    - In July 2023, Harrow, Inc. acquired from Santen, the owner of Eyevance, the commercial rights to certain U.S. ophthalmology products. There exists a risk that this could have an impact on ZERVIATE sales.

    - In the United States, Harrow's success in obtaining a satisfactory reimbursement level and sale price after, as applicable, discounts, allowing for viable business development; This will apply similarly when ZERVIATE is launched in other countries;

    - In the U.S., the continued investment by Eyevance in medical, marketing and sales support at an appropriate level. This will apply similarly when ZERVIATE is launched in other countries;

    - In China, obtaining marketing approval for ZERVIATE by Ocumension;

    - The Company's ability to include new partnerships to develop and market ZERVIATE in other countries;

    - The ability of our partners to obtain regulatory authorizations in other countries;

- The acceptance of ZERVIATE by the medical community, and, more generally, the success of the launch, commercial sales and distribution; and

- The US anti-allergy market is changing with many competing products moving from prescription to over-the-counter (without a prescription), and with a significant presence of prescription generics, which may impact potential sales of ZERVIATE.

3.2.11. Product liability and coverage from insurance policies

The use of drug candidates under development in clinical trials and the possible sale of drugs may expose the company to liability suits. In the United States, the approval of a product by the US FDA may only offer limited or indeed no protection against liability claims based on federal state law (federal preemption cannot be invoked), and the obligations imposed on the company may vary from one federal state to another. If the company cannot successfully defend against liability suits, including liability in connection with clinical trials of its product candidates under development or with future commercial sales of its therapeutic products under development, it could incur heavy liability with potentially adverse consequences for the company.

The insurance policies obtained by the Company might not adequately cover the risks of its existing activities.

Whatever the grounds or eventual outcome of any liability suits, they could result in a fall in demand for a product, a reputation loss for the company, the withdrawal of volunteers from clinical trials, the withdrawal of a product from the market and/or loss of revenue.

3.2.12. Environmental and industrial risks, financial risks linked to the effects of climate change

Nicox's research and development activities involve the storage, use and disposal of hazardous radioactive and biological products (see Section 1.2.1.5 “Environmental information" of this Annual Report). Since 2012, these activities have been outsourced. Although these activities are monitored and involve only small amounts of hazardous materials, they pose a risk of contamination to the environment. Even though the Group believes that its activities and procedures comply with standards laid down by applicable laws and regulations, the risk of accidental contamination or injury due to the storage, use and disposal of these hazardous materials cannot be completely eliminated. Nicox could therefore be held liable for amounts over and above the limits of its insurance policy. The occurrence of such a risk could have a significant negative impact on the Group's financial position.

The Company has not identified any specific risk, in particular financial, linked to the effects of climate change and has therefore not taken any action in this regard, which does not mean that this risk does not exist.

3.3. Risks relating to dependence on third parties

3.3.1. Dependence on third parties for carrying out clinical and nonclinical studies

The Company has recourse to subcontractors, and in particular medical institutions, clinical researchers, clinical research organizations to conduct its clinical and non-clinical studies. The Company is able to exercise full control over the activity of its subcontractors.

Should its subcontractors fail to respect the terms of their engagement or not succeed in meeting the deadlines provided for within the framework of the trials to be conducted, the Company might be required to delay the development and sale of certain drug candidates.

In the event of default by subcontractors responsible for conducting clinical trials and non-clinical studies, no assurance can be given that the Company will find an alternative solution with other parties which offer acceptable commercial conditions.

In consequence, the occurrence of one or more of these risks could have a material adverse effect on the Group's business, financial position and prospects.

3.3.2. Reliance on partners of collaboration agreements and on outside consultants

To maximize its chances of success to launch its products on the market, it could be preferable for Nicox to enter into collaboration agreements with third party companies, and notably with Bausch + Lomb for VYZULTA, Harrow Inc., Samil Pharmaceutical and ITROM Pharmaceutical Group for ZERVIATE, Kowa for NCX 470 and Ocumension Therapeutics for ZERVIATE, NCX 4251 and NCX 470.

The company cannot guarantee that it will be able to maintain the collaboration agreements in force, enter into new agreements in future on acceptable terms, or that these agreements will produce the desired results.

When the company enters into a collaboration agreement, it runs the risk that its partner may unilaterally and arbitrarily terminate the agreement or decide not to market the product. If current partners decided to terminate the agreements in place, or the development of selected compounds, the company would then have to pursue the development of these products itself, seek new partners or cease their development. Such a situation could increase the company's costs and/or adversely affect its business. The termination or non-renewal of a collaboration agreement could also adversely affect the company's image and share price.

Conflicts could arise with the company's partners. In addition, the company's partners could seek to compete with it. The existence of non-competition clauses in the company's collaboration agreements may not provide adequate protection.

Nicox also relies on outside consultants and subcontractors (such as academic researchers, medical specialists, and clinical and pre-clinical research organizations) to develop its products. Agreements between the company and such consultants and subcontractors may include limitation of liability clauses in favor of the other contracting party, in which case the company may not be able to secure full compensation for any losses incurred if the other contracting party fails to perform. Competition for access to these consultants is high, and the company cannot guarantee that it will be able to maintain its existing relationships on commercially acceptable terms. In general, contracting parties may terminate the contract at any time.

The Company depends on the successful execution by its partner licensees of the development plans, regulatory submissions and for obtaining regulatory and marketing approvals for the products. In consequence, the occurrence of one or more of these risks could have a material adverse effect on the Group's business, financial position and prospects.

3.3.3. Risks associated with manufacturers, the manufacturing costs of products, the price of raw materials and reliance on third party manufacturers

Because Nicox's products and drug candidates are manufactured by third parties, it has limited control over manufacturing activities. Nicox has neither the infrastructure nor the experience required to manufacture pharmaceutical products. Nicox's dependency vis-à-vis third parties and its lack of experience in commercial-scale production increases the risk of difficulties or delays since its drug candidates are manufactured by third-party manufacturers, for clinical and non-clinical studies, but also for sale after the products have been approved. Unforeseen manufacturing problems could cause delays in commercial sourcing or the clinical trials.

The manufacture of VYZULTA is the responsibility of Bausch + Lomb worldwide.

The manufacture of ZERVIATE in China will, if approved, be the responsibility of Ocumension.

The manufacture of ZERVIATE for the U.S. is the responsibility of Harrow, Inc. However, in countries whose regulatory approval depends, or will depend, on the U.S. FDA approval of ZERVIATE, any changes in the approval and status of manufacturing may negatively impact Nicox’s development partners and programs in such country. In some cases, a different manufacturer or product presentation may also be required by Nicox’s partners. In such case, transfer of manufacturing may result in delays to regulatory approval.

Nicox might delay the development of its products under development if their manufacture is disrupted, stopped or becomes too expensive. The manufacture of medicines must comply with the applicable regulations and with good manufacturing practices, which is a complex, time-consuming and expensive process. Manufacturers may be subject to inspections prior to approval by regulatory authorities before obtaining marketing authorizations. Even after product approval, the facilities of manufacturers with whom the Company is associated are subject to periodic inspections by regulatory authorities or administrative authorizations that may be suspended. Nicox cannot guarantee that such inspections would not give rise to compliance issues that may prevent or delay marketing authorization, adversely impact the Group's ability to retain approval of the product or its distribution, or oblige the Group to use additional resources, financial or otherwise. Business would be negatively affected should its manufacturers fail to comply with the applicable regulations and recommendations.

3.4. Risks relating to the Company's intellectual property

3.4.1. Infringement and potential infringement of patents and by other intellectual property rights covering our products and product candidates

The Company, by the nature of its activity, is highly dependent on the protection of its intellectual property.

As far as patent-protected products are concerned, if the patent or patents relating to a product developed, in-licensed or acquired by the company were invalidated or declared unenforceable, the development and marketing of such compound or product would be directly affected or interrupted. The company may, for budgetary or other reasons, not be able to retain its patent portfolio in full, given the high cost of annuities and of potential lawsuits.

Nicox cannot therefore guarantee that:

- It will develop new patentable inventions, or that its patents will allow it to develop commercially profitable products;
- The filed patent applications will be granted;
- If these patents are granted, they will not be challenged, invalidated or declared unenforceable;
- that third parties will not develop products that are not in the scope of protection of its patents; or
- The products that it develops or might in-license or acquire will not infringe, or will not be alleged to infringe, patents or other intellectual property rights owned by third parties.

3.4.2. Scope, validity and enforceability of patents

The grant of a patent does not guarantee its validity or its enforceability and may not provide exclusive protection or competitive advantages against competitors with similar products.

To ensure the longest possible exclusivity, the company intends to seek an extension of certain of its patents for a period of up to 5 years. Nevertheless, it cannot guarantee that such extensions will be obtained and failure to obtain these extensions is likely to harm the products concerned. The portfolio of patents and patent applications of the Company covers a number of products. The failure to obtain an extension for patents could have a significant impact for the sale of products concerned and expose the Company to increased competition, which would have consequences on the Company's financial position and prospects.

In particular, the expiration of patents protecting VYZULTA (protection in the USA until 2029), ZERVIATE (protection in the U.S. until 2030 and 2032, in Japan, Canada and Europe until 2030), NCX 470 (worldwide protection under a composition of matter patent until 2029 with potential extensions up to 5 years in the U.S. and EU and formulation patent until 2039 in the U.S., Europe, Japan and China), and NCX 4251 (worldwide protection by patents until 2033 and up to 2040 by additional patents granted in the U.S., Europe, Japan and China) could have a material adverse effect on the Company's business and financial position.

3.4.3. Litigation and defense of patent rights

Competitors can or could infringe the patents of products developed or marketed by Nicox or attempt to circumvent them. The company may have to resort to legal action to enforce its rights, to protect its trade secrets or to determine the scope and validity of others' proprietary rights. Furthermore, the ability of the Group to assert its rights under patents depends on its ability to detect infringements. It is difficult to detect infringers who do not advertise the compounds used in their products.

The protection conferred by a patent in practice varies by product and by country, and depends on many factors such as the nature of the patent, the scope of its protection, the possibility of regulatory extensions, the existence of legal remedies in a given country, and the validity and enforceability of the patents. The laws governing patents are constantly changing and vary from one country to another, with potential for rendering protection uncertain. The Company's patent portfolio includes patents issued in various foreign countries which are on that basis at particular risk.

Any litigation to assert or defend the Group's rights under patents, even if the rights of the Company should prevail, may prove costly in resources and time, and would divert the attention of management teams and key employees from carrying out Company business, which could have a material adverse effect on the Company's operations.

3.4.4. Possible infringements of third-party patents

Products developed or in-licensed by the company must not infringe the exclusive rights belonging to third parties. Third parties may also allege infringement by Nicox of their patents or of other intellectual property rights. If a legal action is brought against the company on such grounds, there can be no assurance that the company will win the case. Moreover, even if Nicox conducted prior art searches to determine whether its rights infringe the rights held by third parties, it cannot be certain that all relevant rights have been identified because of the uncertainty inherent in this type of search. Such disputes could divert the attention of management teams and key personnel from their task of managing the Company's operations which could have a material adverse effect on the Company's business.

Any claim of patent infringement whose outcome is unfavorable to Nicox could require it to pay significant damages as well as royalties. As a result of claims by third parties, the company may be forced to change or rename its products to avoid infringement of the intellectual property rights of third parties, which could prove either impossible or costly in resources and time. In these circumstances, the Group may have to halt the development and/or sale of these products which may have adverse effects on the Company's financial condition and prospects.

3.4.5. Products not protected by intellectual property rights; trade secrets;

The Company may be required in connection with its activities to license or sell therapeutics that are not protected, in all or part of the territories concerned, by intellectual property rights. In this case, it is likely that other market participants will market similar or identical products on the same markets, which may seriously affect the commercial prospects of such products as a result of this increased competition, or indeed the financial condition of the Company.

The development new therapies by the Company depends in part on protecting trade secrets in order to preserve the confidentiality of technologies and processes used. Where there exists non-public know-how or other trade secrets concerning a product (whether or not the product is patent-protected), the company cannot be certain that confidentiality will be ensured and that such know-how or trade secrets will not be disclosed. If disclosed, the products covered by such trade secrets could see their commercial potential diminished.

3.4.6. Risks associated with the protection of trademarks

Nicox is exposed to certain risks related to trademarks. Nicox has submitted applications in numerous countries in order to register several trademarks, particularly for its products. These trademark applications may not result in registration or may be canceled following their registration on the grounds of non-use, revocation or infringement. The company may be denied use of the brand name. Some trademark applications filed by the company may be subject to opposition proceedings. There is no guarantee that the company will be able to resolve these trademark-related disputes and similar disputes in the future. Also, trademarks intended to designate products may be rejected by the relevant regulatory authorities.

3.4.7. Employees, consultants and subcontractors

The company cannot guarantee that the confidentiality agreements signed with its employees, consultants and subcontractors will be respected, that it will have adequate remedies for disclosure of confidential information, or that sensitive data will not be brought to the knowledge of third parties in another manner or independently developed by competitors.

Nicox regularly enters into agreements with researchers working in academia or with other public or private entities and, in such cases, the company has entered into intellectual property agreements with these entities. However, the company cannot guarantee that these entities will not claim intellectual property rights over the results of work conducted by their researchers, or that they will grant licenses for such rights to the company on acceptable terms. This would have a significant adverse impact on the company's business and financial condition.

3.5. Risks relating to the Company's organization, structure and operations

3.5.1. Reliance on qualified personnel

The Company's activities rely on a number of key executives and skilled personnel, particularly the members of the Executive Committee. Competition for the recruitment of managers and qualified personnel is fierce in the Group's area of activity. The Group's strategy for development and potential expansion requires it either to continue expanding its teams or to replace employees who have left the Company by recruiting qualified personnel. The Group cannot guarantee that it will be able to retain the human resources currently available to it or that it will be able to recruit any new resources it might require. The departure of key managers or scientists could delay the achievement of objectives in terms of research and development and the commercialization of products, which would significantly impact the Group's business and prospects.

In addition, the Group's limited workforce does not allow for replacements in the case of the absence of an employee so that the prolonged leave of an employee can significantly disrupt operations.

3.5.2. Risks associated with potential future acquisitions of products or companies and with potential future in-licensing transactions

In response to competition and the increasing concentration of resources in the pharmaceutical industry, the Group has carried out and will continue to carry out acquisitions. In addition to the portfolio of assets developed in-house, the Group could acquire rights to product candidates through in-licensing or other transactions, at different stages of advancement. The Group might however be unable to identify appropriate acquisition or licensing targets or conduct acquisitions or licensing transactions under acceptable terms or could even find itself unable to complete the integration of these acquisitions or licensed products, which would be likely to disrupt Group operations and have a negative impact on its activities and its results.

Nicox might continue to seek acquisitions with the aim of optimizing its business model, developing its customer base, accessing new markets and achieving economies of scale. Acquisitions entail certain known and unknown risks that could mean that the Group’s growth and actual operating results differ from its forecasts. Thus, the Group:

- might not manage to identify suitable acquisition targets under acceptable terms;
- might seek acquisitions in foreign countries, which represents greater risks than those inherent to domestic acquisitions;

- might find itself in competition with other companies for acquiring complementary products and activities, which could be reflected by lesser availability or an increase in the acquisition costs of intended targets;

- might not achieve the necessary financing under favorable terms, or not achieve any financing at all, for all or some of the potential acquisitions; or

- the products or activities acquired might not generate results in line with the Group's forecasts, which would then risk not achieving the anticipated revenue and returns.

Furthermore, such an acquisition strategy could divert Management's attention from its existing activities, resulting in a loss of key employees. This strategy could also expose the management to unexpected problems or liabilities, such as successor liability for contingent or undisclosed liabilities related to the activities or assets acquired.

If the Group fails to conduct effective prior assessment of these potential targets (due diligence), it risks, for example, to not identify the problems of target companies or not identify incompatibilities or other obstacles to successful integration. Its inability to integrate future acquisitions satisfactorily could prevent it from receiving all the benefits of these acquisitions and considerably weaken its operational activities. The process of integration may also disrupt its activity and, if new products or activities are not implemented effectively, prevent the Group from fully achieving the expected returns and prejudice its operating results. Furthermore, the total integration of new products or new activities may cause unexpected problems, expenses, liabilities and reactions from the competition. Difficulties related to the integration of an acquisition include the following:

- integrating products or activities of the target company with those of the Group;

- incompatibility between marketing and employee management techniques;

- maintaining staff motivation and retaining key employees;

- integrating the cultures of both companies;

- maintaining important strategic customer relationships;

- consolidating corporate and administrative infrastructures and eliminating duplications; and

- coordinating and integrating geographically separate organizations.

Moreover, even if the integration of an acquisition's operations is successful, the Group may not receive all the anticipated benefits, including in terms of the synergies, cost savings and growth opportunities expected. These benefits might not be obtained within the planned deadlines, or even never be obtained, which would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

Furthermore, as a result of acquisitions, the Group may find itself forced to:

- use a substantial portion of its cash resources;

- increase its expenses and its debt level if the Group has to make additional borrowings to finance an acquisition;

- take on liabilities for which the Group is not indemnified by the former owners, given that indemnification obligations may also be the subject of litigation or concerns in connection with the solvency of the previous owners;

- lose existing or potential contracts owing to conflicts of interests;

- suffer adverse tax consequences or deferred compensation charges;

3.6. Risks relating to legal and administrative proceedings

In connection with its submission of an abbreviated new drug application (ANDA) to the FDA for approval of a generic version of VYZULTA (latanoprostene bunod), Gland Pharma, an Indian company specializing in generic drugs, is claiming, in accordance with standard practice, that the patents covering VYZULTA are invalid. On June 30, 2022, Bausch + Lomb and Nicox filed a joint complaint against Gland Pharma in New Jersey contesting this allegation (with Bausch + Lomb assuming all costs of this proceeding). As a consequence of this lawsuit, the FDA's regulatory review of the ANDA is automatically suspended for a period of 30 months. Furthermore, court filings confirmed that Gland Pharma will not launch a generic version of VYZULTA and will not obtain regulatory approval for it until the lawsuit is resolved. Under the terms of the license agreement, Bausch + Lomb will pay all costs related to this proceeding while Nicox will assist Bausch + Lomb in providing all necessary documents and information.. It is estimated that the legal proceedings could last 3 or 4 years, and court filings confirm that pre-trial activities are likely to continue beyond the end of 2024. If one or more patents were to be invalidated (within 3 or 4 years), which the Company believes is unlikely, the Company would no longer receive revenue from Bausch + Lomb, it being specified that this would concern revenue generated in the United States.

Following receipt of notification of the submission of an Abbreviated New Drug Application (ANDA) to the FDA for approval of a generic version of VYZULTA (latanoprostene bunod), Bausch + Lomb and Nicox filed a joint complaint against Dr. Reddy's Laboratories on June 27, 2023 in New Jersey contesting an allegation that the patents covering VYZULTA were invalid. The approximate duration of the legal proceedings, the responsibilities for payment of costs related to the proceedings and for providing the necessary documents and information, and the 30-month regulatory review stay by the FDA apply to Bausch + Lomb and Nicox in the same way as the legal action against Gland Pharma. This legal proceeding is expected to last for a period of 3 to 4 years.

If VYZULTA's patent is invalidated in the United States, the royalties received by Nicox could be reduced or even cease, which could adversely impact the Company's financial position.

The Company contests the application of social security contributions on directors' compensation paid to two non-employee directors whose tax residence is in the United States. By judgment of January 24, 2020, the Court of Justice of Nice approved the claims of the Company; URSSAF appealed this judgment, requesting that it be overturned, the social security charge adjustment confirmed and, as a result, that the Company be ordered to pay €95,054 in principal and €2,000 under Article 700 of the French Code of Civil Procedure. The case was struck from the docket due to the failure of URSSAF to perform procedures. After initiating new procedures, the case was reinstated. The judgment was delivered in favor of Nicox on February 2, 2023, and may still be appealed. To date, the Company has not been notified of a hearing date.

In February 2019, the Company received a tax audit notice for fiscal years 2016, 2017 and extended to 2018 for certain tax items. This audit was completed in September 2020 by a tax deficiency notice concerning €49.6 million in tax loss carryforwards out of a total of €484.6 million available at December 31, 2020 in addition to €0.7 million in withholding tax. The Company strongly contested the merits of these tax adjustments and duly notified the tax authorities by letter on November 10, 2020.

In March 2021, the tax authorities withdrew their challenge to a portion of the tax loss carry-forward for €24.8 million. In 2021, after the Company appeal this decision to a higher administrative body, the two remaining tax assessments were maintained.

