

**NICOX SA**

A French public limited company (*société anonyme*) with  
share capital of EUR 690,530.98

Registered office:

Sundesk Sophia Antipolis - Emerald Square Rue  
Evariste Galois

06410 Biot

R.C.S. (Trade and Companies Register) ANTIBES  
403.942.642

-----  
**INTERIM FINANCIAL AND MANAGEMENT REPORT FOR  
THE SIX-MONTH PERIOD ENDED JUNE 30, 2024**

This half-year financial report was drawn up by the Board of Directors of Nicox (hereinafter "*the Company*") on October 16, 2024, in accordance with article 4.2 of the Euronext Growth market rules dated May 2, 2024.

**PRESENTATION OF THE ACCOUNTS**

The interim parent company financial statements presented, 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.

**INTERIM FINANCIAL REPORT RESPONSIBILITY STATEMENT**

I hereby declare that, to the best of my knowledge, the interim financial statements of the parent company have been prepared in accordance with the applicable accounting standards and provide a fair view of its assets and liabilities, financial position and earnings, and the interim management report provides a fair view of the information referred to in article 222-6 of the AMF General Regulations.

Chief Executive Officer  
Gavin Spencer (45)

## 1) 2024 FIRST HALF OPERATING HIGHLIGHTS

January 3, 2024	<u>Nicox: Termination of the liquidity contract with Kepler Cheuvreux (January 3rd, 2024)</u>
January 8, 2024	<u>Nicox: Half-year liquidity contract statement with Kepler Cheuvreux as of December 31, 2023</u>
January 31, 2024	<u>Nicox Receives Confirmation of 5-year Patent Term Extension of U.S. Patent for Latanoprostene Bunod, Commercialized as VYZULTA®</u>
February 6, 2024	<u>Nicox announces presentations at the upcoming Association for Research in Vision and Ophthalmology (ARVO) Annual Meeting 2024</u>
February 8, 2024	<u>Nicox and Kowa Enter into Agreement for NCX 470 Development and Commercialization in Japan</u>
February 28, 2024	<u>Nicox Restructures Debt, Streamlines Operations to Extend Cash Runway and Focus Resources on NCX 470 Pivotal Trial</u>
February 28, 2024	<u>Nicox Appoints Experienced Biotech Executive Gavin Spencer as CEO</u>
March 5, 2024	<u>Nicox Announces Presentation of Data on NCX 470 at the 2024 American Glaucoma Society Annual Meeting</u>
March 13, 2024	<u>Nicox Updates on Corporate, Pipeline and Financing Perspectives and Will Hold a Webcast on March 18, 2024</u>
March 14, 2024	<u>Nicox to Hold Webcast on March 18 on its Corporate Pipeline and Financing Perspectives and Key NCX 470 Clinical Data with Presentation by Leading French Glaucoma Key Opinion Leader</u>
March 20, 2024	<u>Results from Mont Blanc Phase 3 Trial of Nicox's NCX 470 in Glaucoma Published in the American Journal of Ophthalmology</u>
March 22, 2024	<u>Shareholder Letter</u>
April 9, 2024	<u>2024 Ordinary and Extraordinary Shareholder Meeting</u>
April 22, 2024	<u>Nicox Provides First Quarter 2024, Update and Full Year 2023 Financial Results</u>
April 24, 2024	<u>Second notice of the Ordinary and Extraordinary Shareholders' Meeting on May 6, 2024 and appointment of an ad hoc agent</u>
May 6, 2024	<u>Nicox's Ordinary and Extraordinary Shareholders' Meeting on May 6, 2024</u>
May 24, 2024	<u>Nicox: 2024 Ordinary Shareholder Meeting to be held on June 28th, 2024</u>
May 30, 2024	<u>Nicox announces an equity offering with preemptive rights through an issue of stock with warrants, for up to a maximum of around €3.8 million. The funds will finance the development of NCX 470 and the extension of its cash horizon</u>
June 19, 2024	<u>Nicox announces the success of its equity offering with preemptive rights through an issue of stock with warrants, for a total amount of €3.3 million, extending its cash runway to continue the development of NCX 470</u>
June 27, 2024	<u>Nicox: 2024 Ordinary Shareholder Meeting</u>

## **2) NICOX SA FIRST HALF FINANCIAL HIGHLIGHTS AT JUNE 30, 2024 AND 2023**

### ***Revenues from collaborations***

Revenue amounted to €6.1 million in the first half of 2024. This included €3.0 million from a licensing payment following the signature of the licensing agreement with Kowa for the rights to NCX 470 in Japan, and €3.1 million in royalties from Bausch & Lomb on Vyzulta sales, compared with €2.7 million in H1 2023, consisting entirely of royalties received on Vyzulta sales. Net royalties (after deducting royalties paid to Pfizer) amounted to €1.9 million in 2024 and €1.7 million in 2023.

