NOTES TO THE 2023 ANNUAL FINANCIAL STATEMENTS

NICOX SA

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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.