In the first half of 2022, a €0.7 million withholding tax was assessed and paid by the Company. The Company filed a claim regarding the assessment of this amount, which was rejected on September 5, 2022. On November 4, 2022, the Company filed an application with the French Administrative Court for relief from the additional withholding tax, including penalties. The Administrative Court acknowledged receipt of this application on November 8, 2022 with regard to this dispute. To date, the Company has not been informed of a hearing date.

Concerning the second point of the tax adjustment, i.e. the challenge to the tax loss carryforwards arising from the Company's business activities prior to 2016, the Company decided not to bring the matter before the administrative court and instead corrected its tax loss carryforwards of €24.8 million by deducting them from the tax return for this fiscal year. After this deduction, the Company's tax loss carryforwards amounted to €507,923,547 at December 31, 2023.

3.7. Insurance and risk coverage

3.7.1. Insurance

Civil liability of senior officers

The Company purchased a global directors and officers liability policy for Group's senior officers (including directors) including coverage for defense costs before the civil and criminal courts, with a coverage limit for 2023 of €20 million per claim and period of insurance.

General civil liability: Operational, product and professional civil liability

The Company purchased a master policy to cover the civil liability of Nicox Group companies' operations, with a coverage limit for 2023 of €7.5 million per claim for damage to third parties arising from their operations. The Company obtained an extension of guarantee for Product and Professional Liability in the amount of €15 million per claim and per year of insurance with a deductible of €30,000 per claim. Lower limits of coverage exists for the different guarantees.

This Master Policy provides DIC/DIL (difference in conditions/difference in limits) coverage on top of a local civil liability policy obtained by Nicox Ophthalmics Inc. for the civil liability of the latter within a limit of US$1 million per claim and per insurance year.

Nicox Ophthalmics Inc. took out a compulsory insurance policy to reimburse the wages and medical expenses of employees involved in occupational accidents and diseases (Workers' Compensation) within a limit of US$500,000 and US$100,000 per claim.

Nicox Research Institute purchased coverage for civil liability, civil and criminal legal protection, damage to property, products, its premises, occupational accidents, death and disability for certain designated persons.

Premium for 2023 for the master insurance policy and third-party liability insurance described above amount to €179,770.11, including taxes.

3.7.2. Management of IT and data protection risks

Besides the insurance policies described in the preceding section, the Company has taken precautions to ensure continued operations and to avoid any significant loss in the event of a major incident. Computer data is outsourced to a cloud provider and fully outsourced. Daily, weekly and monthly backups are performed on a five-day-rolling basis. Backed up data is stored in a Tier 3 datacenter . The Company entrusts the storage and backup of all materials relating to its clinical studies, its financial data and its human resources data to a specialist company.

4. Other information contained in the Management Report

4.1. Five-year financial summary of Nicox SA

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
CAPITAL AT END OF YEAR					
Issued capital	50,170,498	50,100,448	43,138,185	37,030,335	33,230,570
- Number of ordinary shares:	50,170,498	50,100,448	43,138,185	37,030,335	33,230,570
- Number of shares to be created through subscription rights	17,613,606	17,459,314	7,925,498	1,394,800	1,175,620
OPERATIONS AND RESULTS					
Revenue excluding taxes	6,903,204	5,453,301	6,719,332	14,588,755	4,051,734
Income before tax and employee profit-sharing, allowances for amortization, depreciation and provisions	-25,045,382	-19,593,315	-13,155,725	-18,077,590	-14,478,826
Income tax (research tax credit)	477,834	504,372	716,324	735,673	864,066
Employee profit-sharing	-		-	-	-
Allowances for amortization, depreciation and provisions	3,686,623	12,196,037	37,898,091	-5,253,701	7,415,812
Loss for the period	-20,880,925	-31,284,980	-50,337,492	-12,088,165	-21,030,573
Distributed earnings					
EARNINGS PER SHARE					
Income after tax and employee participation, but before allowances for amortization and provisions	-0.50	-0.39	-0.30	-0.49	-0.67
Loss for the period	0.42	-0.62	-1.17	-0.33	-0.63
Diluted net income	0.42	-0.62	-1.17	-0.33	-0.63
Dividend paid					
PERSONNEL					
Average headcount	11	12	15	15	17
Payroll	1,763,771	3,052,983	2,091,591	2,219,207	2,252,066
Sum paid in benefits [social security, welfare, etc.]	738,742	1,176,890	952,285	1,170,468	1,018,879

4.2. Risk management

The risks and uncertainties facing the Company are the same as those described for the Group in Section 3 of Part 1 of the above management report.

4.3. Dividend policy

The Company has paid no dividends in the previous three fiscal years ended December 31, 2021, 2022 and 2023 respectively.

4.4. Disallowed deductions

Pursuant to Articles 223 *quater* and 39.4 of the French Tax Code, the total amount of non-deductible expenses and charges for tax purposes is €4,553,079 and concerns mainly an allowance for impairment of the shares of the US subsidiary.

4.5. Existing branch offices

The Group had no branches on the date of this Annual Report.

4.6. Loans of less than three years

The Company has not granted any loans to micro-enterprises, SMEs or mid-sized companies.

4.7. Statutory disclosures on the AR/AP aged trial balance

As the Company does not have direct sales, there is no reason to provide information on the aged trial balance for accounts receivable.

Statutory disclosures on the accounts payable aged trial balance at December 31, 2023 are presented below by due date:

	Invoices received and not settled on the closing date and past due						Invoices issued and not settled on the closing date and past due					
	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Late payment date ranges												
Number of invoices concerned	68					**20**						
Total amount of concerned invoices incl. VAT	1,307,193	166,180	-	1,877	1,260	**169,327**		-		-	-	
Percentage of total purchases of the period incl. VAT	6.68%	0.85%	-	0.00%	0.00%	**0.87%**						
Percentage of revenue of the period incl. VAT							%	-		-	-	
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables												
Number of invoices					7	**7**						
Amount of invoices					7,076	**7,076**						

4.8. Shareholder information

Information about the breakdown of the Company's share capital, employee shareholdings and information on transactions carried out by directors and officers during the year ended December 31, 2023 is described in the Corporate Governance Report in Part 2 of this report.

4.9. Share buyback program

The Company has set up a share buyback program with Kepler Cheuvreux between August 3, 2020 and January1, 2024. Since that date, the Company no longer has a share buyback program.

The ordinary general meeting of June 15, 2023 authorized the Board of Directors, with the powers to sub-delegate, according to the conditions provided for by articles L. 22-10-62 *et seq*. of the French commercial code, to purchase shares of the Company representing up to 10% of its share capital.

Shares may be acquired pursuant to the decision of the Board of Directors for the following purposes:

- Retaining or subsequently tendering shares in payment or exchange, particularly as part of external growth operations;
- implementing stock option plans, restricted share award plans, employee stock ownership plans reserved for participants of a company savings plan, in accordance with the provisions of articles L. 3331-1 *et seq*. of the French labor code, or granting shares to employees and/or executive officers of the Company or companies affiliated therewith;
- tendering shares in the exercise of rights attached to securities giving access to the Company capital;
- canceling all or part of the shares in connection with a capital reduction;
- facilitating orderly trading in the secondary market or the liquidity of the Company share by an investment services provider through a liquidity agreement that complies with an ethics charter recognized by the AMF;
- for use in connection with any hedging operations of the Company's commitments in connection with financial instruments relating notably to changes in the Company's share price; or
- implementing any and all market practices that may be recognized by law or by the AMF (*Autorité des Marchés Financiers*), the French financial market regulator.

The acquisition, sale, transfer and exchange of these shares may be carried out, in one or more transactions, by any means, on a market (regulated or otherwise), on a Multilateral Trading Facility (MTF), via a systematic internalizer or over the counter, in particular by the acquisition or sale of blocks of shares, or by recourse to financial derivatives (options, negotiable warrants…) at any time, including in the event of a public offer concerning the Company's shares, in accordance with current legislation. The entire share buyback program may be executed through block trades.

The maximum amount of funds that may be authorized for this share buyback program is €10 million.

This authorization was granted for a period of 18 months as from June 15, 2023.

The implementation of this liquidity contract, pursuant to the authorizations granted by the Ordinary General Meeting of June 15, 2023, and a previous authorization under the same terms of June 28, 2022, complies with the legal provisions in force and, more specifically, with the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (MAR); the delegated Commission Regulation (EU) 2016/908 of February 26, 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regulatory technical standards concerning the criteria, procedure and requirements for establishing an accepted market practice and the requirements for maintaining, withdrawing or amending the conditions for admission; and Articles L. 225-209 et seq. of the French commercial code, and the AMF decision no. 2018-01 of July 2, 2018, applicable as of January 1, 2019.

The following resources were allocated to the liquidity account:

- a sum of € 1,000,000;

The execution of the liquidity agreement may be suspended under the conditions defined in article 5 of AMF decision No. 2018-01 of July 2, 2018.

The execution of the liquidity agreement may also be suspended in the following cases:

- by Nicox, in the event that Kepler Cheuvreux has not made reasonable efforts to meet its obligations with respect to the liquidity of transactions and the regularity of quotations;
- by Kepler Cheuvreux, when the information provided by the client makes it impossible for Kepler Cheuvreux to meet its obligations;
- by Kepler Cheuvreux, when the sums due to Kepler Cheuvreux under the liquidity contract have not been paid on the payment date; and

The liquidity contract may be terminated subject to the following conditions:

- at any time by Nicox, subject to two (2) business days' notice;
- at any time by Kepler Cheuvreux, subject to a thirty (30) calendar days' notice;
- without notice and without formality if the shares are transferred to another stock market.

On January 3, 2024, the Company announced the termination of the liquidity contract entered into on August 3, 2020, effective January 1, 2024.

Under the liquidity agreement administered by Kepler Cheuvreux on behalf of Nicox, at December 31, 2023 the liquidity account held:

- 311,067 Nicox shares
- €8,541.77 in cash

The Company holds 311,067 own shares from the liquidity program, which was terminated on January 1, 2024, and intends to retain them for the time being.

PART 2 - CORPORATE GOVERNANCE REPORT

This report was prepared by the Chairman of the Board of Directors, approved by the Board of Directors on April 19, 2024 and published on April 30, 2024.

On matters of corporate governance, the Company applies the recommendations of the Middlenext Corporate Governance Code for Small and Midcap Companies" (hereinafter the "Middlenext Code"), available on its website at www.middlenext.com.

5. Corporate governance

5.1. Executive Management

The Company is managed and governed by a Chief Executive Officer who is vested with the broadest powers to act on behalf of the Company in all circumstances. He or she exercises this authority within the limits of the Company's corporate purpose and subject to the powers expressly granted by law to general meetings of shareholders and to the Board of Directors, and in particular to the limitations set out in the rules of procedure of the Company's Board of Directors.

Andreas Segerros was appointed Chief Executive Officer effective June 1, 2022 by the Board of Directors on May 13, 2022, and on February 27, 2024 the Board duly noted the expiration of his term of office.

On February 27, 2024, the Board of Directors appointed Gavin Spencer as Chief Executive Officer to replace Andreas Segerros for the remainder of the latter's term of office, in accordance with Article 17 of the Articles of Association, i.e. until the close of the Annual General Meeting to be held in 2024 to approve the financial statements for the year ending December 31, 2023.

Biography of the Chief Executive Officer appointed on February 27, 2024

Gavin Spencer - Chief Executive Officer

Dr. Spencer has been Chief Executive Officer since February 27, 2024, and was previously the Company's Chief Business Officer since 2017. Prior to that he served as Executive Vice President in Charge of Corporate Development since 2012. He joined Nicox in 2005. Prior to joining Nicox, Dr. Spencer served as senior manager, new technology and product innovation at Novartis Consumer Health, where he had responsibilities in the identification, evaluation and development of new technologies. Dr. Spencer began his career in the development and evaluation of new products at Boots Healthcare International. Dr. Spencer has over 25 years' managerial and operational experience in the life sciences industry, where he has held a number of strategic positions. Over that period, he has played a key role in building and managing partnerships, including the agreement with Pfizer in 2006, the agreement with Bausch+Lomb in 2010, the transaction with VISUfarma in 2016 and subsequent spin-off, as well as initiating the partnership with Ocumension Therapeutics in China. Dr. Spencer has also played a key role in spearheading the recent financing activities. Dr. Gavin Spencer holds a B.Sc. in chemistry with first class honors and a Ph.D. in chemistry from the University of Aberdeen.

Biography of the Chief Executive Officer until February 27, 2024

Andreas Segerros was Chief Executive Officer from June 1, 2022 to February 27, 2024. Andreas Segerros has spent most of his career in global pharma, with executive positions (R&D, Marketing and Business Development) in the U.S., Europe and Japan, at Pharmacia, Pharmacia & Upjohn and Ferring, with the focus on specialty Pharma, ophthalmology in particular. As Global Head of Ophthalmology at Pharmacia, he launched XALATAN® (latanoprost), making it the industry's first billion-dollar ophthalmic drug. His venture capital experience comes from being Partner at the Scandinavian group Sunstone Capital, and also as co-founder of Eir Ventures. He has made numerous investments in successful companies in Europe and the United States. Andreas holds an MSc in Organic Chemistry from The Royal Institute of Technology in Stockholm, Sweden, and an MBA in International Financing from The University of Uppsala, Sweden.

5.2. Membership of the Board of Directors

The management of Nicox S.A. is entrusted to a Board of Directors.

At December 31, 2023, the Board of Directors was made up of the following 6 directors, all of whom were considered independent under the criteria set out in recommendation No. 3 of the MiddleNext Corporate Governance Code:

- Jean-François Labbé, Chairman of the Board ;
- Les Kaplan, director ;
- Michele Garufi, Director ;
- Adrienne Graves, Director ;
- Lauren Silvernail, Director ;
- Luzi Von Bidder, Director ;

On February 27, 2024, the Board of Directors formally noted the resignation of three directors: Adrienne Graves, Lauren Silvernail and Luzi von Bidder

On April 8, 2024, the Board of Directors co-opted Gavin Spencer as a director to replace Luzi von Bidder, for the remainder of his term of office, i.e. until the close of the annual general meeting to be held in 2025 to approve the financial statements for the year ending December 31, 2024.

In 2023, the Board had the following working committees:

- Audit Committee: Jean-François Labbé (Chair), Luzi Von Bidder, Lauren Silvernail
- Compensation Committee: Adrienne Graves (Chair), Jean-François Labbé, Lauren Silvernail.
- Corporate Governance Committee: Lauren Silvernail (Chair), Luzi von Bidder, Les Kaplan
- Science and Technology Committee: Les Kaplan (Chair), Adrienne Graves
- Corporate Social Responsibility Committee: Lauren Silvernail (Chair), Luzi von Bidder, Les Kaplan

In view of the change in the Board's composition, on April 8, 2024 the Board decided to discontinue the working committees, considering that they were no longer necessary and that the functions of these committees could be effectively carried out by the Board.

Biographies of the Directors

Jean-François Labbé has been Chairman of Nicox's Board of Directors since July 2022 and a director of Nicox since June 2010, Chair of the Audit Committee since July 2013 and a member of the Compensation Committee. His term will expire at the end of the annual general meeting called to approve the financial statements for the year ended December 31, 2023. His membership of the board was proposed in 2010 by the Banque Publique d'Investissement. Mr. Labbé is the founder and CEO of

SpePharm Holding BV, a pan-European pharmaceutical company specializing in hospital products, which has remained inactive since the end of 2012. Prior to founding SpePharm, M. Labbé served as Chief Executive Officer of OTL Pharma SA from 2001 to 2004 and as chief operating officer of ProStrakan UK from 2004 to 2005. He has spent his career in the pharmaceutical industry first in 1974 at Roussel-Uclaf, renamed Hoechst-Roussel, then Hoechst Roussel and finally HMR where he served in various management positions in Europe and the United States and was a member of the company's executive committee until its merger with Aventis in 1999. Mr. Labbé is a graduate of the French business school, Ecole des Hautes Études Commerciales (HEC), Paris (France). Mr. Labbé is 73. He can be contacted at 27 allée des Bocages, 78110 Le Vésinet (France). He does not hold any Nicox shares.

Michele Garufi has been a Director since February 15, 1996. His term as director will expire at the end of the annual general meeting called to approve the financial statements for the year ended December 31, 2024. He was Chairman and Chief Executive Officer of the Company until May 2022 and Acting Chairman of the Board in June and July 2022. Michele Garufi was born in Milan, Italy in 1954 and earned a degree with honors in pharmaceutical chemistry from the University of Milan in 1977. He also earned a pharmacist's degree in 1989 from the University of Padova. Michele Garufi has extensive experience in general management, licensing agreements and international marketing in the European pharmaceutical industry. Before 1996, he served as Vice President of the International Division and Director of Licensing Activity at Recordati Italy and as CEO of Recordati Italy's Spanish subsidiary from March 1992 to March 1996. Prior to those positions, he was the Director of the International Division of Italfarmaco (1988-1992), assistant to the Chief Executive Officer of Poli Chimica (1984-1988), assistant to the President of Yason Research (1983) and Technical Director for one of the Italian subsidiaries of the French group Lipha (1978-1982). Michele Garufi is currently co-founder and member of the Board of Directors of LaMed Pharma Srl, co-founder and member of the Board of Directors of NanoRetinal Inc. and co-founder and member of the Board of Directors of Golgenia Srl. He is also an advisor to the Italian venture capital fund BIO Indaco and a member of the Board of Directors of BMG pharma. M. Garufi is 70. In his youth, he was a member of the National Italian Swimming Team. He may be contacted at the following address: Via Torquato Tasso 10, 20123 Milan, Italy. On the date of this report, he held 607,051 shares.

Les Kaplan has been a Nicox director since October 2014. He is Chair of the Science and Technology Committee, and a member of the Corporate Governance Committee and the Corporate Social Responsibility Committee. His term will expire at the end of the annual general meeting called to approve the financial statements for the year ended December 31, 2025. A proposal has been submitted to the Ordinary General Meeting to be held on June 14, 2022 for the renewal of his term for four years. He was the Executive Chairman of Aciex Therapeutics, Inc., a pharmaceutical development company acquired by Nicox in October 2014. Dr. Kaplan began his career at Allergan Inc., where he served as president, research and development and led approvals of over 20 major pharmaceutical products and indications. Prior to joining Allergan, Dr. Kaplan held research positions at the Upjohn Company and at the University of California, Los Angeles, and instructed in chemistry at both Temple University (Philadelphia) and UCLA. Dr. Kaplan is also a member of the Boards of Directors of Beacon Therapeutics (USA) and AiViva BioPharma (USA). He previously has served on the boards of Allergan, Altheos (USA), Acadia Pharmaceuticals, Inc (USA) and Neurotech, Inc (USA). Dr. Kaplan received a B.S. in chemistry from the University of Illinois (USA), and a Ph.D. in organic chemistry from the University of California, Los Angeles (USA). He is 72. He can be contacted at 1710 Anglers Dr, Steamboat Springs, Colorado 80487, United States. He holds 82,034 Nicox shares.

Directors in office in 2023 (having resigned with effect from February 28, 2024)

Adrienne L. Graves, Ph.D. was coopted to the Board of Directors of Nicox in August 2014. She resigned from the Board with effect from February 28, 2024. She is Chair of the Compensation Committee and a member of the Science and Technology Committee. Dr. Graves is a visual scientist by training and a global industry leader in ophthalmology. She served as president and chief executive officer of Santen Inc., the U.S. subsidiary of Santen Pharmaceutical Co., Ltd., from 1995 to 2010, where she successfully established a strong global presence and led global teams through successful acquisitions and partnerships. Prior to her fifteen years at Santen, she spent nine years at Alcon Laboratories, Inc., where she joined as Sr. Scientist to establish Alcon's first Visual Function Laboratory and progressed through roles of increasing responsibility in R&D, including directing clinical development in multiple therapeutic areas and serving as Director of International Ophthalmology. Dr. Graves is an independent director of Qlaris Bio, TherOptix, Surface Ophthalmics, Opus Genetics, Ocular Therapeutix, Harrow, NVasc, JelliSee, private US companies, and Implandata, a German company. She also serves on the boards of the American Society of Cataract Refractive Surgery Foundation (ASCRS) in the United States, the Glaucoma Research Foundation in the United States, Retina Global, Himalayan Cataract Project, an American foundation, and the Foundation Fighting Blindness in the United States. Ms. Graves is a Director Emeritus of the American Academy of Ophthalmology Foundation. She has previously served as a member of the boards of Encore Vision (from 2011 to 2017, a company acquired by Novartis), Envisia Therapeutics (from 2014 to 2017, a company acquired by Aerie Pharmaceuticals), TearLab Corporation (from 2005 to 2018), Akorn (from 2012 to 2020), Aerpio Therapeutics (from 2012 to 2017), Oxurion NV from 2019 to 2023, a member of Iveric Bio, a US company acquired by Astellas in 2023. She co-founded OWL (Ophthalmic World Leaders) and Glaucoma 360. Dr. Graves received her AB with honors in psychology from Brown University and her Ph.D. in psychobiology from the University of Michigan. She completed a postdoctoral fellowship in visual neuroscience at the University of Paris, France. She is 69. She may be contacted at 188 Minna St, San Francisco, CA 94105, United States. She does not hold any Nicox shares.