### ***Operating expenses***

Operating expenses for the first half of 2024 amounted to €10.1 million, compared with €14.8 million for H1 2023. The decrease in operating expenses in the first half of 2024 compared with last year's same period reflects the change in "Other purchases and external charges" due to costs related to the finalization of the Mont-Blanc study, which had an impact on the first half of 2023. In addition, operating expenses for the first half of 2023 included a €3.5 million adjustment for the chargeback for services provided in 2022 by the U.S. subsidiary to the Company.

### ***Net loss***

The Company recorded a net loss of €4.3 million for the six-month period ended June 30, 2024, compared to a net loss of €12.5 million for the same period in 2023. The reduction in the net loss for the first half of 2024 is mainly due to the increase in revenue following the signature of the agreement with Kowa for Japan and lower operating expenses.

### ***Financial position***

At June 30, 2024, Nicox SA had cash and cash equivalents of €7.7 million, compared with €11.3 million at December 31, 2023.

The Company's financial debt stood at €20.5 million at June 30, 2024, compared with €20.9 million at December 31, 2023, including a €19.4 million bond financing agreement with KREOS Capital (a subsidiary of BlackRock) signed in 2019, and a €1.1 million French Covid-relief government-guaranteed loan for €1.1 million obtained in the 2020 second half.

## **3) FORESEEABLE TRENDS FOR THE COMPANY FOR THE YEAR**

In the second half, the company's strategic priorities are to:

- Continue the second phase 3 Denali study for its lead drug candidate NCX 470. NCX 470 is a novel nitric oxide (NO)-donating bimatoprost eye drop in Phase 3 clinical development for the reduction of intraocular pressure (IOP) in patients with open-angle glaucoma or ocular hypertension. The first phase 3 of the Mont Blanc study has been completed (results in November 2022) while the Denali study is scheduled for completion in the third quarter of 2025. The objective with these two Phase 3 clinical trials is to demonstrate statistically superior efficacy for the lowering of intraocular pressure (IOP) with once-daily dosed NCX 470 0.1% ophthalmic solution over latanoprost ophthalmic solution 0.005% (first marketed as Xalatan), the most prescribed PGA in the U.S. The Denali trial also includes a long term safety extension through to 12 months. Mont Blanc and Denali trials have been designed to fulfill the regulatory requirements for safety and efficacy Phase 3 trials to support NDA submissions in both the U.S. and in China,

where NCX 470 is exclusively licensed to Ocumension and will also provide data for other countries accepting the same clinical data package for approval. These two studies, along with additional clinical and non-clinical data, are required to complete NDA submissions in both the U.S. and in China.

- Continuation of the Phase 3b clinical trial, Whistler, investigating NCX 470's dual mechanism of action (NO and PGA) in IOP lowering. The study was initiated in December 2023, and the first results are expected in Q1 2025. Around 20 healthy volunteers with ocular hypertension are to be recruited for the Whistler study.
- Continue to evaluate all non-dilutive and dilutive financing options to extend the Company's cash runway which is currently estimated up to Q3 2025. In particular, the Company is actively engaged in several business development discussions, and is exploring a number of other strategic options that might facilitate the development and commercialization of its drug candidates.

#### **4) RISK FACTORS AND UNCERTAINTIES**

The main risks and uncertainties to which the Company is exposed for the remaining six months of the financial year are those described in section 3 of the annual financial report for the year ended December 31, 2023 (hereinafter the "**2023 Annual Report**") available on the Nicox website ([www.nicox.com](http://www.nicox.com)) under the heading "Financial and regulated information".