Luzi A. von Bidder was coopted to the Board of Directors of Nicox in August 2014. He resigned from the Board with effect from February 28, 2024. He is a member of the Audit Committee, the Corporate Governance Committee and the Corporate Social Responsibility Committee. He was the Chair of Acino Holding AG until 2013. Mr. Von Bidder was the Chairman-CEO of Novartis Ophthalmics AG. He has also served as a member of the Novartis Pharma Executive Committee and served in various positions at Ciba Geigy Corp. Mr. von Bidder is currently a member of the Board of Directors of Ferring Pharmaceuticals, Ferring Ventures, Ixodes AG, Orasis Ltd, and EyeSense GmbH. Mr. von Bidder graduated in Economics from HSG University of St. Gallen (Switzerland). He is 70. He may be contacted at Kirchenweg 5, 8008, Zürich, Switzerland. He holds 10,000 Nicox shares.

Lauren Silvernail was appointed director of Nicox in May 2017. She resigned from the Board with effect from February 28, 2024. She is Chair of the Corporate Governance Committee and the CSR Committee, as well as a member of the Audit Committee and the Compensation Committee. She is also currently Chair of the Audit Committee and a member of the Board of Directors of Harpoon Therapeutics. Ms. Silvernail was Chief Financial Officer and Executive Vice President of Corporate Development at Evolus Inc. from 2018 to 2022 and Chief Financial Officer and Chief Business Officer of Revance Therapeutics, Inc. from 2013 to 2018. Before joining Revance Therapeutics, Inc., Ms. Silvernail was Chief Financial Officer and Vice President, Corporate Development of ISTA Pharmaceuticals, Inc. from 2003 to 2012. Between 1995 and 2003, Ms. Silvernail served in different operational and corporate development roles for Allergan Inc., including Vice President of Business Development. From 1990 to 1994, she was a general partner of Glenwood Ventures and a member of the boards of directors of several Glenwood portfolio companies. Ms. Silvernail began her career at Varian and Bio Rad Laboratories. Ms. Silvernail received a B.A. in biophysics from the University of

California, Berkeley, and an M.B.A. from the University of California, Los Angeles. She is 65. She does not hold any Nicox shares.

Gavin Spencer was co-opted as a director on April 8, 2024. His biography can be found in section 5.1 of this Report.

Independence of the directors

To the Company's knowledge, there are currently no contractual or family ties among the corporate officers of the Company.

The internal rules of the Board of Directors, which were updated in 2022 following the decision to refer to the MiddleNext Corporate Governance Code, stipulate that the Board must have, to the extent possible, two directors considered to be independent, and that it must reevaluate the independence of its members under the criteria set by the Board every year.

To assess the independence of members of the Board of Directors, the Board has adopted the criteria set out in recommendation No. 3 of the Middlenext Code, updated in September 2021, i.e.:

- they must not have been during the last five years an employee or executive officer of the company or a company in its group;
- they must not have had any material business relationship with the company or its group for the last two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- they must not be a reference shareholder of the company or hold a significant percentage of voting rights;
- the member has no close family ties with a corporate officer or a reference shareholder;
- they must not have been an auditor of the company in the course of the previous six years.

On December 12, 2023, the Board decided that all directors qualified as independent under the criteria set out in the Middlenext Code.

Moreover, the Board of Directors' internal rules of procedure require each director to provide, before the end of each fiscal year, a statement describing his/her relationship with the Company, the members of the Board of Directors and its Chief Executive Officers and a declaration on the existence of possible conflicts of interest.

In declarations made at the end of 2023, the six directors stated that they had no direct or indirect relationships with any of the Group's companies, nor with their directors or chief executive officers.

As provided for in the Board of Directors' internal rules of procedure, directors having a conflict of interest must inform the Board, abstain from voting or taking part in its deliberations and, if necessary, resign. The absence of any information to this effect will be deemed to be acknowledgment that no such conflict of interest exists.

Directors

The Company is administered by a board of directors. The number of directors shall not be less than three and not more than eighteen. However, in the case of a merger, the Board of Directors may include and maximum of twenty-four members for a period of three years from the date of the merger as set by article L.236-4 of the French commercial code.

Directors are appointed by the Ordinary General Meeting of the shareholders. Directors may be co-opted under the conditions provided for by law.

Their terms of office as directors is for four years.

The term of office of directors ends at the end of the Annual General Meeting called to approve the financial statements for the previous year, which is held in the year in which the term expires.

The age limit to serve on the Board is 79. A director who reaches the age limit shall be considered to have automatically resigned as of the date of the next ordinary general meeting, which will note this resignation.

Subject to this reservation, directors may always be re-elected.

The Board of Directors carries out the inspections and verifications it deems necessary. The Chairman or the Chief Executive Officer of the company provides each director with all the documents and information required to perform his or her duties.

Non-voting Advisors

The ordinary general meeting may also appoint one or more persons with the title of non-voting advisor for a term of four years. The non-voting advisors attend the meetings of the Board of Directors, but have no voting rights on the decisions submitted to the Board. The non-voting advisors are called to Board meetings under the same conditions as the directors, and have the same rights to information.

At December 31, 2023, the Board of Directors did not include any non-voting directors or observers (*censeur*).

The appointment of two non-voting directors from BlackRock, Sonia Benhamida and Maurizio Petitbon, will be submitted to the ordinary and extraordinary general meeting convened, on second call, on May 6, 2024.

Service contracts

There are no service contracts binding the members of the administrative or management bodies to the Company, or to any of its subsidiaries, which stipulate advantages under the terms of such contracts.

5.3. Other offices and positions

The following table provides a summary of all the current offices and positions held in any company by each of the directors in 2023 as well as any other offices held during the last five years of which the Company is aware. As part of the cost reduction measures implemented within the Group, three directors - Adrienne Graves, Lauren Silvernail and Luzi von Bidder - resigned with effect from February 28, 2024.

Corporate offices	Offices within the company			Offices and positions held outside the company on the annual report date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/23**
Labbé Jean-François 03/15/1950	06/16/10	Shareholders' meeting called to approve the financial statements for the year ending 12/31/23	Independent director						0
			Chair of the Board of Directors since July 28, 2022	Managing Director	SpePharm Holding	BV	Netherlands	Director of Algotherapeutix (France) until September 2020	
			Chair of the Audit Committee	Manager	Arcade	SARL	France	Director of Deinove SA (France) until February 2022	
			Compensation Committee member						

Corporate offices	Offices within the company			Offices and positions held outside the company on the annual report date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held at12/31/2023**
Garufi Michele 02/03/1954	02/15/96	Shareholders' meeting called to approve the financial statements for the year ending 12/31/24	Independent director	Co-founder and Director	LaMed Pharma	Srl	Italy	Director of Eagleye Biosciences (Switzerland)	607,051
				Co-founder and Director	NanoRetinal	Inc.	United States		
				Director	Golgenia	Srl	Italy		
				Advisor	BIO Indaco		Italy		
				Director	BMG Pharma		Italy		

Corporate offices	Offices within the company			Offices and positions held outside the company on the annual report date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/23**
von Bidder Luzi Andreas 04/09/1953	08/11/14	Shareholders' meeting called to approve the financial statements for the year ending 12/31/24 **Resignation effective February 28, 2024**	Independent director	Chairman of the Board of Directors	EyeSense	AG	Switzerland	Solvias AG Switzerland)	10,000
				Director	Ferring Pharmaceuticals	SA	Switzerland	Oculare AG (Switzerland)	
				Director	Ixodes	AG	Switzerland		
				Director	Orasis	Limited	Israel		
				Director	Ferring Ventures	SA	Switzerland		

Corporate offices	Offices within the company			Offices and positions held outside the company on the annual report date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/23**
Kaplan Les 08/06/1950	10/22/14	Shareholders' meeting called to approve the financial statements for the year ending 12/31/25	Independent Director	Independent Director	Beacon Therapeutics	Inc.	United States	Director of Acadia Pharmaceuticals, Inc (USA)	82,034
			Chair of the Science and Technology Committee.	Independent Director	AiViva BioPharma	Inc.	United States	Chair of the Board of Directors of Aciex Therapeutics, Inc. (United States)	
			Corporate Governance Committee member					Director of Neurotech Inc. (United States)	
			Corporate Social Responsibility Committee member						

Corporate offices	Offices within the company			Offices and positions held outside the company on the annual report date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/23**
Graves Adrienne 12/14/1953	08/08/14	Shareholders' meeting called to approve the financial statements for the year ending 12/31/24 **Resignation effective February 28, 2024**		Director	Retina Global	Foundation	United States	TearLab Inc (United States)	0
			Independent director	Director	Qlaris Bio	Inc.	United States	Director of Oxurion, Inc (Belgium)	
			Chair of the Compensation Committee	Director	JelliSee		United States	Director of Greenbook TMS (Canada)	
			Science and Technology Committee member	Director	Implandata		Germany	Director of Iveric Bio (United States)	
				Director	Foundation Fighting Blindness	Foundation	United States	Director of TherOptix Inc. (United States)	
				Director	Surface Ophthalmics	Inc.	United States		
				Director	Ocular Therapeutix		United States		
				Director	Harrow		United States		
				Director	NVasc		United States		
				Director	Glaucoma Research Foundation	Foundation	United States		
				Director	ASCRS Foundation	Foundation	United States		
				Director	Himalayan Cataract Project	Foundation	United States		
				Director (Emeritus)	American Academy of Ophthalmology Foundation	Foundation	United States		
				Director	Opus Genetics	Inc.	United States		

Corporate offices	Offices within the company			Offices and positions held outside the company on the annual report date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/23**
Silvernail Lauren 09/07/1958	05/16/17	Shareholders' meeting called to approve the financial statements for the year ending 12/31/24 **Resignation effective February 28, 2024**	Independent director	Chair of the Audit Committee and independent director	Harpoon, Inc	Corporation	United States	Evolus, CFO and EVP Corporate Development	0
			Compensation Committee member						
			Audit Committee member						
			Chair of the Corporate Governance Committee						

Corporate offices	Offices within the company			Offices and positions held outside the company on the annual report date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/23**
Gavin Spencer 05/18/1969	04/08/24	Shareholders' meeting called to approve the financial statements for the year ending 12/31/24	Director					Parkure, Business Advisor	83,600

5.4. Conditions for the preparation and organization of the work of the Board of Directors

Statement relating to corporate governance and compliance with the Middlenext code

The Company refers to the Middlenext code of corporate governance. The Board of Directors took note of the items contained under the heading "Points to be watched" of the MiddleNext Code. The recommendations of the MiddleNext Code are all applied by the Company with the one exception mentioned in the table below:

Recommendations of the MiddleNext Code	Explanations for their non-application
(*Recommendation 1*) Each director should attend shareholders' general meetings.	The Company's general meetings are generally attended by fewer than five shareholders. In 2023, 4 shareholders attended the general meetings of the shareholders held on February 28 and June 15.
(Recommandation 21) Condition of performance applicable to stock options evaluated over a period of at least 3 years.	The exercise of stock options is contingent on the fulfillment of objectives assessed over a shorter period that the Board of Directors considers more appropriate in light of its strategic timetable. Performance conditions are limited to management committee members, and there are no performance conditions associated with stock options granted to other employees.

The table below also provides an overview of the application of Middlenext recommendations.

Recommendations of the MiddleNext Code	In compliance	Plans to comply	Considered unsuitable
R1: Board member ethics	X (1)		
R2: Conflicts of interest	X		
R3: Composition of the board – Independent directors	X		
R4: Board member information	X		
R5: Director training	X		
R6: Organization of Board and committee meetings	X		
R7: Establishment of committees	X		
R8: Corporate Social Responsibility Committee	X		
R9: Implementing a board of directors' rules of procedure	X		
R10: Selection of each administrator	X		
R11: Board member's term of office	X		
R12: Director's compensation	X		
R13: Implementing an evaluation process for the Board's work	X		
R14: Relations with "shareholders"			X (1)
R15 Diversity and equity policy	X		

Recommendations of the MiddleNext Code	In compliance	Plans to comply	Considered unsuitable
R16: Definition and transparency of executive officer compensation	X		
R17: Succession planning for "managers"	X		
R18: Combination of employment contract with a corporate office	X		
R19: Severance benefits	X		
R20: Supplementary pension plans	X		
R21: Stock options and restricted stock units			X (2)
R22: Review of the "Points to be watched"	X		

(1) The directors do not participate in the general meetings due to the small number of shareholders attending (four at the two general meetings of 2023).

(2) Condition of performance applicable to stock options and restricted stock units evaluated over a period of at least 3 years.

5.5. Conflicts of interest

In accordance with the updated Middlenext corporate governance code and the Board of Directors' internal rules of procedure, the Board of Directors examined in December 2023 the existence of potential conflicts of interest and duly noted that the directors confirmed in writing the absence of conflict of interest as company directors of Nicox SA.

To the Company's knowledge, there are in consequence no potential conflicts of interest between the duties of the directors to the Company and their private interests and/or other interests and positions.

To the Company's knowledge, no loans or guarantees have been made to corporate officers or executives, and the Company does not use assets owned by the officers or executives of the Company or their families.

To the Company's knowledge no company director or executive officer:

- has been convicted of fraud during at least the last five years;
- has been involved in a bankruptcy, receivership or liquidation receiving or been placed in official receivership during at least the last five years;
- has been the subject of any official public sanction for infractions rendered by statutory or regulatory authorities (including designated professional bodies) during at least the last five years;
- has been disqualified by a court of law from serving as a member of the board of directors, executive management or supervisory board or from intervening in the management of the operations of an issuer during at least the last five years.

Lock-up commitments concerning shares to be issued upon exercise of stock options granted to Andreas Segerros are described in section 8 of this report.

There is no arrangement or agreement signed with the major shareholders or co-contracting parties of the Company by means of which any of the persons referred to in section 5 of this report has been selected as a member of an administrative, management or supervisory body or as Chief Executive Officer. However, it is specified that Mr. Jean-François Labbé was appointed in 2010 at the request of a shareholder, Banque Publique d'Investissement (BPI, formerly Fonds Stratégique d'Investissement).

6. Regulated agreements

There are no agreements provided for under article L 225-37-4 2° of the French commercial code.

7. Compensation of corporate officers

7.1. Compensation and benefits paid in or granted for FY 2023 to members of the Company's Board of Directors

The following table presents the compensation and other benefits paid to non-executive directors for the years ended December 31, 2023 and December 31, 2022.

Non-executive directors	**FY 2022**		**FY 2023**	
	Compensation owed in respect to 2022	Compensation paid in 2022	Compensation owed in respect to 2023	Compensation paid in 2024 in respect to 2023
Jean-François Labbé				
Directors' compensation	€50,000	€50,000	€50,000	€50,000
Other compensation	-	-	-	-
Adrienne Graves				
Directors' compensation	€50,000	€50,000	€50,000	€50,000
Other compensation	-	-	-	-
Luzi von Bidder				
Directors' compensation	€50,000	€50,000	€50,000	€50,000
Other compensation	-	-	-	-
Les Kaplan				
Directors' compensation	€50,000	€50,000	€50,000	€50,000
Other compensation	-	-	-	-
Lauren Silvernail				
Directors' compensation	€50,000	€50,000	€50,000	€50,000
Other compensation	-	-	-	-
Michele				

Non-executive directors	FY 2022		FY 2023	
Garufi				
Directors' compensation	(1)	-	€50,000	€50,000
Other compensation	-	-	-	-
TOTAL	**€250,000**	**€250,000**	**€300,000**	**€300,000**

(1) Michele Garufi waived the compensation of €25,000 granted to him by the Board of Directors on December 16, 2022 in his capacity as director for the period from June 1 to December 31, 2022, following the termination of his appointment as Chairman-CEO with effect from May 31, 2022.

Nicox reimburses the directors for travel expenses incurred in attending the meetings of the Board of Directors, namely a total of approximately €61,500 in 2023.

It is should also be noted that none of the Group's directors is eligible for a "golden hello" or for any supplementary pension scheme.

The Company has purchased civil liability insurance covering its directors.

Andreas Segerros, sole corporate officer of Nicox Research Institute Srl, received no compensation in his capacity as corporate officer during FY 2023.

Andreas Segerros stepped down from his position with Nicox Research Institute Srl with effect from February 28, 2024, and was replaced on that date by Gavin Spencer.

Dealings in securities by the Company's directors

None

7.2. Compensation and benefits paid in or granted for FY 2023 to the Company's Chief Executive Officer

Compensation of Andreas Segerros, Chief Executive Officer for FY 2023

During FY 2023, Mr. Andreas Segerros' compensation as Chief Executive Officer of the Company, as approved by the ordinary general shareholders' meeting of June 28, 2022, included the following items. It should be noted that Mr. Segerros stepped down as Chief Executive Officer on February 27, 2024, the date on which Mr. Gavin Spencer was appointed Chief Executive Officer.

(A) Fixed annual compensation

€400,000 gross

(B) Variable annual compensation

This amount may represent up to 50% of the annual fixed salary, subject to attainment of the Company's objectives for 2023 as set by the Board of Directors on January 13, 2023.
On December 12, 2023, the Board of Directors determined that 20% of these targets had been met. In consequence, Andreas Segerros received no variable compensation for 2023.

(C) Benefits in kind / Pension plan

Benefits in kind :

- Mandatory supplementary medical coverage

Pension plan :

- Affiliation to the mandatory pension scheme tranches A to C

(D) Severance benefits

Andreas Segerros received no severance payments pursuant to the termination of his term of office on February 27, 2024, as the performance conditions associated with his contractual severance payment had not been met at the time of his departure.

Andreas Segerros would have been entitled to severance pay, (except in the event of dismissal for gross misconduct) if the Board had determined that at least 50% of the Company's targets for the year preceding the year in which his employment was terminated had been attained. However, for 2023, the year preceding his departure, the Board noted that only 20% of the Company's targets had been met.

If severance payments had been due, they would have amounted to one year's compensation, i.e. both fixed and variable annual compensation, calculated on the basis of the compensation payable for the last financial year ended preceding the date of his departure.

(E) Stock option grants

The stock options granted to Mr. Segerros were cancelled after his term of office ended on February 27, 2024.

On July 1, 2022, the Board of Directors granted Andreas Segerros, Chief Executive Officer serving in 2023, 860,000 stock options under the eleventh resolution of the extraordinary general meeting of April 28, 2021, whereby each option would entitle the holder to subscribe for one new share with a par value of €1 at a price of €1.7954, corresponding to the weighted average share price over the twenty trading days preceding the date of the Board meeting, without any discount.

These options, now cancelled, were exercisable in three tranches as follows:

(i) a tranche of 286,666 options exercisable as from June 1, 2023, if the Board had determined that at least 50% of the company's 2022 targets have been met, which was the case,

(ii) a tranche of 286,666 options exercisable as from June 1, 2024, if the Board had determined that the Company had 12 months' cash at December 31, 2023, a performance condition which was not met,

and (iii) a tranche of 286,668 options exercisable as from June 1, 2025, if the Board had determined that the Company had 12 months' cash at December 31, 2024, a performance condition that is no longer relevant in view of the cancellation of the rights.

Should the performance conditions not be met for any of the three tranches, half of the rights granted for the relevant tranche (i.e. 50% of the stock options granted plus one) would be cancelled, while the other 50% of the rights would remain in force, while noting that these rights no longer exist following the termination of Mr. Segerros' term of office.

Dealings in securities by the Chief Executive Officer

The Company is not aware of any dealings in securities by Andreas Segerros.

Total amounts set aside or accrued by the Company or its subsidiaries to provide pension, retirement or other benefits

Pension contributions paid for Andreas Segerros during the financial year amounted to €80,545.

Compensation of Gavin Spencer, Chief Executive Officer appointed with effect from February 27, 2024

The Board of Directors has set the compensation of Gavin Spencer for his duties as Chief Executive Officer of the Company in 2024 as follows:

(A) Fixed compensation

€300,000 gross per year, or a gross monthly compensation of €25,000.

(B) Variable annual compensation

Up to 50% of fixed annual compensation that will be determined in reference to achievement of the Company's targets for 2024 as set by the Board on March 6, 2024.

No variable compensation will be payable if less than 50% of the Company's targets for 2024 are considered to have been achieved. Variable compensation will represent a percentage of the maximum 50% of fixed annual compensation, based on the percentage of the Company targets achieved exceeding the 50% threshold.

(C) Benefits in kind / Pension and personal benefit plans

Benefits in kind :

- Use of a company car;
- Mandatory supplementary medical coverage.

Pension plan :

- Affiliation to the mandatory pension scheme tranches A to C.

Personal benefit plan :

- Affiliation to the company's personal benefit plan.

(D) Severance benefits

If his appointment as Chief Executive Officer of the Company is revoked, Gavin Spencer will be entitled to severance benefits, except in the event of dismissal for gross misconduct.

Payment will be subject to the Board's determination that at least 50% of the Company's targets for the year preceding the one in which his appointment was terminated, have been met.

The amount of the severance payment will be equivalent to one year's compensation, i.e. both fixed and variable annual compensation, calculated on the basis of the compensation payable in respect of the last financial year ended prior to the date of the termination of his appointment.

The Board of Directors specifies, where necessary, that expenses incurred in the performance of his corporate duties will be reimbursed on presentation of the corresponding supporting documents.

8. Information on the capital

The amount of issued capital, the total of the issuer's authorized share capital, the number of shares issued an fully paid and issued but not fully paid, the par value per share and a reconciliation of the number of shares outstanding at the beginning and the end of the year

Share capital: €50,299,694
Number of ordinary shares at April 30, 2024: 50,299,694
Par value of each ordinary share: €1

At December 31, 2023, the data were as follows:
Share capital: €50,170,498
Number of ordinary shares: 50,170,498
Par value of each ordinary share: €1

Number of shares not representing capital and their main characteristics

There are no shares that are not representative of the capital.

8.1. Breakdown of the share capital and voting rights

To the best of the Company's knowledge, its shareholding structure on a non-diluted basis is as follows:

Shareholders	As of December 31, 2023			As of December 31, 2022		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
HBM Healthcare Investments	1,992,649	3.97	3.97	2,722,947	5.43	5.43
Armistice Capital	-	-	-	6,849,316	13.67	13.67
Treasury shares	311,067	0.62	0.62	288,965	0.58	0.58
Public	47,866,782	95.41	95.41	40,239,220	80.32	80.32
Total	**50,170,498**	**100**	**100**	**50,100,448**	**100**	**100**

No shareholder other than those mentioned above has reported holding more than 2% of the capital or voting rights.

To the Company's knowledge, the shareholders have not entered into any agreement or concerted action. It should be noted that, in view of the current ownership structure, the Company has not implemented special measures to ensure that control of its capital is not exercised abusively.

The Company is not able to disclose the approximate number of shareholders. Information available to the Company regarding the number of shares held by its employees is presented in section 8.2 "Capital held by employees" of this Annual Report.

At December 31, 2023, the Company held 311,067 of its own shares under the liquidity contract with Kepler Cheuvreux, which was terminated with effect from January 1, 2024.

In addition, at April 22, 2024, if all instruments giving access to the share capital awarded and outstanding were exercised and all restricted stock units were fully vested, 16,081,984 new shares would be issued, resulting in a dilution equal to 31.97% based on the share capital on this date and 24.23% on a fully-diluted basis.

8.2. Capital held by employees and rights convertible into equity capital

8.2.1. Shares of the company

The Company has no knowledge of employee shareholdings apart from the insignificant percentage of shares listed in the share register held by certain Group employees.

8.2.2. Restricted stock units (*actions gratuites* or free shares)

A summary of restricted stock units outstanding at December 31, 2023 is provided in note 2.8.4 to the annual financial statements.

In 2023, 291,945 restricted stock units (*actions gratuites*) were awarded to Group employees (Nicox SA, Nicox Research Institute SRL and Nicox Ophthalmics Inc.) pursuant to decisions of the five Board of Directors' meetings.

Restricted stock units awarded to and acquired by during the year the ten employee beneficiaries (excluding directors and officers) having received the highest number thereof:

Restricted stock units awarded during the year to the ten employee beneficiaries (excluding directors and officers) having received the highest number thereof	Number of restricted stock units granted/vested shares/transferable shares	January 14, 2021	May 05, 2021	January 13, 2023	March 17, 2023	May 03, 2023	July 12, 2023	August 23, 2023
Restricted stock units awarded during the year to the ten employees of the Company and its subsidiaries (excluding directors and officers) who received the highest number thereof (aggregate figures)	192,507	0	0	130,215	2,162	15,000	10,206	34,924
Restricted stock units of the Company finally vested during the year by the ten employees of the Company and its subsidiaries receiving the largest number (aggregate figures) (1)	52,900	39,100	13,800	0	0	0	0	0

(1) **12 beneficiaries are included in this calculation to take account of acquisitions of the same amounts**

8.2.3. Stock options

A summary of stock options outstanding at December 31, 2023 is provided in note 2.8.3.2 to the annual financial statements.

In 2023, 569,571 stock options were awarded to Group employees (Nicox S.A., Nicox Research and Nicox Ophthalmics) pursuant to decisions at a meeting of the Board of Directors, conferring a right to subscribe for 569,571 shares.

No stock options were exercised in FY 2023.

Options to purchase or subscribe shares granted to and exercised by ten beneficiary employees who are not corporate officers

Options to purchase or subscribe shares	Total number of shares	Weighted average price	January 13, 2023

granted to and exercised by ten beneficiary employees who are not corporate officers [1]	granted / subscribed or purchased		
Options granted during the year by the issuer, and by any company within the scope of the option grant, to the ten employees of the issuer and any company within that scope receiving the largest number of options (aggregate figures) [2]	420,079	€1.12	420,079
Options to buy shares in the issuer and the foregoing companies exercised during the year by the ten employees of the issuer and those companies who bought or subscribed to the largest number of shares (aggregate figures)	0	-	0

(1) One right = one action
(2) 13 beneficiaries are included in this calculation to take account awards of the same amounts

8.3. Shareholdings of corporate officers

The shareholdings in the Company's capital held by corporate officers in office during fiscal 2023 are presented below:

Name of Corporate Officer	Number of shares held at April 30, 2024
Michele Garufi	607,051
Adrienne Graves (1)	-
Jean-François Labbé	-
Les Kaplan	82,034
Luzi Von Bidder (1)	10,000
Lauren Silvernail (1)	-
Andreas Segerros (2)	-
TOTAL	**699,085**

(1) *Adrienne Graves, Lauren Silvernail and Luzi von Bidder resigned from their directorships effective February 28, 2024 in connection with the Company's cost reduction program.*
(2) *Andreas Segerros stepped down as Chief Executive Officer effective February 27, 2024.*

At April 30, 2024, the Company's administrative and executive management bodies held, to the Company's knowledge, 772,685 shares, namely 1.56% of the share capital and voting rights based on the number of shares outstanding at March 31, 2024, the date of the most recent disclosure of voting rights (Article 223-16 of AMF General Regulations).

8.4. Ownership thresholds defined by the Articles of Association and/or the law crossed during the year ended December 31, 2023

During the year ended December 31, 2023, the Company received the following threshold crossing disclosures:

- On January 20, 2023, HBM Healthcare Investments (Cayman) Ltd. reported having crossed below the threshold of 5% of the Company's capital and voting rights on January 18, 2023, and holding, on behalf of said entity, 2,494,490 shares representing the same number of voting rights, i.e. 4.98% of the Company's capital and voting rights.

- On January 25, 2023,, Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 12% threshold of the Company's capital and voting

rights on January 19, 2023, and holding in consequence, on behalf of said funds, 6,001,336 shares of the Company representing an equivalent number of voting rights or 11.979% of the Company's share capital and voting rights.

- On March 02, 2023,, Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 10% threshold of the Company's capital and voting rights on February 24, 2023, and holding in consequence, on behalf of said funds, 4,921,882 shares of the Company representing an equivalent number of voting rights or 9.813% of the Company's share capital and voting rights.

- On April 14, 2023,, Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 8% threshold of the Company's capital and voting rights on April 06, 2023, and holding in consequence, on behalf of said funds, 4,004,471 shares of the Company representing an equivalent number of voting rights or 7.984% of the Company's share capital and voting rights.

- On April 20, 2023,, Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 6% threshold of the Company's capital and voting rights on April 14, 2023, and holding in consequence, on behalf of said funds, 2,891,045 shares of the Company representing an equivalent number of voting rights or 5.764% of the Company's share capital and voting rights.

- On April 25, 2023,, Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 5% threshold of the Company's capital and voting rights on April 20, 2023, and holding in consequence, on behalf of said funds, 2,484,550 shares of the Company representing an equivalent number of voting rights or 4.954% of the Company's share capital and voting rights.

- On May 08, 2023,, Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 4% threshold of the Company's capital and voting rights on May 02, 2023, and holding in consequence, on behalf of said funds, 1,977,642 shares of the Company representing an equivalent number of voting rights or 3.943% of the Company's share capital and voting rights.

- On June 27, 2023,, Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 2% threshold of the Company's capital and voting rights on June 21, 2023, and holding in consequence, on behalf of said funds, 940,472 shares of the Company representing an equivalent number of voting rights or 1.875% of the Company's share capital and voting rights.

- On July 24, 2023, HBM Healthcare Investments (Cayman) Ltd. reported having crossed below the threshold of 4% of the Company's capital and voting rights on July 21, 2023, and holding, on behalf of said entity, 1,992,649 shares representing the same number of voting rights, i.e. 3.9718% of the Company's capital and voting rights.

8.5. Ownership thresholds under the Articles of Association - Voting rights

Under Article 10.2 of the articles of association, any individual or legal entity acting alone or in concert who owns in any form whatsoever, pursuant to articles L. 233 7 *et seq*. of the French commercial code a number of shares representing immediately or in the future a fraction equal to 2% of the capital and/or rights in the Company allowing them to vote in shareholders' meetings, or any multiple of that percentage up to 50% and even if that multiple crosses the legal threshold of 5%, shall inform the Company of the total number of shares owned by it by registered letter with return receipt,

sent to the head office within four trading days from the date the threshold is crossed, or by any other equivalent means for shareholders or the holders of bearer shares residing outside France.

This disclosure requirement applies under the same conditions as those described above whenever a portion of the share capital or voting rights owned falls below any of the thresholds described above.

If the above stipulations are not followed, then any shares exceeding the reporting threshold shall be denied the right to vote if this is requested by one or more shareholders owning together or separately at least 2% of the capital and/or voting rights in the Company, under the conditions referred to in Article L.233-7, paragraph 6 of the French commercial code.

In the event of an adjustment, the corresponding voting rights may not be exercised until the deadline provided by existing laws and regulations expires.

8.6. Dealings by managers in the Company's own shares

The Company has no knowledge of any security transactions carried out by senior executives.

8.7. Company control

No person or entity has control of the Company, whether jointly or separately or directly or indirectly.

8.8. Agreements providing for payments to be made to members of the Board of Directors or to employees

There are no agreements providing for the payment of severance benefits to members of the Board of Directors.

Undertakings assumed with respect to the Chief Executive Officer and members of the Management Committee are described in note 2.19.3 to the annual financial statements.

8.9. Table summarizing the delegations of authority in force

The ordinary general meeting of July 28, 2022 delegated its authority and/or powers to the Board of Directors under the following conditions:

Authorizations granted to the Board of Directors by the extraordinary general meeting of July 28, 2022	Maximum nominal amount of the capital increase (in euros)	Length of the delegation of authority with effect from the date of the extraordinary general meeting of July 28, 2022.	Use of the delegation of authority on the date of this report.
Delegation of authority to the Board to issue shares, equity securities giving access to other equity securities of the Company or rights to the allotment of debt securities as well as securities giving access to equity securities of the Company to be issued, maintaining shareholders' preferential subscription rights (resolution 1).	20,000,000	26 months	-

Authorizations granted to the Board of Directors by the extraordinary general meeting of July 28, 2022	Maximum nominal amount of the capital increase (in euros)	Length of the delegation of authority with effect from the date of the extraordinary general meeting of July 28, 2022.	Use of the delegation of authority on the date of this report.
Delegation of authority granted to the Board of Directors to issue shares, equity securities giving access to other equity securities of the Company or rights to the allotment of debt securities as well as securities giving access to equity securities to be issued, canceling shareholders' preferential subscription rights, and through a public offer than those covered by article L. 411-2 1° of the French Monetary and Financial Code (*Code monétaire et financier*) (resolution 2).	15,000,000*	26 months	-
Delegation of authority to the Board of Directors to issue shares, equity securities giving access to other equity securities of the Company or rights to the allotment of debt securities as well as securities giving access to equity securities to be issued, canceling shareholders' preferential subscription rights, and through a public offer covered by article L. 411-2 1° of the French monetary and financial code (resolution 3).	15,000,000*	26 months	
Authorization granted to the Board of Directors to set the issue price of securities to be issued under the terms of the second and third resolutions, within the limit of 10% of the share capital per year (resolution 4).	N/A	26 months	-
Authorization to increase the number of shares to be issued in connection with issues, with or without preferential subscription rights, in application of the first, second, third, fourth and eighth resolutions (resolution°5).	15 % of the initial issue**	26 months	-

Authorizations granted to the Board of Directors by the extraordinary general meeting of July 28, 2022	Maximum nominal amount of the capital increase (in euros)	Length of the delegation of authority with effect from the date of the extraordinary general meeting of July 28, 2022.	Use of the delegation of authority on the date of this report.
Delegation of authority to increase the share capital by the capitalization of reserves, earnings, additional paid-in premiums or other eligible amounts (resolution 6)	N/A	26 months	-
Delegation of authority to increase the share capital in view of consideration for contributions in kind granted to the Company, excluding the case of a public exchange offer (resolution 7)	10 % of the share capital on the issue date*	26 months	-
Delegation of authority to increase the capital for the benefit of a selected category of beneficiaries, canceling the preferential subscription rights of shareholders for their benefit (resolution° 8) (2).	15,000,000*	18 months	13,698,632
Delegation of authority to increase the share capital for the benefit of participants of a company savings plan with cancellation of the preferential subscription rights of shareholders for their benefit (resolution 9)	60,000 (1)	26 months	-
Authorization granted to the Board of Directors to award restricted stock units for existing or future shares, entailing waiver *ipso jure* by shareholders of their preferential subscription rights (resolution 10)	1,000,000	38 months	362,945
Authorization to grant options conferring a right to subscribe for new shares of the Company or purchase existing shares, entailing waiver ipso jure by shareholders of their preferential subscription rights (resolution 11).	2,500,000	38 months	655,571

* To be deducted from the initial nominal ceiling of €15,000,000 set in the second resolution, in turn to be deducted from the total maximum nominal amount of the capital increase of €16,500,000.
** To be deducted from the nominal limit of the capital increase set by each of the resolutions under which the initial issue was decided.
(1)Deducted from the total maximum nominal amount of €20,000,000
(2) The category of beneficiaries is as follows: (i) one or more French or foreign companies or collective investment funds investing in the pharmaceutical/biotechnology sector, (ii) individuals investing on a habitual basis in the pharmaceutical/biotechnology sector and/or (iii) one or more financial institutions or any authorized investment services provider undertaking to acquire them for resale to the persons mentioned above under (i).

9. Statutory Auditors' special report on regulated agreements

Nicox S.A.

Annual General Meeting to approve the financial statements for the year ended December 31, 2023.

Statutory Auditors' special report on regulated agreements

Approbans Audit
93, rue de la République
13002 Marseille
A French limited liability company (S.A.R.L) with share capital of € 00,000
Registered in Marseille (RCS No.°525 098 786)

Statutory Auditors
Member of the Regional Association
of Chartered Accountants of Aix-Bastia

Ernst & Young Audit
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Statutory Auditors
Member of the Regional Association
of Chartered Accountants of Versailles and the Central Region

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France (French GAAP). It should be understood that the agreements reported on are thus only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Nicox S.A.

Annual General Meeting to approve the financial statements for the year ended December 31, 2023.

Statutory Auditors' special report on regulated agreements

To Nicox SA's General Meeting:

In our capacity as Statutory Auditors of your Company, we hereby report on regulated agreements.

We are required to inform you, on the basis of the information provided to us, of the essential terms and conditions, and also the reasons justifying the relevance to the company, of those agreements and commitments indicated to us or apprised by us during the course of our engagement, without being required to comment as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, pursuant to Article R. 225-31 of the French commercial code, to evaluate the merits of these agreements and commitments with a view to their approval.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code (*code de commerce*) relating to the implementation during the past year of agreements and commitments previously approved by the general meeting, if any.

We have implemented the measures considered necessary by us to comply with the professional guidance issued by the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes*) in relation to this type of assignment.

Agreements submitted for approval to the general meeting

We hereby inform you that we were not notified of any agreement or commitment authorized during the past financial year to be submitted to the general meeting for approval in accordance with the provisions of Article L. 225-38 of the French commercial code

Agreements already approved by the General Meeting

We inform you that we have not been advised of any agreement or commitment already approved by the general meeting remaining in force in the period under review.

Marseille and Paris-La Défense, April 29, 2024

The Statutory Auditors

French original signed by:

Approbans Audit	Ernst & Young Audit
Pierre Chauvet	Pierre Chassagne

PART 3 - FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTES TO THE 2023 ANNUAL FINANCIAL STATEMENTS

NICOX SA
Sundesk Sophia Antipolis
Emerald Square, Bâtiment C
Rue Evariste Galois
06410 Biot, France
Antibes Trade and Companies Register (RCS) No. 403 942 642

ASSETS	Notes	Gross value	Amortization and depreciation	Net FY 2023 [12 months]	Net FY 2022 [12 months]
Start-up costs	2.1	58,278	58,278		
Development expenditures	2.1	50,000	50,000		
Concessions, patents and similar rights	2.1	2,854,415	2,830,150	24,265	833
Intangible assets	**2.1**	**2,962,693**	**2,938,428**	**24,265**	**833**
Other tangible assets	2.2	449,213	423,237	25,976	25,316
Property, plant and equipment	**2.2**	**449,213**	**423,237**	**25,976**	**25,316**
Equity interests	2.3	55,631,552	54,621,792	1,009,760	3,931,515
Other financial assets	2.3	795,263		795,263	994,177
Financial assets	**2.3**	**56,426,815**	**54,621,792**	**1,805,023**	**4,925,692**
TOTAL NON-CURRENT ASSETS		**59,838,721**	**57,983,456**	**1,855,265**	**4,951,841**
Trade receivables and related accounts	2.4	3,424,120		3,424,120	2,623,378
Other receivables	2.4	34,323,374		34,323,374	37,844,230
Cash	2.5	11,259,308		11,259,308	27,079,935
Prepayments	2.6	886,409		886,409	1,480,416
TOTAL CURRENT ASSETS		**49,893,211**		**49,893,211**	**69,027,959**
Unrealized foreign exchange losses		12,776		12,776	36,393
Bond redemption premium	2.7	1,218,269		1,218,269	1,826,571
TOTAL ADJUSTMENT ACCOUNTS		**1,231,045**		**1,231,045**	**1,862,964**
TOTAL ASSETS		**110,962,977**	**57,983,456**	**52,979,521**	**75,842,764**

LIABILITIES	Notes	FY 2023 [12 months]	FY 2022 [12 months]
Issued capital	2.8	50,170,498	50,100,448
Share premium	2.8	529,477,867	529,547,113
Retained earnings	2.8	(537,354,187)	(506,069,207)
Loss for the period	2.8	(20,880,925)	(31,284,980)
TOTAL EQUITY	**2.8**	**21,413,253**	**42,293,374**
Provision for contingencies	2.9	12,776	38,724
Provision for charges	2.9	700,050	577,729
PROVISIONS FOR CONTINGENCIES & CHARGES	2.9	**712,826**	**616,453**
TOTAL OTHER EQUITY			
Bank borrowings and overdrafts	2.10	20,894,582	21,259,826
Miscellaneous borrowings	2.10	4,257,750	4,036,657
Trade payables and equivalent	2.10	2,498,564	2,537,119
Tax and social security liabilities	2.10	647,947	1,071,604
Deferred revenue	2.11	1,919,365	2,169,171
TOTAL LIABILITIES		**30,218,208**	**31,074,377**
Unrealized foreign exchange gains	2.12	**635,234**	**1,858,560**
TOTAL LIABILITIES		**52,979,521**	**75,842,764**

PROFIT AND LOSS STATEMENT	Notes	FY 2023 [12 months]	FY 2022 [12 months]
Sales of services - misc. charged backs	2.15	257,294	211,624
Patent royalties	2.15	6,645,910	5,241,677
REVENUE	**2.15**	**6,903,204**	**5,453,301**
Reversals of depreciation, amortization and provisions, expense transfers		13,280	96,594
Other income from ordinary activities		224,966	95
TOTAL OPERATING INCOME		**7,141,450**	**5,549,990**
Other purchases and external expenses	2.13	(18,406,248)	(18,103,353)
Taxes, duties and similar payments (other than on income)		(99,192)	(184,054)
Salaries and wages	2.14	(1,763,771)	(3,052,983)
Social charges	2.14	(738,742)	(1,176,890)
Allowances for the depreciation of fixed assets		(21,469)	(12,679)
Provisions for contingencies and charges		(122,321)	(41,060)
Other expenses	2.16	(2,825,064)	(2,241,132)
Foreign exchange losses on trade receivables and payables	2.17	(220,620)	-
OPERATING EXPENSES		**(24,197,428)**	**(24,812,152)**
OPERATING LOSS		**(17,055,977)**	**(19,262,162)**
Other interest and similar income	2.18	1,099,432	1,119,815
Proceeds from disposals of financial assets	2.18	0	838
Reversals of provisions, expense reclassifications	2.18	38,724	3,030
Foreign exchange gains	2.18	116,563	872,150
FINANCIAL INCOME	2.18	**1,254,719**	**1,995,833**
Allowances for amortization and reserves	2.18	(3,542,833)	(12,142,298)
Interest and similar expenses	2.18	(1,579,994)	(1,582,377)
Foreign exchange losses	2.18	(244,487)	(401,012)
Loan interest	2.18	(53,269)	(48,485)
Losses from the disposal of financial assets	2.18	(199,918)	(348,851)
FINANCE EXPENSE		**(5,620,500)**	**(14,523,023)**
NET FINANCE EXPENSE		**(4,365,781)**	**(12,527,190)**

PROFIT AND LOSS STATEMENT (continued)	Notes	FY 2023 [12 months]	FY 2022 (12 months)
OPERATING LOSS BEFORE TAX		**(21,421,759)**	**(31,789,352)**
EXCEPTIONAL INCOME		**63,000**	**-**
Research tax credit - (Corporate income tax)	2.22	477,834	504,372
TOTAL INCOME		8,459,169	7,545,823
TOTAL EXPENSES		(29,340,094)	(38,830,803)
LOSS FOR THE PERIOD		**(20,880,925)**	**(31,284,980)**

1. Nature of the business activity and accounting principles

1.1. Nature of the business activity

Nicox S.A. (the "Company") is incorporated and domiciled in France. Since February 1, 2024, the Company's registered office has been at Sundesk Sophia Antipolis, Emerald Square, bâtiment C, rue Evariste Galois, 06410 Biot, following the transfer of its registered office. The Company is listed on Euronext Growth (ALCOX).