Changes in these risks are described below:

##### **4.1 Update to Section 3.1.1. "*Risks associated with cash burn*" in the 2023 Annual Report**

The following paragraphs have been updated to read as follows:

At June 30, 2024, Nicox had cash and cash equivalents of €7.7 million, compared with €11.3 million at December 31, 2023. Nicox conducted a specific review of its liquidity risk and at the date of this report considers that the Company does not have sufficient net working capital, with respect to its current development plan, to meet its cash requirements over the next twelve months. After the restructuring of its debt with Kreos Capital (an investment fund integrated into the BlackRock group) announced on February 28, 2024, the signature of the agreement with Kowa on February 8, 2024, the capital increase through a public offering with preferential subscription rights on June 21, 2024, and the agreement signed with Soleus on October 14, 2024, described in note 2.27.2 of the interim financial statements at June 30, 2024, the Company currently has financing up to the third quarter of 2025, exclusively on the basis of NCX 470's development. The Company estimates that the Denali Phase 3 clinical study on NCX 470 will be completed in the second half of 2025, and that additional funding may be required to complete this study. As part of the restructuring of the Company's debt held by Kreos Capital announced on February 28, 2024, the Company is required to have at least two months of available cash to extend the interest-only period. Should this condition not be met, the creditor would be entitled to demand immediate repayment of the outstanding installments of the principal, which would place the Company in a situation of default within a short period of time. The Company is also pursuing discussions with a view to concluding cash-generating agreements in addition to exploring 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 June 30, 2024 on a going concern basis is appropriate, under the assumption that the Company will continue as a going concern for the foreseeable future.

## **5) RELATED PARTIES**

No related party agreements were entered into in the 2024 first half.

The Statutory Auditors' report on regulated agreements presented at the Annual General Meeting of June 28, 2024 (first call) and July 15, 2024 (second call) is available on the Nicox website ([www.nicox.com](http://www.nicox.com)) in the "General Meetings" section

## **6) SUBSEQUENT EVENTS**

Post-closing events occurring after June 30, 2024 are described in note 2.27 to the interim financial statements for the six months ended June 30, 2024 are presented below.

Press releases published by the Company since June 30, 2024 are available on the Company's website ([www.nicox.com](http://www.nicox.com)) in the "Press releases" section.

The Board of Directors  
October 16, 2024

## PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

<b>1</b>	<b>NATURE OF THE BUSINESS ACTIVITY AND ACCOUNTING PRINCIPLES.....</b>	<b>10</b>
1.1	Nature of the business activity .....	10
1.2	Accounting principles .....	11
<b>2</b>	<b>ADDITIONAL INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT .....</b>	<b>12</b>
2.1	Intangible assets and amortization.....	12
2.2	Property, plant and equipment and depreciation .....	12
2.3	Financial assets and impairment .....	13
2.4	Due date of receivables at the end of the year .....	14
2.5	Due from subsidiary .....	14
2.6	Cash .....	14
2.7	Prepayments.....	15
2.8	Bond redemption premium.....	15
2.9	Shareholders' equity.....	15
2.9.1	Overview.....	15
2.9.2	Stock options .....	16
2.9.3	Equity warrants .....	16
2.9.4	Convertible bonds .....	17
2.9.5	Restricted stock units ( <i>actions gratuites</i> or free shares).....	17
2.10	Provisions for contingencies and charges .....	18
2.11	Due date of payables at year-end.....	19
2.12	Deferred revenue .....	20
2.13	Currency translation differences.....	20
2.15	Revenue and royalties for patent concessions .....	21
2.16	Other purchases and external expenses.....	21
2.17	Salaries and payroll taxes. ....	21
2.18	Other expenses. ....	21
2.19	Foreign exchange losses on trade receivables and payables.....	22
2.20	Financial income and expenses.....	22
2.21	Research tax credit .....	22
2.22	Other financial commitments .....	22
2.23	Commitments given .....	23
2.23.1	Licensing agreements.....	23
2.23.2	Contingent liabilities .....	23
2.24	Compensation of senior and corporate officers .....	24
2.25	Tax and contingent tax position .....	24
2.26	Related-party relations.....	26
2.27	Financial risk management objectives and policies .....	26
2.28	Subsequent events.....	26
2.28.1	Signature of an exclusive research agreement with Glaukos .....	26
2.28.2	Signature of an agreement with Soleus and amendment of the bond agreement with Kreos .....	27