The Company is an ophthalmology company and is developing innovative solutions to help maintain vision and improve ocular health. It has a program currently in Phase 3 clinical development for glaucoma (NCX 470), a drug candidate in preclinical development for retinal conditions (NCX 1728) and a licensed product marketed by an exclusive partner (VYZULTA). The Company has two international subsidiaries, one in North Carolina, USA, focused on clinical development , the other in Milan, Italy, focused on non-clinical research and development. In 2024, the Company took steps to wind up this subsidiary in accordance with the measures provided for under the BlackRock agreement to streamline its operations. (See note 2.29 Subsequent events).

NCX 470, a novel nitric oxide (NO)-donating bimatoprost eye is in phase 3 clinical development for the reduction of IOP in patients with open-angle glaucoma and ocular hypertension. Mont Blanc, the first of the two Phase 3 clinical trials, has been completed and the results announced in October 2022. The second Phase 3 clinical trial, Denali, is currently ongoing, and the results are expected in the second half of 2025. Mont Blanc and Denali trials have been designed to fulfill the regulatory requirements for safety and efficacy Phase 3 trials to support NDA submissions in the U.S. and China. The Phase 3b Whistler study to evaluate NCX 470's dual mechanism of action (nitric oxide and prostaglandin analog) of NCX 470 in intraocular pressure (IOP) lowering was launched in December 2023. Results for the Whistler trial are currently expected in Q1 2025. NCX 470 is licensed exclusively to Ocumension Therapeutics for China and South-East Asia, and to KOWA for Japan (see note 2.29 Subsequent events).

NCX 1728, an NO-donating Phosphodiesterase-5 (PDE5) inhibitor, is the lead compound of a new class of NO-donating molecules in which the NO-mediated effects are enhanced and prolonged by concomitant PDE5 inhibition in the same molecule. PDE5 inhibition has been shown to enhance the efficacy and the duration of NO-mediated effects. This class of molecules has the potential to be developed for retinal conditions and NCX 1728 is under preclinical evaluation in this area.

VYZULTA®, indicated for the reduction of IOP in patients with open angle glaucoma or ocular hypertension, is exclusively worldwide licensed to Bausch + Lomb. VYZULTA is marketed in over 15 countries, including the United States and is also approved in a number of other countries.

The Board of Directors approved the separate annual financial statements for the year ended December 31, 2023 on April 19, 2024.

1.2. Accounting principles

The financial statements have been prepared in accordance with the French GAAP, and notably Regulation No. 2016-07 of November 4, 2016, amending regulation No. 2014-03 of the French general

chart of accounts (*plan comptable général*), issued by the ANC, the French Accounting Standards Authority (*Autorité des Normes Comptables*).

The general accounting conventions have been applied in compliance with the French general chart of accounts, in observance of the principle of prudence and according to the following basic assumptions:

- Going concern,
- Separation of accounting periods,
- Consistency of accounting methods from one year to the next and in accordance with the general rules for the preparation and presentation of annual accounts.

Only significant information is reported. Unless otherwise indicated, amounts are expressed in Euros.

The basic method used to value items recorded in the accounts is the historical cost method.

The principal accounting methods used are as follows:

The Company has prepared its separate annual financial statements using the going concern basis of accounting.

The financial statements prepared on December 31, 2023 will be considered final only after they are approved by the annual general meeting.

Going concern

These financial statements have been prepared on a going concern basis. At the end of the financial year, i.e. December 31, 2023, the Company had a cash runway of 7 months. In 2023, the operating loss amounted to €20,880,925 down from €31,284,980 in 2022, accompanied by a net decrease in cash and cash equivalents of €15,783,806 in the period. On that basis, at December 31, 2023, the accumulated deficit was €509,923,547. The Company is planning to continue incurring significant expenditures in 2024 and 2025 in order to complete the DENALI clinical trial, the results of which are expected in the second half of 2025.

As part of the restructuring of the Company's debt held by Kreos Capital (now BlackRock) announced on February 28, 2024, the Company is required to raise at least €3 million in equity financing by September 30, 2024, and to have at least two months of available cash to extend the interest-only period and which would extend the cash runway to Q1 2025 (see note 2.29.3 Subsequent events). If either of these conditions is not met, the creditor will be entitled to demand immediate repayment of all suspended installments, which would immediately place the Company in a situation of default.

In order to obtain at least €3 million in equity financing at the Company has undertaken which should extend its cash runway to at least February 2025, an extraordinary general meeting was called on the basis of a second meeting notice on May 6, 2024, as the Company did not reach the quorum required on the first meeting notice. The purpose of this meeting is to obtain the shareholders' approval of the financial resolutions submitted which are destined to enable the Company to complete its financing. However, the Company cannot guarantee that a quorum will be reached, that the shareholders will

approve these resolutions, or that the public offering planned thereafter to obtain additional financing will be successful.

The Company is also pursuing discussions with a view to concluding cash-generating agreements, notably the sale or licensing of certain assets. It is also studying several other strategic options to extend its cash runway.

Although the Company has taken and will continue to take steps to obtain new financing and optimize its operating expenses, uncertainties regarding the ability to obtain such financing and the constraints imposed by the BlackRock agreement raise material doubts as to the Company's ability to meet its future cash requirements and in consequence continue as a going concern. Based on the measures taken thus far and those planned, the Board of Directors has concluded that the preparation of financial statements for the year ended December 31, 2023 on a going concern basis is appropriate, under the assumption that the Company will continue as a going concern for the foreseeable future.

1.2.1. Intangible assets

Intangible fixed assets are valued at their acquisition cost. They are amortized according to the straight-line method over their economic life, according to the following guidelines:

Research and development expenditures

Research costs are fully booked as other purchases and outside expenses for the year in which they were incurred. All development costs incurred by the Company are accounted for as expenses as to date the activation criteria have not been met by any of the drug candidates developed by the Company. In fact, owing to the risks and uncertainties related to regulatory authorizations and to the research and development process, they reputedly do not meet the criteria for financial assets before authorization is received to place the drugs on the market. As a result, development costs (mainly the costs of subcontracting clinical research and production costs of active ingredients of drug candidates) were always accounted for as expenses under the “Other purchases and external expenses” line item. To date, the Company has never obtained a marketing authorization application for its products developed exclusively in-house.

VYZULTA out-licensed to its partner Bausch & Lomb was approved by the US FDA in November 2017, and the Company was no longer involved in VYZULTA's development since its worldwide rights were out-licensed to its partner in 2010.

Set-up costs

Set-up costs correspond to the costs of creating the Company’s first establishment and are fully amortized.

Software and patents

Intangible fixed assets include computer software, a portfolio of patents acquired during 2009 that were fully amortized since 2020.

Amounts paid to acquire such rights are recognized under assets when there is a probability that they will generate future profits and qualify as long-lived based on the length of their terms. An impairment test is done when there is an indication of a loss in value of intangible fixed assets.

Intangible fixed assets are valued at their acquisition cost. They are amortized according to the straight-line method over their probable economic life, according to the following guidelines:

Software, Concessions	3 to 5 years

1.2.2. Property, plant and equipment

Property, plant and equipment are measured at cost, with acquisition-related costs included in the gross amount. They are amortized according to the straight-line method over their probable economic life, according to the following guidelines:

Miscellaneous fixtures and facilities	10 years
Computer equipment	3 to 5 years
Furniture	10 years

The depreciation method reflects the pace of consumption of the economic benefits of the assets depending on their probable use.

1.2.3. Financial assets

Financial assets consist of miscellaneous deposits and guarantees, investments in the Company's subsidiaries, treasury shares and cash balances for the purposes of the liquidity contract.

Equity interests are recorded in the balance sheet at their acquisition cost, excluding acquisition-related expenses. This value is compared at the end of the period with the value in use of those same securities, defined as the higher of the portion of shareholders' equity corresponding to the investment and discounted cash flows based on the prospects for a return on investment requiring the use of assumptions, estimates or assessments. A provision is booked when the value in use is less than the acquisition cost.

Financial assets include treasury shares and cash held for the purpose of maintaining orderly trading and liquidity in the company's shares. These activities are carried out through a liquidity agreement entered into with Kepler-Chevreux and in accordance with the authorizations granted by the general meeting of June 16, 2020. On July 16, 2020, the Board of Directors made use of the authorization given by the general meeting of June 20, 2020 solely for the purposes of maintaining the orderly trading in its shares on the secondary market, by systematically selling when prices are rising and buying when prices are falling and exclusively within the framework of the liquidity agreement concluded with Kepler-Chevreux. They are valued at purchase cost. A provision for impairment is recognized when the average closing price for the share for the last month of the year is less than the purchase price. The Company terminated its liquidity contract with Kepler-Cheveux on January1, 2024. (See note 2.29.1 subsequent events).

1.2.4. Receivables

They are recognized at their historic value. If appropriate they are written down to reflect the collection risks.

1.2.5. Research tax credit

Research and development expenses incurred by the Company Nicox S.A. qualify in some cases for a research tax credit equal to 30% of eligible research expenses incurred during the year. The tax credit is applied to the corporate income tax owed by the Company for the year in which it incurred its research expenses. Any surplus credit represents a French tax receivable which may be used for the payment of tax in the three years following the year for which it is recorded. The unused portion at the end of this period is refunded. During the month of December 2010 a tax provision of the 2011 Finance

Act was adopted to allow small and mid-sized businesses to request early reimbursement of the research tax credit in the year following the recognition of the receivable when the tax credit is not usable for payment of the corporate revenue tax.

1.2.6. Cash and cash equivalents

Short-term cash deposits listed in the statement of financial position include cash at bank and in hand, as well as short-term deposits with maturities of less than six months subject to an insignificant risk of changes in value.

1.2.7. Translation of foreign currency items

Transactions in foreign currencies are recorded initially in the functional currency at the exchange rate in force on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in force on the closing date. Translation differences resulting from the foregoing transactions are recorded under assets or liabilities as currency gains or losses. In the event of unrealized foreign exchange losses a provision is recorded. In accordance with the principle of conservatism, unrealized foreign exchange gains are not recognized under income.

The Company did not use any hedging instruments to cover its currency risk.

1.2.8. Provisions

Provisions correspond to the commitments resulting from disputes and various risks with an uncertain time frame and in an uncertain amount which the Company may be facing in connection with its activities. A provision is recognized when the Company has a legal or constructive obligation towards a third party as a result of a past event, when it is probable that an outflow or economic benefits will be required to settle the obligation without receiving at least an equivalent value in exchange, and when a reliable estimate can be made of future cash outflows.

Contingent liabilities are not recognized but are disclosed in the Notes unless the possibility of an outflow of resources is remote.

1.2.9. Employee pension benefit obligations

The Company's defined benefit pension plan obligations are determined using the projected unit credit actuarial method in compliance with French GAAP (and notably Recommendation No. 2013-02 of the *Autorité des Normes Comptables* or ANC). These plans are unfunded. These obligations are measured at the end of each reporting period. The actuarial assumptions used to determine these obligations take into account the prevailing economic conditions in the country. The Company’s obligations are recorded on the balance sheet under assets. Any actuarial differences are recognized as expenses during the period. The corresponding costs are spread over the remaining years of the employee's career.

1.2.10. Subsequent events

The Company’s financial statements are adjusted to reflect subsequent developments relating to situations existing on the closing date.

These adjustments are made up to the date of approval of the financial statements by the Board of Directors.

Other events subsequent to the closing date that do not result in adjustments are presented in the notes.

1.2.11. Information on the statement of profit or loss

- Operating income generated from licensing and development agreements
- Operating expenses

The Company subcontracts its research and development activities to outside partners. The Company records these expenses on the books depending on the progress of the work. The percentage of completion is determined on the basis of information provided by the outside partners, corroborated by internal analyses.

Royalties payable to Pfizer by Nicox within the framework of the contract to buy back the rights to latanoprostène bunod (henceforth VYZULTA) by Nicox in 2009 are recognized when Bausch & Lomb, the partner to which VYZULTA was out-licensed in 2010, generates sales from which these royalties are calculated.

1.2.12. Borrowings

The full amount of borrowings, including redemption premiums, is recognized as a liability.
Bond redemption premiums are amortized on a straight-line basis over the life of the bonds, i.e. in equal amounts prorated over the bond's term.

2. ADDITIONAL INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT

2.1. Intangible assets and amortization

Intangible assets in Euros	12/31/22	Acquisitions / Amortization	Disposals and retirements	Other	12/31/23
Start-up costs	58,278	-	-	-	58,278
Research and development expenses	50,000	-	-	-	50,000
Concessions, patents, similar rights and software	2,819,315	35,100	-	-	2,854,415
Total intangible assets	**2,927,593**	**35,100**	**-**	**-**	**2,962,693**

Intangible assets in Euros	12/31/21	Acquisitions / Amortization	Disposals and retirements	Other	12/31/22
Start-up costs	58,278	-	-	-	58,278
Research and development expenses	50,000	-	-	-	50,000
Concessions, patents, similar rights and software	2,819,315	-	-	-	2,819,315
Total intangible assets	**2,927,593**	**-**	**-**	**-**	**2,927,593**

Amortization and impairment of intangible assets in Euros	12/31/22	Allowances	Disposals and retirements	12/31/23
Start-up costs	58,278	-	-	58,278
Research and development expenses	50,000	-	-	50,000
Concessions, patents, similar rights and software	237,242	11,668	-	248,910
Provision for impairment of concessions, patents, similar rights and software	2,581,240	-	-	2,581,240
Total amortization and impairment of intangible assets	**2,926,760**	**11,668**	**-**	**2,938,428**

Amortization and impairment of intangible assets in Euros	12/31/21	Allowances	Disposals and retirements	12/31/22
Start-up costs	58,278	-	-	58,278
Research and development expenses	50,000	-	-	50,000
Concessions, patents, similar rights and software	236,941	301	-	237,242
Provision for impairment of concessions, patents, similar rights and software	2,581,240	-	-	2,581,240
Total amortization and impairment of intangible assets	**2,926,459**	**301**	**-**	**2,926,760**

2.2. Property, plant and equipment and depreciation

Property, plant and equipment in Euros	12/31/22	Acquisitions/Depreciation	Disposals and retirements	Other	12/31/23
General facilities, fixtures	232,547		-	-	232,547
Office equipment, computers, furniture, vehicles[(1)]	522,735	10,462	316,531	-	216,666
Total property, plant and equipment	**755,282**	**10,462**	**316,531**	**-**	**449,213**

(1) Disposals and retirements of fixed assets include all fully depreciated fixed assets written off prior to the change of registered office effective February 2024.

Property, plant and equipment in Euros	12/31/21	Acquisitions/ Depreciation	Disposals and retirements	Other	12/31/22
General facilities, fixtures	224,517	8,030	-	-	232,547
Office equipment, computers, furniture, vehicles	503,472	19,263	-	-	522,735
Total property, plant and equipment	**727,989**	**27,293**	**-**	**-**	**755,282**

Depreciation and impairment of property, plant and equipment in Euros	12/31/22	Allowances	Disposals and retirements	12/31/23
Depreciation / general facilities, fixtures	224,653	1,606	-	226,259
Depreciation / Office equipment, computers, furniture	505,313	8,196	316,531	196,978
Total depreciation of property, plant and equipment	**729,966**	**9,802**	**316,531**	**423,237**

Depreciation and impairment of property, plant and equipment in Euros	12/31/21	Allowances	Disposals and retirements	12/31/22
Depreciation / general facilities, fixtures	224,453	201	-	224,653
Depreciation / Office equipment, computers, furniture	493,135	12,178	-	505,313
Total depreciation of property, plant and equipment	**717,588**	**12,378**	**-**	**729,966**

2.3. Financial assets and impairment

Current financial assets consist of deposits and guarantees relating to the lease of the Company's offices, deposits linked to the BlackRock loan (formerly Kreos Capital), equity interests of Nicox in its subsidiaries and treasury shares.

Financial assets in Euros	12/31/22	Increases	Decreases	12/31/23
Deposits and guarantees	648,721	508		649,230
Participating interests(1)& (2)	55,631,552	-	-	55,631,552
Other financial assets (2)	345,456	134,582	334,357	146,033
Financial assets subtotal	**56,625,729**	**1,119**	**380,468**	**56,426,815**

(1) Participating interests in the amount of €55,631,552 include equity interests of €1,009,760 in the Company's Italian subsidiary and €54,621,792 in its US subsidiary.

(2) Corresponds to the liquidity contract entered into with Kepler-Cheveux

Financial assets in Euros	12/31/21	Increases	Decreases	12/31/22
Deposits and guarantees	679,579	1,119	31,977	648,721
Participating interests(1)& (2)	55,631,553	-	-	55,631,552
Other financial assets (2)	693,947		348,491	345,456
Financial assets subtotal	**57,005,079**	**1,119**	**380,468**	**56,625,729**

The impairment of financial assets in Euros	12/31/22	Impairment	Reversal of impairments	12/31/23
Impairment of Nicox Ophthalmics investments (1)	51,700,037	2,921,755	-	54,621,792
For the impairment of financial assets	**51,700,037**	**2,921,755**	**-**	**54,621,792**

(1) This corresponds to the impairment of investments in the US subsidiary arising from the loss in value of intangible assets in this subsidiary following (i) the Group's decision to discontinue the development of the NCX4251 asset internally and to make it available to a potential partner for development in the therapeutic indication of dry eye, (ii) the shift in the US market for allergic eye drops to over-the-counter products, impacting net sales of ZERVIATE licensed to Arrow Inc. As a result, for the US market, the value of this asset was fully written down.

The impairment of financial assets in Euros	12/31/21	Impairment	Reversal of impairments	12/31/22
Impairment of Nicox Ophthalmics investments (1)	40,200,037	11,500,000	-	51,700,037
For the impairment of financial assets	**40,200,037**	**11,500,000**	**-**	**51,700,037**

The Company tests the value of its subsidiaries' shares for impairment.

The value of Nicox Ophthalmics' shares is based primarily on the recoverable amount of its main asset, namely the licensing agreement granting Ocumension Therapeutics the right to develop and market Zerviate in China, in return for royalties and milestone payments.
This test is sensitive to assumptions specific to the nature of the asset. For this purpose, the main assumptions used in 2023 relate to:

- The discount rate,
- The probability of the success for the IP R&D project.
- Medium and long-term sales forecasts notably concerning the size and penetration rate of the market, and

The assumptions used for impairment tests of securities are reviewed at least once a year. Further information on risks affecting the recoverable amount of investments in subsidiaries is provided in section 2.4.1. Subsidiary receivable

2.4. Due date of receivables at the end of the year

The table of receivables is presented below with reference to due date of payment:

Receivables (Amounts in Euros)	Total	Less than one year	More than one year
Advances and deposits	8,222	8,222	-
Trade receivables	3,424,120	3,424,120	-
Other receivables	2,169	2,169	-
State, Value Added Tax	101,836	101,836	-
French State, Research Tax Credit (CIR) and payroll tax(1)	1,252,060	477,834	774,226
Due from subsidiary (see 2.4.1 below)	32,959,087	12,760	32,946,327
Prepayments	886,409	886,409	-
Total receivables	**38,633,903**	**4,913,350**	**33,720,553**

(1) Includes (i) the 2023 RTC of €477,834 (the Company received a refund of its 2022 RTC of €504,372 in 2023), (ii) the contested tax adjustment of €774,226 for 2016 (see note 2.22. Contingent tax position).

Receivables (amounts in euros) at 12/31/2022	Total	Less than one year	More than one year
Advances and deposits	194,423	194,423	-
Trade receivables	2,623,378	2,623,378	-
Other receivables	64,533	64,533	-
State, Value Added Tax	149,802	149,802	-
French State, Research Tax Credit (CIR) and payroll tax(1)	1,290,264	516,038	774,226
Due from subsidiary(2)	36,145,208	10,905	36,134,303
Prepayments	1,480,416	1,480,416	-
Total receivables	**41,948,024**	**5,039,495**	**36,908,529**

2.4.1. Due from subsidiary

At December 31, 2023, the company had a receivable of €32.9 million owed by its wholly-owned subsidiary, Nicox Ophthalmics Inc.

Given Nicox Ophthalmics' profile, the recoverability of the receivable is essentially based on the recoverable value of its main asset, namely the licensing agreement granting Ocumension Therapeutics the right to develop and market Zerviate in China, in return for royalties and milestone payments.

To date, product development is still in progress, with a marketing authorization application filed in April 2023 and approval is expected in 2024.
The recoverability of Nicox's receivable owed by Nicox Ophthalmic is based on royalties expected in the coming years. This implies payment over a period of around 8 to 10 years, and factors in the uncertainty associated with this type of agreement regarding forecasts of future cash flows and consequently the US subsidiary's ability to repay the debt.

Nicox Ophthalmics' financing, as a Nicox Group company, is based on the financing capacity of the latter, and in particular its ability to obtain new financing, as specified in the going concern paragraph in section 1.2 Accounting principles.

In addition, the net realizable value (NRV) at 31 December 2023 includes an adjustment for an additional chargeback for services rendered by the subsidiary to the Company in the amount of US$3,721,327, corresponding to €3,488,962. In 2022, the subsidiary's activity consisted solely in supporting development activities carried out on behalf of the Company, and the nature and cost of services relating to these activities were revised in 2023. This resulted in an additional chargeback recognized in 2023 in the statement of financial position line item "Subsidiary receivable", with an offsetting entry in the income statement under "Other expenses".

2.5. Cash

Cash and cash equivalents amounted to €11,259,308 at December 31, 2023. This included €9,053,189 invested in time deposit accounts, readily convertible to a known cash amount, subject to an insignificant risk of a change in value, and with the capital guaranteed.

As of December 31, 2023, accrued interest receivable amounted to €22,860.

2.6. Prepayments

Prepaid expenses are presented in the table below:

Prepaid expenses in Euros	12/31/23	12/31/22
Development expenditures	824,296	1,317,558
Overhead costs	56,331	114,143
Miscellaneous		41,485
Insurance	5,782	7,230
Total prepaid expenses	**886,409**	**1,480,416**

2.7. Bond redemption premium

The redemption premium relates to BlackRock's non-amortizing bond with a face value of €1,787,000, for which a premium of €2,466,538 is due at maturity (January1, 2026).
This premium is amortized prorata temporis over the bond's term. At December 31, 2023, its net value amounted to €1,218,269 (see bonus amortization schedule in section 1.2.12).

2.8. Shareholders' equity

2.8.1. Overview

At December 31, 2023, the share capital consisted of 50,170,498 fully paid up ordinary shares with a par value of €1.

In addition, at December 31, 2023, the Company held 311,067 own shares in treasury at a price of €0.442 per share, or a total value of €137,492.

Authorized Capital

	At December 31	
	2023	**2022**
Share capital comprised of shares with a par value of €1	50,170,498	50,100,448

During 2023, Nicox SA carried out a number of capital increases by issuing restricted stock units or free shares (*actions gratuites*) for a total amount of €70,050.

The table of changes in shareholders' equity is presented below:

	Ordinary shares		Share premium	Cumulative losses	Total equity
	Number	Amount			
As of December 31, 2021	**43,138,185**	**43,138,185**	**527,545,675**	**(506,069,209)**	**64,614,651**
Issue of ordinary shares through the exercise of equity instruments	6,849,316*	6,849,316	2,114,385	-	8,963,701
Issuance of restricted stock units	112,947	112,947	(112,947)	-	-
Loss for the period	-	-	-	(31,284,980)	(31,284,980)
As of December 31, 2022	**50,100,448**	**50,100,448**	**529,547,113**	**(537,354,189)**	**42,293,374**
Issuance of restricted stock units	70,050	70,050	(70,050)	-	
Loss for the period	-	-	-	(20,880,925)	(20,880,925)
Correction					804
As of December 31, 2023	**50,170,498**	**50,170,498**	**529,477,063**	**(558,235,114)**	**(21,413,253)**

* Capital increase without preferential subscription rights reserved for companies or French or foreign investment funds investing in the pharmaceutical/biotechnology sector. This capital increase resulted in the issue of 6,849,316 new ordinary shares, each share with an attached warrant to acquire 6,849,316 additional new ordinary shares for a total gross amount of €10 million.

2.8.2. Stock options

On May 24, 2018, the shareholders in the general meeting granted an authorization to the Board of Directors for 38 months to award 1,000,000 stock options or stock purchase options to Group employees and officers. The exercise of these options is subject to performance conditions for beneficiaries who are members of the Executive Committee, set by the Board of Directors at the time of the grant. The options granted under this authorization must be exercised no later than eight years after the effective award date by the Board of Directors. This authorization, granted for a period of 38 months from the date of the meeting, was rendered void by the general meeting of June 30, 2020.

On June 30, 2020, the shareholders in the general meeting granted an authorization to the Board of Directors for 38 months to award 1,000,000 stock options or stock purchase options to Group employees and officers. The exercise of these options is subject to performance conditions for beneficiaries who are members of the Executive Committee, set by the Board of Directors at the time of the grant. The options granted under this authorization must be exercised no later than eight years after the effective award date by the Board of Directors.

On April 28, 2021, the shareholders in the general meeting granted an authorization to the Board of Directors for 38 months to award 2,500,000 stock options or stock purchase options to Group employees and officers. The exercise of these options is subject to performance conditions for

beneficiaries who are members of the Executive Committee, set by the Board of Directors at the time of the grant. The options granted under this authorization must be exercised no later than eight years after the effective award date by the Board of Directors.

On July 28, 2022, the shareholders in the general meeting granted an authorization to the Board of Directors for 38 months to award 2,500,000 stock options or stock purchase options to Group employees and officers. The exercise of these options is subject to performance conditions for beneficiaries who are members of the Executive Committee, set by the Board of Directors at the time of the grant. The options granted under this authorization must be exercised no later than eight years after the effective award date by the Board of Directors.

Stock options granted between January 1, 2015 and December 31, 2021 were subject to achievement by Executive Committee members of 70% of the conditions of performance which have been consistently met. From January 2022 onwards, the percentage of the conditions of performance to be achieved were reduced to 50%.

The vesting of stock options granted to the Chief Executive Officer on July 1, 2022 and to other Executive Committee members on July 19, 2022 under the plan authorized on May 5, 2021 was subject, for certain rights, to confirmation by the Board of Directors that the Company had 12 months' of cash at December 31, 2023.

In December 2023, after the Board of Directors indicated that only 40% of the Group's undisclosed targets concerning the availability of 12 months' cash at December 31, 2023 had been met, the 190,002 stock options granted to the above-mentioned beneficiaries were accordingly cancelled.

Similarly, the vesting of stock options granted to Executive Committee members on January 13, 2023 under the plan authorized on September 14, 2022 was contingent on the Board of Directors' determination that at least 50% of the Group's annual targets had been achieved in 2023.

In December 2023, after the Board of Directors indicated that only 20% of the Group's undisclosed targets had been met, the 94,544 stock options granted to the above-mentioned beneficiaries were accordingly cancelled.

Options outstanding at 12/31/2023

Board of Directors' meeting date	Options granted	Exercise date of the options	Expiry date	Subscription price per option in euros	Number of canceled or expired options	Options outstanding	Number of outstanding shares issuable upon exercise of the options
Plan authorized by the General Meeting of 05/24/18							
02/12/19	176,550	02/12/21	02/12/27	€6.0546	54,150	122,400	122,400
01/27/20	394,750	01/27/22	01/27/28	€4.7910	84,600	310,150	310,150
	571,300				**138,750**	**432,550**	**432,550**
Plan authorized by the General Meeting of 06/30/20							
10/15/20	56,000	10/31/21	10/15/28	€2.9200	40,000	16,000	16,000
10/15/20	56,000	10/31/22	10/15/28	€2.9200	40,000	16,000	16,000
01/14/21	349,550	01/14/23	01/14/29	€3.5181	56,000	293,550	293,550
	461,550				**136,000**	**325,550**	**325,550**
Plan authorized by the General Meeting of 04/28/21							
02/15/22	457,500	02/15/24	02/15/30	€2.3716	47,700	409,800	409,800
04/07/22	52,000	04/08/22	04/07/30	€2.9200	36,000	16,000	16,000
04/07/22	52,000	10/31/22	04/07/30	€2.9200	36,000	16,000	16,000
04/07/22	33,300	01/14/23	04/07/30	€3.5181	24,300	9,000	9,000
07/01/22	286,666	06/01/23	07/01/30	€1.7954	0	286,666	286,666
07/01/22	286,666	06/01/24	07/01/30	€1.7954	143,334	143,332	143,332
07/01/22	286,668	06/01/25	07/01/30	€1.7954	0	286,668	286,668
07/19/22	328,673	07/19/23	07/18/30	€1.7965	40,002	288,671	288,671
07/19/22	328,664	07/19/24	07/18/30	€1.7965	86,667	241,997	241,997
07/19/22	15,000	07/19/24	07/18/30	€1.7965	5,000	10,000	10,000
07/19/22	328,663	07/19/25	07/18/30	€1.7965	39,999	288,664	288,664
	2,455,800				**459,002**	**1,996,798**	**1,996,798**
Plan authorized by the General Meeting of 07/28/22							
09/23/22	28,670	09/23/23	09/23/30	€1.9247	2,668	26,002	26,002
09/23/22	28,665	09/23/24	09/23/30	€1.9247	2,666	25,999	25,999
09/23/22	28,665	09/23/25	09/23/30	€1.9247	2,666	25,999	25,999
01/13/23	569,571	01/13/25	01/13/31	€1.1212	113,832	455,739	455,739
	655,571				**121,832**	**533,739**	**533,739**
	4,144,221				855,584	3,288,637	3,288,637

The following table illustrates the number and weighted average exercise prices of the options proposed in the plan:

	As of December 31, 2023		
	Number of options	**Number of shares**	**Weighted average exercise price of the shares corresponding to the options (in euros)**
Options outstanding at start of period	**3,040,900 ***	**3,040,900 ***	**2.55**
Granted during the period	569,571	569,571	1.12
Canceled	(321,834)	(321,834)	1.56
Outstanding at end of period	**3,288,637**	**3,288,637**	**2.40**

*137,300 stock options granted in 2020 and 2021 were canceled retroactively by the Board of Directors on April 7, 2022

The weighted average remaining contractual life of the outstanding stock options is 6 years and 1 month as of December 31, 2023 (6 years and 4 months as of December 31, 2022).

2.8.3. Equity warrants

2.8.3.1. Equity warrants (BSA granted to directors and other third parties

On May 24, 2018, the shareholders in the general meeting approved in principle a capital increase of €300,000 by issuing without consideration 300,000 equity warrants entitling the holders to a maximum of 300,000 new shares at a par value of €1 per share in favor of the six Directors serving on the Board at that time (Ms. Birgit Stattin Norinder having resigned effective June 20, 2018). 144,000 warrants were issued by the Board of Directors on May 25, 2018 and must be exercised within five years from their issue date. These warrants were subject to conditions of performance set by the Board when granted, and which were noted by the Board in September 2018 as having been fulfilled.

On June 30, 2020, the General Meeting of the shareholders approved in principle a capital increase of €60,000 through the issue, free of charge, of 60,000 equity warrants conferring rights to a maximum of 60,000 new ordinary shares at a par value of € 1 for six members of the Company's glaucoma clinical advisory board. These warrants were subject to conditions of performance set by the Board when granted, and which were noted by the Board in September 2020 as having been fulfilled.

The following table presents, at December 31, 2023, the equity warrants outstanding:

	Plan 8	Plan 9
Shareholders' meeting date	May 2018	June 2020
Board of Directors' meeting date	May 25, 2018	July 16, 2020
Total number of shares that may be subscribed	144,000	60,000
Expiration date	May 24, 2023	July 15, 2025
Share subscription price upon exercising the warrant (€)	8.8803	4.1449
Exercise procedures (when the plan has several tranches)	(1)	
Number of shares subscribed at December 31, 2023	-	-
Aggregate number of equity warrants canceled or expired	144,000	-
Equity warrants remaining at end of year	0	60,000

(1) The exercise of the warrants was contingent on the Company's Board of Directors' determination that the Company completed certain undisclosed strategic objectives, which was the case.

The following table illustrates the number and weighted average exercise prices proposed in the plan:

	At December 31, 2023		
	Number of options	**Number of shares**	**Weighted average exercise price of the options in €**
Outstanding at start of the period	**204,000**	**204,000**	**7.49**
Granted during the period	-	-	-
Canceled or lapsed during the period	(144,000)	(144,000)	8.8803
Outstanding at end of period	60,000	60,000	4.1449
Exercisable at end of period	**60,000**	**60,000**	**4.1449**

2.8.3.2. Equity warrants granted to third parties

The following table presents the equity warrants granted to investors in connection with financing arrangements and the loan agreement in force with the Company. At December 31, 2023, all of these warrants were outstanding and have not been cancelled or lapsed since they were granted. In addition, the 2022 financing arrangement includes a put option on the warrants granted to Armistice, as described in note 2.18.2.5.

	Grant date	Rights	Number of shares issuable	Expiry date	Exercise price
Loans	01/23/19	308,848	308,848	01/23/24	€5.99
Loans	02/28/21	100,000	100,000	02/28/26	€4.23
2021 private placement	12/13/21	6,018,000	5,100,000	12/13/26	€3.21
2022 private placement	11/21/22	6,849,316	6,849,316	11/21/27	€1.70

In addition, 10,000 warrants were granted on December 16, 2020 to Fera with an exercise price of €4.29 and will expire on December 16, 2025, and 60,000 warrants were granted on July 7, 2020 to the Clinical Advisory Board with an exercise price of €4.14 and will expire on July 7, 2025.

2.8.3.3. Convertible bonds.

The €3,300,000 convertible loan confer a right to the issue of 900,000 shares at a conversion price of €3.67, convertible at maturity on January 1, 2026 (see note 2.10).

2.8.4. Restricted stock units (*actions gratuites* or free shares)

On May 24, 2018, the shareholders' general meeting authorized the Board of Directors to award the Group's employees and corporate officers, without consideration, for a period of 38 months, a maximum of 1,000,000 outstanding or new ordinary shares of the group with a par value of €1 each. The vesting of these shares is subject to performance conditions set by the Board of Directors at the time of the grant.

The vesting of restricted stock units granted in 2018 under the May 24, 2018 plan was contingent, for certain rights, on the Board of Directors' determination of the achievement of at least 70% of the annual objectives of the Group. In January 2019, the Board of Directors duly noted that 90% of the Group's undisclosed objectives were met.

The vesting of restricted stock units granted in 2019 under the May 24, 2018 plan was contingent, for certain rights, on the Board of Directors' determination of the achievement of at least 70% of the annual objectives of the Group. In March 2020, the Board of Directors duly noted that 90% of the Group's undisclosed objectives were met.

The vesting of restricted stock units granted in 2020 under the May 30, 2017 plan was contingent on the Board of Directors' determination of the achievement of at least 70% of the annual objectives of the Group. In December 2020, the Board of Directors duly noted that 100% of the Group's undisclosed objectives were met.

On April 28, 2021, the shareholders' general meeting authorized the Board of Directors to award the Group's employees and corporate officers, without consideration, for a period of 38 months, a maximum of 1,000,000 outstanding or new ordinary shares of the group with a par value of €1 each. The vesting of these shares is subject to performance conditions set by the Board of Directors at the time of the grant.

The vesting of restricted stock units granted in 2021 under the April 28, 2021 plan was contingent, for certain rights, on the Board of Directors' determination of the achievement of at least 70% of the

annual objectives of the Group. In December 2021, the Board of Directors duly noted that 70% of the Group's undisclosed objectives were met.

On July 28, 2022, the shareholders' general meeting authorized the Board of Directors to award the Group's employees and corporate officers, without consideration, for a period of 38 months, a maximum of 1,000,000 outstanding or new ordinary shares of the group with a par value of €1 each. The vesting of these shares is subject to performance conditions set by the Board of Directors at the time of the grant.

The vesting of restricted stock units granted in 2022 under the September 14, 2022 plan was contingent, for certain rights, on the Board of Directors' determination of the achievement of at least 50% of the annual objectives of the Group. In January 2023, the Board of Directors duly noted that 100% of the Group's undisclosed objectives were met.

The vesting of restricted stock units granted in 2023 under the September 14, 2022 plan was contingent, for certain rights, on the Board of Directors' determination of the achievement of at least 50% of the annual objectives of the Group. In December 2023, after the Board of Directors indicated that only 20% of the Group's undisclosed targets had been met, half of the rights granted to beneficiaries, i.e. 142,648 restricted stock units, were canceled.

The following table presents, at December 31, 2023, the outstanding restricted stock units issued under these plans:

Board of Directors' meeting date	Shares granted	Vesting date of shares	Number of ordinary canceled	Vested shares	Total issuable	Total issuable, by taking into account the reverse stock split on December 3, 2015
Plan authorized by the General Meeting of 06/30/20						
01/14/21	83,150	01/14/23	26,900	56,250	0	0
	83,150		**26,900**	**56,250**	**0**	**0**
Plan authorized by the General Meeting of 04/28/21						
05/05/21	13,800	05/05/23	0	13,800	0	0
07/19/21	2,400	07/19/23	2,400	0	0	0
12/16/21	9,000	12/16/23	9,000	0	0	0
01/12/22	33,700	01/12/24	18,104	0	15,596	15,596
02/15/22	129,600	02/15/24	16,000	0	113,600	113,600
07/19/22	725,400	07/19/24	63,400	0	662,000	662,000
	913,900		**108,904**	**13,800**	**791,196**	**791,196**
Plan authorized by the General Meeting of 07/28/22						
09/23/22	71,000	09/23/24	8,000	0	63,000	63,000
01/13/23	229,653	01/13/25	118,186	0	111,467	111,467
03/17/23	2,162	03/17/25	1,082	0	1,080	1,080
05/03/23	15,000	05/03/25	7,501	0	7,499	7,499
07/12/23	10,206	07/12/25	5,104	0	5,102	5,102
08/23/23	34,924	08/23/25	17,463	0	17,461	17,461
	362,945		**157,336**	**0**	**205,609**	**205,609**
	1,545,745		**365,943**	**182,997**	**996,805**	**996,805**

2.9. Provisions for contingencies and charges

The table of provisions recognized in the balance sheet is presented below:

Balance sheet provisions in €	12/31/22	Allowances	Provisions written back to income	12/31/23
Provision for contingencies and exchange rate losses - foreign currency accounts (1)	**38,724**	**12,776**	**38,724**	**12,776**
Provision for retirement severance benefits (*indemnité de fin de carrière*)(2)	**577,729**	**122,321**	**0**	**700,050**
Total provisions for contingencies and charges	**616,453**	**135,097**	**38,724**	**712,826**

(3) This amount corresponds to the remeasurement of trade payables in USD at the closing exchange rate on 12/31/23.

(4) Defined benefit pension obligations at December 31, 2023 amounted to €700,050(1) compared with €577,729 at December 31, 2022. Some benefits are also provided through defined contribution plans, for which contributions are expensed when incurred. As there were no retirements in 2023, the 2022 provision was not used.