**UNAUDITED NICOX SA PROFIT AND LOSS STATEMENT**  
**AT JUNE 30, 2024 AND 2023**  
**(IN EUROS)**

In Euros	Notes	06/30/24	06/30/23
Sales of services - misc. chargebacks		1,800	3,067
Patent royalties		6,067,315	2,720,016
<b>REVENUE</b>	<b>2.14</b>	<b>6,069,115</b>	<b>2,723,083</b>
Reversals of depreciation, amortization and provisions, expense transfers		448,991	6,833
Other income from ordinary activities		104,702	77,226
<b>OPERATING REVENUE</b>		<b>6,622,808</b>	<b>2,807,142</b>
Other purchases and external expenses	2.15	(6,853,343)	(12,048,586)
Taxes, duties and similar payments (other than on income)		(41,657)	(62,516)
Salaries and wages	2.16	(1,548,085)	(918,404)
Social charges		(411,690)	(361,070)
Allowances for the depreciation of fixed assets		(8,714)	(10,719)
Provisions for fixed assets		-	-
Provisions for contingencies and charges		-	(108,333)
Other expenses	2.17	(1,190,048)	(1,189,125)
Foreign exchange losses on trade receivables and payables	2.18	(57,306)	(130,216)
<b>OPERATING EXPENSES</b>		<b>(10,110,841)</b>	<b>(14,828,967)</b>
<b>OPERATING LOSS</b>		<b>(3,488,034)</b>	<b>(12,021,826)</b>
Other interest and similar income		398,301	549,593
Net proceeds from the disposal of marketable securities		-	-
Reversals of provisions, expense reclassifications		12,706	38,724
Foreign exchange gains		22,966	110,520
<b>FINANCIAL INCOME</b>	<b>2.19</b>	<b>433,972</b>	<b>698,837</b>
Allowances for amortization and reserves		(310,934)	(305,879)
Interest and similar expenses		(788,914)	(790,305)
Foreign exchange losses		-	(211,935)
Loan interest		(28,330)	(28,819)
Losses from the disposal of marketable securities		(72,168)	(185,040)
<b>FINANCE EXPENSE</b>	<b>2.19</b>	<b>(1,200,346)</b>	<b>(1,521,977)</b>
<b>NET FINANCE EXPENSE</b>		<b>(766,374)</b>	<b>(823,141)</b>
<b>OPERATING LOSS BEFORE TAX</b>		<b>(4,254,407)</b>	<b>(12,844,966)</b>
Non-recurring income from prior years		-	63,000
<b>NON-RECURRING INCOME</b>		<b>3,414</b>	<b>63,000</b>
<b>NET NON-RECURRING INCOME (LOSS)</b>		<b>(22,310)</b>	<b>63,000</b>
Research tax credit - (Corporate income tax)	2.2	-	251,300
<b>LOSS</b>		<b>(4,276,717)</b>	<b>(12,530,666)</b>

**UNAUDITED NICOX SA BALANCE SHEET  
AT JUNE 30, 2024 AND DECEMBER 31, 2023  
(IN EUROS)**

In euros	Notes	Gross	Amortization and depreciation	Net 30/06/2024 [6 months]	Net 12/31/2023 [12 months]
<b>ASSETS</b>					
Start-up costs		58,278	58,278	-	-
Development expenditures				-	-
Concessions, patents and similar rights		2,637,452	2,619,004	18,447	24,265
<b>Intangible assets</b>	<b>2.1</b>	<b>2,695,730</b>	<b>2,677,282</b>	<b>18,447</b>	<b>24,265</b>
Other tangible assets		25,145	11,579	13,566	25,976
<b>Property, plant and equipment</b>	<b>2.2</b>	<b>25,145</b>	<b>11,579</b>	<b>13,566</b>	<b>25,976</b>
Equity interests		55,631,552	54,621,792	1,009,760	1,009,760
Other financial assets		718,780		718,780	795,263
<b>Financial assets</b>	<b>2.3</b>	<b>56,350,332</b>	<b>54,621,792</b>	<b>1,728,540</b>	<b>1,805,023</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>59,071,207</b>	<b>57,310,653</b>	<b>1,760,553</b>	<b>1,855,265</b>
Trade receivables and related accounts	2.4	3,021,820		3,021,820	3,424,120
Other receivables	2.5	34,982,964		34,982,964	34,323,374
Cash	2.6	7,655,487		7,655,487	11,259,308
Prepayments	2.7	1,206,726		1,206,726	886,409
<b>TOTAL CURRENT ASSETS</b>		<b>46,866,996</b>	<b>-</b>	<b>46,866,996</b>	<b>49,893,211</b>
Unrealized foreign exchange losses		6,853		6,853	12,776
Bond redemption premium	2.8	914,118		914,118	1,218,269
<b>TOTAL ADJUSTMENT ACCOUNTS</b>		<b>920,971</b>	<b>-</b>	<b>920,971</b>	<b>1,231,045</b>
<b>TOTAL ASSETS</b>		<b>106,859,174</b>	<b>57,310,653</b>	<b>49,548,520</b>	<b>52,979,520</b>