The Company has an unfunded defined benefit pension plan that covers all its employees. This plan is governed by the provisions of the Company's collective agreement and entitles all employees with at least five years of service to receive, upon retirement, payment equal to three-tenths of a month's salary per year from the date of hire up to a maximum of nine months' salary.

The assumptions used to calculate these pension obligations are specified in the table below:

	At December 31	
	2023	**2022**
Social security contribution rate	45.20%	45.20%
Discount rate(1)	3.10%	3.70%
Salary escalation rate	2.50%	2.5%
Conditions of retirement	Voluntary departure	Voluntary departure
Retirement age:	Management: 65 years Non-management: 63 years	Management: 65 years Non-management: 64 years
Mortality tables	INSEE 2017-2019	INSEE 2015

(1) Source: E Corp.AA 15+yrs.

At December 31, 2022, provisions or contingencies and charges were as follows:

Balance sheet provisions in €	12/31/21	Allowances	Provisions written back to income	12/31/22
Provision for contingencies and exchange rate losses - foreign currency accounts (1)	**3,030**	**38,724**	**3,030**	**38,724**
Provision for retirement severance benefits (*indemnité de fin de carrière*)	**660,703**	**4,667**	**87,641**	**577,729**
Total provisions for contingencies and charges	**663,733**	**43,391**	**90,671**	**616,453**

2.10. Due date of payables at year-end

In 2019 Nicox entered into a financing agreement for up to €20 million with Kreos Capital, structured as senior secured bonds and consisting of three tranches. All tranches were repaid before January 2, 2020. This agreement was amended several times to extend the interest-only period and the maturity of the loan and convert a portion of the debt into convertible bonds. At December 31, 2023, the loan was broken down into three separate types of debt: a €11.8 million amortizing bond maturing on July 1, 2026, the principal of which was to be repaid as from February 1, 2024, a €3.3 million convertible bond maturing on January 1, 2026, and a €1.8 million bond of €1.8 million with a €2.4 million premium due on January 1, 2026. This agreement was amended again on February 27, 2024 (see note 2.29.3 Subsequent events).

The contract provides for various events of default, and in particular a breach of a material obligation of the contract, such as payment of amounts due or failure to provide financial information; failure to pay a debt exceeding €150,000; initiation of legal proceedings or suspension of activity. In the case of an event of default under the agreement, the amounts due under the loan would become immediately repayable and, in the event of non-payment, Kreos could enforce the security guarantees. There can be no assurance that Nicox will have the resources required for the early repayment of this bond issue. There can also be no assurance that cash flows generated by Nicox will be sufficient to pay the bonds at their maturity which could have a material adverse effect on its business, with security interests having been granted over certain tangible and intangible assets of Nicox S.A., and notably patents relating to the VYZULTA product (with the pledge having no impact on the exclusive worldwide license agreement with Bausch + Lomb), securities of the subsidiary Nicox Ophthalmics Inc. as well as a pledge of bank account balances and all receivables in excess of €100,000.

The Company's financial debt also includes two French government backed Covid-19 relief loans (PGE) taken out with Société Générale and Le Crédit Lyonnais, in the amount of €1 million each, maturing respectively on August 31, 2023 and August 6, 2026. At December 31, 2023, the balance of these two loans to be repaid amounts to €1,339,505.

The table of payables is presented below with reference to due dates of payment:

Payables in euros at 12/31/2023	Total	Less than one year	Between 1 and 5 years	More than 5 years
Borrowings and financial liabilities	**20,894,582**	630,114	20,264,468	
Payables to subsidiaries and shareholders	**4,257,750**	4,257,750		
Trade payables and related accounts	**2,498,564**	2,498,564		-
Tax and social security liabilities . Amounts due to employees	**300,627**	300,627		-
Social security agencies	**240,409**	240,409		-
State: Tax and related liabilities	**106,911**	106,911		-
Total liabilities	**28,298,843**	**8,034,375**	**20,264,468**	**-**

Payables in euros at 12/31/22	Total	Less than one year	Between 1 and 5 years	More than 5 years
Borrowings and financial liabilities	**21,259,826**	495,951	20,763,875	
Payables to subsidiaries and shareholders	**4,036,657**	-	4,036,657	
Trade payables and related accounts	**2,537,119**	2,537,119		-
Tax and social security liabilities . Amounts due to employees	**563,748**	563,748		-
Social security agencies	**344,132**	344,132		-
State: Tax and related liabilities	**163,724**	163,724		-
Total liabilities	**28,905,206**	**4,104,674**	**24,800,532**	**-**

The table relating to the item "invoices receivable" included under "Trade payables and related accounts" is presented below:

Invoices receivable from suppliers	12/31/23	12/31/22
Miscellaneous overhead	827,683	571,995
Development expenditures	118,618	884,532
Legal, accounting and other fees	82,914	128,705
Consultants' fees	18,339	186,393
Total invoices receivable from suppliers	**1,047,554**	**1,771,625**

The table below presents accrued liabilities for the line items "Wages and salaries payable", "Social security agencies" and "State: Tax liabilities":

Tax and social security liabilities	12/31/23	12/31/22
Personnel and other payables	64,672	61,126
Personnel, provision for paid leave and accrued bonuses	300,118	563,748
Provision for social charges	137,787	247,259
Accrued social charges	37,950	35,747
State, other accrued liabilities	106,911	163,724
Total tax and social security liabilities	**647,438**	**1,071,604**

2.11. Deferred revenue

At December 31, 2023, the Company recognized deferred revenue of €1,919,365 relating to the amendment to the license agreement with Ocumension for the NCX470 trial (see note 2.17).

2.12. Currency translation differences

The unrealized foreign exchange gains in the amount of €635,234 correspond mainly to the revaluation of the current account of the US subsidiary, Nicox Ophthalmics Inc.

2.13. Other purchases and external expenses

The Company's operating expenses included research and development costs of €7,552,095 at December 31, 2023, compared with €11,837,006 at December 31, 2022, and a €3,488,962 adjustment for the chargeback for services provided in 2022 by the U.S. subsidiary to the Company (see note 2.4.1 Subsidiary receivables), €1,206,116 in chargebacks from the Italian subsidiary and €3,224,000 from the US subsidiary, as well as €2,935,075 for services in various fields (legal, insurance, accounting, etc.).

2.14. Salaries and wages.

Salaries totaled €1,763,772 in 2023, compared with €3,052,983 (including €1,225,421 in severance pay to the former CEO) in 2022. Social charges in 2023 and 2022 amounted to €738,742 and €1,176,890 respectively.

2.15. Revenue and royalties for patent concessions

Revenue in the period breaks down as follows:

Revenue and other income		
Nature	**2023**	**2022**
Rebilling to subsidiaries of the Company	257,294	211,624
Royalties received on VYZULTA sales	6,634,322	5,241,677
Total	**6,891,616**	**5,453,301**

Revenue for FY 2023 totaled €6.9 million (including €6.6 million in royalties), up from €5.5 million (including €5.2 million in royalties) for FY 2022. These royalties are mainly from sales of VYZULTA, and their net amount (after deducting royalties paid to Pfizer) in 2023 and 2022 was €2,524,719 and €1,970,573 respectively.

2.16. Other expenses

Other expenses consist of royalty payments to Pfizer for €2,524,719 and attendance fees paid to our five Directors for €300,000.

The royalties paid to Pfizer are paid in compensation for the purchase of the rights to latanoprostene bunod in the form of a percentage of sales from Bausch & Lomb.

2.17. Foreign exchange losses on trade receivables and payables

Foreign exchange losses totaled €220,620 in 2023 and concerned mainly US dollar-denominated receivables and payables. No foreign exchange losses were recognized in 2022.

2.18. Financial income and expenses

At December 31, 2023, financial expenses for Nicox S.A. are as follows:

- **Financial income**

Financial income	**12/31/23**	**12/31/22**
Proceeds from the disposal of marketable securities		838
Other interest and similar income (1)	1,099,432	1,119,815
Foreign exchange gains	116,563	872,150
Provisions written back to income	38,724	3,030
Total financial income	**1,254,719**	**1,995,833**

(1) At December 31, 2023, other interest and similar income include €621,727 of interest on current account balances charged back to the US subsidiary and €477,705 in financial income on time deposit accounts.

- **Finance expenses**

Finance expenses	**12/31/23**	**12/31/22**
Depreciation, amortization, and provisions(1)	3,542,833	12,142,298
Interest and similar charge(2)	1,579,994	1,582,377
Foreign exchange losses	244,487	401,012
Net losses on disposals of investment securities(3)	199,918	348,851
Other financial expenses	53,269	48,486
Total financial expenses	**5,620,500**	**14,523,023**

(1) Corresponding mainly to the additional provision for investments in the US subsidiary Nicox Ophthalmics: €2,921,755 at 12/31/2023 and the amortization of the redemption premium on the BlackRock bonds: 608,302€ at 12/31/2023

(2) Corresponding to the interest recognized on the BlackRock loan.

(3) Corresponding to the loss on the investment of treasury shares (Kepler liquidity contract)

2.19. Other financial commitments

2.19.1. Commitments given

To the Company's knowledge, the commitments described in the following paragraphs represent all the Company's material off-balance sheet commitments, or commitments that may become so in the future. A summary of these commitments is presented in the tables below:

Contractual obligations	Total	Payments due by period		
		Less than one year	One to five years	More than five years
Lease agreements for premises	47,409	47,409		-
Lease agreements for vehicles	26,294	17,772	8,522	-
Research and Development commitments	7,837,227	5,139,692	2,697,535	-
Licensing agreements	13,574,661	-	13,574,661	-
Commitments on financial liabilities	-	-	-	-
TOTAL	**21,485,590**	**5,204,872**	**16,280,718**	

The Company also has financial commitments associated with the BlackRock loan, which is secured by collateral (see note 2.10).

And two conditional commitments:
A success fee of US$50,000 and a 5% royalty on all revenues earned over a 5-year period will be payable to Oriox Japan Ltd on signature of each license agreement or assignment of license for the Japanese territory entered into with their assistance.

Success fees will be payable to WG Partners LLP as a business introducer if a transaction is concluded: 4% of the gross amount paid to Nicox shareholders in connection with a successful public tender offer, provided that such date is on or before December 31, 2024; 3% of any financing associated with the gross amount paid to Nicox (or Nicox's wholly-owned affiliates) on or before December 31, 2024; less fees paid on or after April 1, 2023. A monthly fee will be added to the success fee from January 1, 2024 until the closing date of the transaction.

2.19.2. Licensing agreements

Ocumension

In December 2018, the Company entered into an exclusive license agreement with Ocumension for the development and commercialization of its drug candidate, NCX 470 for patients with glaucoma or ocular hypertension for a territory covering continental China, Hong Kong, Macao and Taiwan ("the Chinese market"). The second Phase 3 clinical trial on NCX 470, Denali, is being jointly conducted and equally financed by Nicox and Ocumension. The first Mont Blanc Phase 3 clinical trial has been completed, and results were announced in October 2022. The Mont Blanc and Denali trials have been designed to fulfill the regulatory requirements for safety and efficacy Phase 3 trials to support NDA submissions in both the U.S. and in China. The studies will also provide data to those countries accepting

the same set of clinical data for their own approval. Ocumension is responsible, at its own cost, for the conduct of all development activities under the supervision of a Joint Governance Committee comprising representatives of both companies. Under the terms of the agreement signed in 2018, the Company granted Ocumension exclusive rights to develop and commercialize NCX 470, at its own costs, in the agreed territory. Under the terms of the agreement, the Company received a one-time upfront payment of €3 million from Ocumension and was eligible to receive an additional payment of €2.5 million when Nicox initiates a Phase 3 clinical study with NCX 470 outside the territory of this agreement. Under this agreement, the Company may also be eligible to receive in the future up to an additional €14.5 million in milestones associated with Ocumension's progress with NCX 470, up to and including regulatory approval, and up to €16.25 million split over three separate sales milestones associated with potential sales in the territory of up to €200 million, as well as tiered royalties from 6% to 12% on sales.

The license agreement was amended in March 2020 and under its new terms, Ocumension paid the Company €15 million (instead of all the milestone payments in the original contract), acquired additional exclusive rights for NCX 470 for Korea and Southeast Asia, and agreed to pay 50% of the costs of the second Denali Phase 3 clinical study in glaucoma for NCX 470. No future NCX 470 milestones will be due from Ocumension to the Company. Should the joint trial not be completed, partial and limited reimbursements of this payment may be due. The tiered royalties of 6% to 12% of the original agreement remain unchanged and will apply to sales in the original and the additional territories.

The Company has considered that there were no new obligations of performance in connection with the signature of this amendment and that €1 million could be immediately recognized under revenue. A residual amount of €14 million (initially recorded under deferred revenue) will be recognized in revenue only if it becomes highly probable that the uncertainty associated with the variable consideration is subsequently resolved and the potential repayment clauses will not result in an adjustment involving a significant decrease in the cumulative amount of revenue recognized. Out of the €14 million initially recognized as deferred revenue, €1.5 million at December 31, 2023 will be recognized only if it is highly probable that the uncertainty associated with the potential repayment clauses do not result in an adjustment involving a significant decrease in the cumulative amount of revenue recognized.

No revenue relating to this contract was recognized in 2022 and 2023.

Bausch + Lomb

In March 2010, the Company signed a licensing agreement with Bausch & Lomb (a Valeant company), a leading eye health company, granting Bausch & Lomb exclusive worldwide rights to develop and market latanoprostene bunod (latanoprostene bunod ophthalmic solution, 0.024%). Under the terms of the agreement, Bausch + Lomb made an initial license payment of US$10 million to the Company upon execution of the agreement. This was followed by an additional US$10 million milestone payment in April 2012 pursuant to the decision to pursue the development of Latanoprostene Bunod after the Phase 2b study completion in late 2011. In 2017, the Company received a US$17.5 million milestone payment following the FDA approval for VYZULTA received on November 2, 2017.

The Company stands to receive in the future additional potential payments which could total US$165 million, if certain regulatory and sales milestones are met and which would result in net milestone payments for the Company of up to US$150 million less payments due to Pfizer as part of the 2009 agreement. The Company would also receive potential net royalties on sales ranging from 6% to 12% after deducting payments due to Pfizer.

This agreement will remain in effect until all royalty payment obligations from Bausch + Lomb expire or unless terminated earlier by either the Company or by Bausch + Lomb pursuant to the early

termination provision provided for in the agreement. The Company may terminate this agreement on a country-by-country basis if Bausch + Lomb fails to use commercially reasonable efforts to develop and commercialize the licensed products under this agreement. It may also terminate this agreement in its entirety in the event that Bausch + Lomb challenges or causes a third party to challenge the validity or ownership of any of Nicox's licensed patents or fails or becomes unable to meet its payment obligations under the agreement. In the event of termination, licenses granted by Nicox to Bausch + Lomb will terminate and any sublicenses granted by Bausch + Lomb will either be assigned to the Company or terminated.

Pfizer

In August 2009, the Company entered into a contract with Pfizer ending their previous collaboration agreements dated August 2004 and March 2006. Under the terms of this contract, the Company recovered all the development and marketing rights for latanoprostene bunod (henceforth under the trade name of VYZULTA), and in particular the right to sub-license, in addition to all the data and development information. This drug is currently out-licensed to Bausch + Lomb (see above) and commercialized since December 2017. Furthermore, the Company has access to certain information regarding the development of Xalatan (latanoprost) belonging to Pfizer, most notably the regulatory files for Xalatan. In exchange, the Company has undertaken to pay Pfizer two milestone payments of US$15 million each. The first milestone payment linked to the VYZULTA approval in the United States was paid in December 2017. The second milestone payment is linked to reaching pre-defined sales levels. The Company is also subject the payment of royalties on future sales. The Company also recovered the rights to a number of new nitric oxide-donor compounds at the research stage for the treatment of diabetic retinopathy and glaucoma.

Fera Pharmaceutical

In November 2015, the Company entered into an exclusive license agreement with Fera Pharmaceuticals, a private specialized pharmaceutical company, to develop and commercialize Nicox's naproxcinod in the United States. This agreement provides that Fera will initially focus on the signs and symptoms of osteoarthritis. Fera afterwards plans to seek advice from the United States Food and Drug Administration (FDA) regarding the additional clinical work required before submitting a New Drug Application (NDA) for naproxcinod. Fera Pharmaceuticals will be responsible for, and will fully finance, all clinical development manufacturing and commercialization activities.

According to the terms of the agreement, the Company may receive up to $40 million in commercial milestone payments, plus 7% in royalties on future sales of naproxcinod in the United States.

It should be noted that Fera Pharmaceuticals may receive an undisclosed amount of royalty payments, should naproxcinod be approved and marketed based on the data generated by Fera Pharmaceuticals, regardless of the therapeutic indication and territory (excluding the United States).

In Q2 2020, Nicox was informed by its partner Fera that the application with the U.S. FDA for an Orphan Drug Designation (ODD) for naproxcinod in sickle-cell disease had been refused but that Fera was reviewing how to respond to the points raised by the FDA. Fera has also examined alternative indications for the development of naproxcinod including as a potential adjuvant treatment for patients with COVID-19 infection. Nicox and Fera have amended their existing agreement to include COVID-19 as an indication, and Nicox has granted to Fera warrants to acquire 10,000 Nicox shares.

In March 2022, Nicox and Fera announced that the United States (U.S.) Food and Drug Administration (FDA) has granted Orphan Drug Designation for naproxcinod for the treatment of sickle cell disease, which affects an estimated 100,000 Americans. Naproxcinod is a nitric oxide (NO)-donating

naproxen combining the cyclooxygenase (COX) inhibitory activity of naproxen with that of nitric oxide developed by Nicox and exclusively licensed to Fera in the U.S. Nicox has tested naproxcinod in over 2,700 patients in osteoarthritis, generating a significant package of clinical safety data which is available to support Fera's development of naproxcinod, and ultimately a New Drug Application submission for sickle cell disease.

2.19.3. Contingent liabilities

Aside from litigation arising in the ordinary course of its business, for which the Company believes that it has already made adequate provision or is unlikely to incur significant costs, the following items should be noted.

2.19.3.1. Commitments to employees and corporate officers

Members of the management committee employed by the Company are eligible for contractual severance pay of between one and two years' salary should their employment contract be terminated as a result of a change in majority control of the Company. The calculation of this severance benefit is based on salary received by the beneficiaries over the 12 months preceding the termination of the employment contract. Should the employment contract be terminated for all beneficiaries on December 31, 2023, the total amount of the severance benefits payable under the provisions described above would amount to €1,708,069[(1).]

Should the employment contract be terminated at the initiative of the Company's management committee, members who are employed by the Company would also receive a contractual severance payment of between twelve and eighteen months' salary based on the salaries received in the twelve months preceding the termination of the employment contract. Should the employment contract be terminated for all beneficiaries on December 31, 2023, the total amount of the severance benefits payable under the provisions described above would amount to €1,431,027. In addition, the Chief Executive Officer is also entitled to a payment equivalent to one year's salary, based on the compensation of the last twelve months. This payment is conditional on the achievement of undisclosed targets. In 2023, because these targets had not been reached, the conditions for the payment of this amount had not been met.

For all beneficiaries, the provisions described above do not apply in the case of termination for serious or gross misconduct.

Due to the conditional nature of the commitments described above, the Group had not recorded any provision at December 31, 2023 for the relevant parties.

(1) Following the restructuring measures implemented in 2024 under the terms of the agreement with BlackRock (see note 2.29.3 Subsequent events), €648,617 in severance payments will be paid in 2024 and €441,488 in contingent liabilities will be eliminated.

2.19.3.2. Litigation

Dispute with the tax authorities

See Note 2.4.

Dispute with Gland Pharma

In connection with its submission of an abbreviated new drug application (ANDA) to the FDA for approval of a generic version of VYZULTA (latanoprostene bunod), Gland Pharma, an Indian company specializing in generic drugs, is claiming, in accordance with standard practice, that the patents covering VYZULTA are invalid. On June 30, 2022, Bausch + Lomb and Nicox filed a joint complaint against Gland Pharma in New Jersey contesting this allegation (with Bausch + Lomb assuming all costs of this

proceeding). As a consequence of this lawsuit, the FDA's regulatory review of the ANDA is automatically suspended for a period of 30 months. Furthermore, court filings confirmed that Gland Pharma will not launch a generic version of VYZULTA and will not obtain regulatory approval for it until the lawsuit is resolved. Under the terms of the license agreement, Bausch + Lomb will pay all costs related to this proceeding while Nicox will assist Bausch + Lomb in providing all necessary documents and information.. It is estimated that the legal proceedings could last 3 or 4 years, and court filings confirm that pre-trial activities are likely to continue beyond the end of 2024. If one or more patents were to be invalidated (within 3 or 4 years), which the Company believes is unlikely, the Company would no longer receive revenue from Bausch + Lomb, it being specified that this would concern revenue generated in the United States.

Dispute with Dr. Reddy's Laboratories

Following receipt of notification of the submission of an Abbreviated New Drug Application (ANDA) to the FDA for approval of a generic version of VYZULTA (latanoprostene bunod), Bausch + Lomb and Nicox filed a joint complaint against Dr. Reddy's Laboratories on June 27, 2023 in New Jersey contesting an allegation that the patents covering VYZULTA were invalid. The approximate duration of the legal proceedings, the responsibilities for payment of costs related to the proceedings and for providing the necessary documents and information, and the 30-month regulatory review stay by the FDA apply to Bausch + Lomb and Nicox in the same way as the legal action against Gland Pharma. This legal proceeding is expected to last for a period of 3 to 4 years.

Dispute with Urssaf, the French social security agency

The Company contested the application of social security contributions imposed on compensation paid in connection with the offices held by two non-employee directors whose tax residence is in the United States. By judgment of January 24, 2020, the Court of Justice of Nice had approved the claims of the Company. URSSAF appealed this judgment, requesting that it be overturned, the social security charge adjustment confirmed and, as a result, that the Company be ordered to pay €95,054 in principal and €2,000 under Article 700 of the French Code of Civil Procedure.

In a ruling dated February 2, 2023, the Court of Appeals upheld the lower court's decision. URSSAF filed an appeal with the French Court of Cassation on March 31, 2023. As yet, the Company has not been informed of the date of the hearing.

On April 26, 2023, URSSAF reimbursed the amounts paid by the Company pursuant to the reassessment of directors' fees paid to American directors totaling €60,000.

Contingent liabilities

In November 2022, the Company carried out a capital increase without preferential subscription rights through the issuance of 6,849,316 new ordinary shares, each with a warrant attached conferring a right to subscribe to an additional 6,849,316 new ordinary shares for a period of five years following the allotment of the warrants. The subscription was reserved to one or more companies or collective investment funds, governed by French or foreign law, or natural persons habitually investing in the

pharmaceutical/biotechnology sector. Only one investor (Armistice) participated in this funding round. These warrants are freely transferable.

The exercise price or the warrants set by the Board of Directors on November 21, 2022 was €1.70. Should the Company be subject, during the period in which the warrants resulting from the capital increase are outstanding, to a merger by absorption, a merger through the creation of a new company, a spin-off or a change of control within the meaning of Article L. 233-3 I of the French Commercial Code, for which the consideration would consist in the delivery of securities whose exchange ratio would result in a value per share lower than the exercise price of the warrants, Armistice may ask the Company (after the completion of the transaction) to repurchase its warrants at a price determined in accordance with a Black Scholes formula. The hypothetical price for a buyback on 12/31/2022 was estimated at €4,181,994. The assumptions to be used for this Black Scholes calculation, including a minimum level of volatility, have been defined in the warrant contract. Should the warrants be transferred to another holder, the right to request their repurchase would not be transferred to this holder. At December 31, 2023, the potential amount payable to Armistice for the redemption value of these warrants was €753,500.

2.20. Compensation of senior and corporate officers

Total compensation at December 31, 2023 and 2022 for the 6 Directors and the Chief Executive Officer is summarized in the table below:

	2023	2022
	(In thousands of euros)	
Short-term benefits [(1)]	705	1,487
Post-employment benefits	99	70
Total	**804**	**1,557**

(1) Short-term benefits in 2022 included the severance payment made to the former CEO following his removal from office, which ended on May 31, 2022.

At December 31, 2023, outstanding stock options, equity warrants and restricted stock units awarded to corporate officers broke down as follows:

Type of equity instrument	Exercise or subscription price per warrant (€)	Number of equity warrants, options or free shares (restricted stock units)	Number of shares issuable	Expiry date
Stock options	6.05	30,000	30,000	02/12/27
Stock options	4.79	145,000	145,000	01/27/28
Stock options	3.52	135,000	135,000	01/14/29

Stock options	2.37	135,000	135,000	02/15/30
Stock options	1.80	716,666	716,666	07/01/30

2.21. Fees payable to external auditors and to members of their networks

The Issuer is understood to be the parent company Nicox S.A.

	Ernst & Young Audit				Approbans			
	Amount (before tax)		In %		Amount (before tax)		In %	
	2022	2023	2022	2023	2022	2023	2022	2023
Audit								
External audit, certifications, review of individual and consolidated accounts								
Issuer	154,000	78,000	75.42%	88.12%	28,000	18,000	73.78%	100%
Consolidated subsidiaries	12,000	12,000	5.88%	11.88%				
Other work and services directly associated with the engagement of the external auditor								
Issuer (required under national law)	38,202		18.71%		10,000		26.32%	
Subtotal	204,202	90,000	100.00%	100%	38,000	18,000	100.00%	100%
Other services rendered by the networks								
Tax-related								
Other (specify if> 10% of audit fees)								
Subtotal								
TOTAL	**204,202**	**90,000**			**38,000**	**18,000**		

2.22. Employee numbers

At year end, the Company employed 11 people.

Of the Company's 11 employees:

- 11 are employed under permanent contracts
- 10 work in Administration & Corporate departments, and 1 in other departments

2.23. Tax and contingent tax position

At year end, the Company's tax position is as follows:

- RTC income for 2023: €477,834
- Ordinary losses carried forward indefinitely: €508,933,307

In February 2019, the Company received a tax audit notice for fiscal years 2016, 2017 and extended to 2018 for certain tax items. This audit was completed in September 2020 by a tax deficiency notice concerning €49.6 million in tax loss carryforwards out of a total of €484.6 million available at December 31, 2020 in addition to €0.7 million in withholding tax. The Company strongly contested the merits of these tax adjustments and duly notified the tax authorities by letter on November 10, 2020.

In March 2021, the tax authorities withdrew their challenge to a portion of the tax loss carry-forward for €24.8 million. In 2021, after the Company appealed this decision to a higher administrative body, the two remaining tax assessments were maintained.

In the first half of 2022, a €0.7 million withholding tax was assessed and paid by the Company. The Company filed a claim regarding the assessment of this amount, which was rejected on September 5, 2022. On November 4, 2022, the Company filed an application with the French Administrative Court for relief from the additional withholding tax, including penalties. The Administrative Court acknowledged receipt of this application on November 8, 2022. The Company has not recorded provisions for this dispute.

Concerning the second point of the tax adjustment, i.e. the challenge to the tax loss carryforwards arising from the Company's business activities prior to 2016, the Company decided not to bring the matter before the administrative court and instead corrected its tax loss carryforwards of €24.8 million by deducting them from the tax return for this fiscal year. After this deduction, the Company's tax loss carryforwards amounted to €507,923,547 at December 31, 2023.

2.24. Subsidiaries and equity interests

Subsidiaries and Associates at December 31, 2023

At year-end, Nicox S.A. held equity interests in two companies:

- Nicox Research Institute, a limited liability company incorporated under the laws of Italy in October 1999 and 100% owned by Nicox S.A.
- Nicox Ophtalmics Inc., a US company acquired on October 22, 2014, wholly-owned by Nicox S.A.

Subsidiaries and associates:

In Euros	**Nicox Research Institute**	**Nicox Ophthalmics Inc.(1)**
Issued capital	100,000	9
Other equity (before appropriation of profit)	**3,827,508**	**(32,292,675)**
Share of capital held	100%	100%
Gross book value of shares held	1,009,760	54,621,792
Loans and advances granted by the Company and not yet repaid	-	**32,946,327**
Net book value of loans and advances	-	**32,946,327**
Guarantees and pledges given by the Company		-
Revenue excluding taxes for the last financial year ending December 31, 2023	**1,339,808**	**3,517,904**
Result (profit or loss in last financial year at December 31, 2023)	**86,171**	**(795,177)**
Dividends received by the Company during the year	-	-

(5) BdF ate at 12/31/23 used to convert amounts into USD, i.e. 1.105

2.25. Related-party relations

As required by article R. 225-30 of the French commercial code, we inform you that there are no agreements subject to article L .225-38 *et seq.*. of the French commercial code having been concluded before January 1, 2023 and remaining in force in the period ended December 31, 2023.

We also inform you that no agreement relating to articles L .225-38 *et seq.* of the French commercial code were entered into in the period ended December 31, 2023

2.26. Consolidated financial statements

On February 28, 2024, the Company announced that it would no longer publish IFRS consolidated financial statements and would limit its disclosures to the statutory financial statements prepared under French GAAP (see note 2.29 *Post-balance sheet events*)

Although the global geopolitical situation has not had any direct impact on the Company's financial situation as of the date of this report, the Company cannot guarantee that it will not have an impact in the future.

2.27. Table of results for past 5 years

	12/31/2023	12/31/2023	12/31/2021	12/31/2020	12/31/2019
CAPITAL AT END OF YEAR					
Issued capital	50,170,498	50,100,448	43,138,185	37,030,335	33,230,570
- Number of ordinary shares:	50,170,498	50,100,448	43,138,185	37,030,335	33,230,570
- Number of shares to be created through subscription rights	17,613,606	17,459,314	7,925,498	1,394,800	1,175,620
OPERATIONS AND RESULTS					
Revenue excluding taxes	6,903,204	5,453,301	6,719,332	14,588,755	4,051,734
Income before tax and employee profit-sharing, allowances for amortization, depreciation and provisions	-25,045,382	-19,593,315	-13,155,725	-18,077,590	-14,478,826
Income tax (research tax credit)	477,834	504,372	716,324	735,673	864,066
Employee profit-sharing	-		-	-	-
Allowances for amortization, depreciation and provisions	3,686,623	12,196,037	37,898,091	-5,253,701	7,415,812
Loss for the period	-20,880,925	-31,284,980	-50,337,492	-12,088,165	-21,030,573
Distributed earnings					
EARNINGS PER SHARE					
Income after tax and employee participation, but before allowances for amortization and provisions	-0.50	-0.39	-0.30	-0.49	-0.67
Loss for the period	0.42	-0.62	-1.17	-0.33	-0.63
Diluted net income	0.42	-0.62	-1.17	-0.33	-0.63
Dividend paid					
PERSONNEL					
Average headcount	11	12	15	15	17
Payroll	1,763,771	3,052,983	2,091,591	2,219,207	2,252,066
Sum paid in benefits [social security, welfare, etc.]	738,742	1,176,890	952,285	1,170,468	1,018,879

2.28. Financial risk management objectives and policies

To date, the financing needs of the Company have primarily been met by raising funds in financial markets through capital increases by issuing new shares, revenues from license agreement with partners and the reimbursement of research tax credit receivables and by means of debt financing from private funds specialized in providing venture loans to companies in the technology and healthcare sectors.

The immediate objective of the Company in terms of capital management is to effectively manage its capital resources to ensure the financing of its research and development activities. In accordance with

its policy, the Company does not acquire financial instruments for speculative purposes. The Company does not use financial derivatives and is exposed to varying degrees to foreign exchange risks.

2.28.1. Foreign exchange risk

The Company reports financial information in euros. The majority of expenses incurred by the Company are denominated in US dollars, mainly because the Phase 3 clinical trial of DENALI, the Company's lead development program NCX 470, is being carried out in the United States. In addition, certain revenues from licensing agreements with the Company's pharmaceutical partners are also denominated in US dollars. In fiscal year 2023, approximately 65.42% of operating expenses were in US dollars. (58.43% in 2022).

The Company also holds US dollar bank accounts that are translated into euros at the year-end exchange rate. Cash amounted to €1,017,725 at December 31, 2023 or 9% of available cash and may be materially impacted by the Euro/US Dollar exchange rates. This risk is however mitigated by the fact that cash is exclusively destined to cover expenses denominated in US dollars resulting from its research and development activities in the United States.

The Company does not use derivative products or specific internal procedures to limit its risk to foreign exchange exposure.

The Company does not hold financial assets or bank debt that are denominated in foreign currency.

2.28.2. Interest rate risk

The Company is not exposed to the risk of interest rate fluctuations as its cash equivalents consist solely of fixed-rate time deposit accounts.

2.28.3. Market risk

At December 31, 2023, the Company did not have any financial instruments and in consequence did not have an exposure to market risk.

2.28.4. Liquidity risk

The Company does not have any loans with banks that include an early repayment clause.

Business activities show a loss and may continue to do so in the short-term. At December 31, 2023, the Company had €11.2 million in cash and cash equivalents (€27.1 million at December 31, 2022 - *see note 1.2 Accounting principles - Going concern*).

As part of the restructuring of its loan with BlackRock (see note 2.10), €3.3 million of the remaining capital was issued in the form of convertible bonds maturing on January 1, 2026 at the same interest rate as the original loan, i.e. 9.25% p.a. The convertible bonds are secured by the same guarantees already in place for the term loan. This portion of the bond that can be converted into shares at the option of BlackRock at any time (after an initial period of 60 days) until maturity on January 1, 2026. The conversion price is €3.67. If the price of Nicox shares does not allow for the conversion of the bonds before the maturity date of July 1, 2026, the total outstanding amount of the Convertible Loan will be due in a single payment at that time. The Company has a liquidity contract which is backed by a market-making contract for its shares. This exposure is limited to a maximum investment of €1 million. The

unrealized loss on this contract at December 31, 2023 amounted to €853,967. This liquidity contract was terminated with effect from January 1, 2024 (see note 2.29.1 - Subsequent sheet events)

In February 2024, the Company signed a commitment letter to restructure its debt with BlackRock, entered into a licensing agreement with the Japanese company Kowa for NCX 470, and undertook to streamline its structure to reduce operating expenses (see note 2.29) *Subsequent events*. Through these different measures, the Company was able to extend its cash runway to November 2024.

The Company is continuously seeking new sources of financing to ensure the continuity of its research and development activities.

2.28.5. Credit risk

There is in principle no risk of recovering the receivable linked to the research tax credit, given that it represents a receivable from the French government.

Concerning the Company's other financial assets, and namely cash and cash equivalents, the exposure to credit risk is contingent on the risk of default by the corresponding third parties.

As of December 31, 2023, cash equivalents consisted exclusively of time deposit accounts.

2.29. Subsequent events

2.29.1. Termination of liquidity contract with Kepler Cheuvreux

On January 3, 2024, the Company announced the termination of the liquidity contract entered into on August 3, 2020 with Kepler Cheuvreux (the "Contract"). The termination took effect on January 1, 2024. When the Contract was implemented, the liquidity account included: 0 shares; €500,000 in cash. On the Contract termination date, the liquidity account included the following resources which will be returned: 311,067 shares; €7,864.53 in cash.

2.29.2. License agreement with Kowa for NCX 470 development and commercialization in Japan

On February 8, 2024, the Company announced the signature of an agreement granting Kowa Company, Ltd. exclusive Japanese rights to develop and commercialize NCX 470, Nicox's nitric oxide (NO)-donating bimatoprost eye drop, for the lowering of intraocular pressure (IOP) in patients with glaucoma or ocular hypertension. Kowa, is a Japanese company with a global pharmaceutical business engaged in ground-breaking research, development and marketing. Under the terms of the exclusive licensing agreement, Kowa has the rights to develop and commercialize NCX 470 in Japan. Kowa shall make a non-refundable upfront payment of €3 million to Nicox, with a further potential €10 million in development and regulatory milestones, €17.5 million in sales milestones and tiered royalties from 7% to 12% on net sales. Kowa shall be responsible for all development, regulatory and commercialization costs for NCX 470 in Japan. The collaboration will be managed by a Joint Steering Committee. Kowa expects to conduct additional clinical trials in Japanese patients as required for regulatory approval of NCX 470 in Japan in addition to the development data from Nicox.

2.29.3. Debt restructuring with BlackRock, streamlining of the Company's corporate structure to extend its cash runway and focusing resources on the pivotal NCX 470 study

On February 28, the Company announced the signature of an agreement in principle (term sheet) to amend its debt agreements with funds and accounts managed by BlackRock, Inc. and its affiliates ("BlackRock"). The contract amendments were signed on March 29, 2024. Total bond debt, subscribed with BlackRock, in the form of amortizing and non-amortizing bonds, amounted to €16.9 million at February 28, 2024. The debt restructuring is intended to facilitate future financing and in parallel pursue strategic options which would allow the completion of the NCX 470 Phase 3 clinical trial, Denali. The debt restructuring and related signature of the amended debt agreements was subject to (1) Nicox initiating the Board-approved streamlining of its operating costs to focus on the completion of the Denali trial; and (2) calling an Extraordinary General Meeting ("EGM") to enable future financing. The debt restructuring together with a reduction in operating costs (mainly a reduction in headcount whose cost to the Company in 2024 is estimated at €798,000) allow for the interest-only period on the entire outstanding debt to be continued to 30 September 2024, extending the Company's cash runway to November 2024. Subsequently such interest only period would be further extended proportionally with future increases in the cash runway, provided however that the Company raises at least €3 million in equity financing by 30 September 2024, which would extend the cash runway into Q1 2025. The Company's core ophthalmology development and key corporate functions will focus on the ongoing clinical development of NCX 470 in the pivotal Denali trial, preparation of a New Drug Application (NDA) and discussions on partnering and other strategic opportunities.

Nicox has the option to make capital repayments as part of paying down the amortizing bond. If Nicox decides not to make these payments, the interest rate on the entire debt would increase to 13.5% (from 9.25%) until such payments are made. Nicox will pay BlackRock a 3% restructuring fee when the contract amendments have been executed.

The non-amortizing bonds are currently due to be repaid on 1 January 2026 Under the amended agreement, Nicox may, at its sole discretion, repay only part of these amounts, on 1 January 2026, and pay a fee on any unpaid amount, in which case Nicox will continue to pay interest on the remaining amount until 1 July 2026, which will be the final term of the debt The settlement fee of 3% due on repayment of the entire debt due on 1 July 2026 shall be increased to 8% regardless of any pre-payments. Subject to a favorable vote at the EGM, the existing non-amortizing convertible bond shall be cancelled and replaced with a new Convertible Bond at a revised conversion price (€0.4312, the 30-day VWAP prior to signature of the term sheet, subject to realignment with the next equity raise). If such a vote is not obtained, Nicox would pay back the loan in cash at the term together with a premium, which would be calculated as if the new pricing had been set for the convertible loan i.e. based on the share price increase at the time of repayment. The repayment may be made in cash or cash and shares, at BlackRock's discretion. BlackRock still holds 100,000 warrants to acquire Nicox shares at €4.2344 from a previous debt restructuring in January 2021. Nicox has proposed a business plan for the remaining term of the bonds based on estimations of costs and expected revenue and any significant deviation from the plan would require BlackRock's approval. BlackRock will appoint two non-voting members or observers (*censeurs*) to the Nicox Board of Directors, subject to EGM approval. The contractual amendment documents were signed by the Company and BlackRock on March 29, 2024.

2.29.4. Appointment of a new Chief Executive Officer

On February 28, 2024, the Company announced that its Board of Directors had appointed Mr. Gavin Spencer (previously Executive Vice-President, Chief Business Officer & Head of Corporate Development at Nicox) as Chief Executive Officer of the Company with immediate effect, following the Board's decision to terminate the term of office of Mr. Andreas Segerros.

PART 4 - STATUTORY AUDITORS' REPORTS ON THE ANNUAL FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by French law, such as verification of the management report and other documents provided to the shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Nicox

Year ended December 31, 2023

Statutory auditors' report on the financial statements

APPROBANS AUDIT
93, rue de la République
13002 Marseille
S.A.R.L au capital de € 100 000
525 098 786 R.C.S. Marseille

Commissaire aux Comptes
Membre de la compagnie
régionale d'Aix-Bastia

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Nicox

Year ended December 31, 2023

Statutory auditors' report on the financial statements

To the Annual General Meeting of Nicox S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Nicox S.A. for the year ended December 31, 2023

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opini²on

■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

■ Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from 1st January 2023 to the date of our report.

Material Uncertainty Related to Going Concern

We draw your attention to Note 1.2 to the financial statements which describes the material uncertainty resulting from events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Justification of Assessments

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, and in addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we inform you that, in our professional judgment, the most significant assessments we made were related to the appropriateness of the accounting policies used and to the reasonableness of the significant accounting estimates and to the overall presentation of the financial statements.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

- **Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders**

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

- **Report on Corporate Governance**

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Article L. 225-37-4 of the French Commercial Code (*Code de commerce*).

- **Other information**

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Marseille and Paris-La Défense, April 29, 2024

The Statutory Auditors
French original signed by

APPROBANS AUDIT

Pierre Chauvet

ERNST & YOUNG Audit

Pierre Chassagne