**UNAUDITED NICOX SA BALANCE SHEET  
AT JUNE 30, 2024 AND DECEMBER 31, 2023  
(IN EUROS)**

	Notes	FY 2024 (6 months)	FY 2023 (12 months)
<b>LIABILITIES</b>			
Issued capital		634,546	50,170,498
Share premium		532,068,512	529,477,867
Retained earnings		(508,438,415)	(537,354,187)
<b>Loss for the period</b>		(4,276,717)	(20,880,925)
<b>TOTAL EQUITY</b>	2.9	<b>19,987,925</b>	<b>21,413,252</b>
Provision for contingencies		6,853	12,776
Provision for charges		255,983	700,050
<b>PROVISIONS FOR CONTINGENCIES &amp; CHARGES</b>	2.10	<b>262,837</b>	<b>712,826</b>
<b>TOTAL OTHER EQUITY</b>			
Bank borrowings and overdrafts	2.11	20,536,039	20,894,582
Miscellaneous borrowings	2.11	3,155,740	4,257,750
Trade payables and equivalent	2.11	1,580,340	2,498,564
Tax and social security liabilities	2.11	515,184	647,947
Deferred revenue	2.12	1,994,935	1,919,365
<b>TOTAL LIABILITIES</b>		<b>27,782,238</b>	<b>30,218,208</b>
Unrealized foreign exchange gains	2.13	1,515,520	635,234
<b>TOTAL LIABILITIES</b>		<b>49,548,520</b>	<b>52,979,520</b>

## **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023**

### ***1 NATURE OF THE BUSINESS ACTIVITY AND ACCOUNTING PRINCIPLES***

#### **1.1 Nature of the business activity**

Since February 1, 2024, the Company's registered office has been located at Sundesk Sophia Antipolis, Emerald Square, bâtiment C, rue Evariste Galois, 06410 Biot. 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 in phase 3 clinical development for glaucoma (NCX 470), a drug candidate in preclinical development for retinal diseases (NCX 1728), for which a research agreement with a licensing option was signed with Glaukos in H1 2024 (cf. note 2.27.1), and a licensed product marketed by an exclusive partner (VYZULTA), for which an agreement was concluded with Soleus for the transfer of proceeds net of royalties (see note 2.27.2). The Company has two international subsidiaries, one in North Carolina, USA, focused on clinical development, and the other in Milan, Italy, currently in the process of being wound up.

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 Q3 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.

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 the indication of glaucoma (including neuroprotection) and in other retinal conditions. Partner Glaukos, which signed a research agreement with the Company in September 2024 (see note 2.27.1), will evaluate NCX 1728 in these indications.

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. On October 14, 2024, the Company signed an agreement with Soleus whereby Soleus will receive all royalties and milestone payments payable to Nicox on VYZULTA sales since July 1, 2024 and in the future, net of payments to Pfizer under the terms of the agreement signed with Pfizer in August 2009.

The business is neither seasonal nor cyclical in nature.

## **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 main methods used for the half-year accounts are identical to those used in the annual financial statements.

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

### Going concern

These financial statements have been prepared on a going concern basis. At the closing date of the parent company financial statements, i.e. October 16, 2024, the Company had a cash runway extending up to the third quarter of 2025.

At June 30, 2024, Nicox had cash and cash equivalents of €7.7 million, compared with €11.3 million at December 31, 2023. Nicox conducted a specific review of its liquidity risk and at the date of this report considers that the Company does not have sufficient net working capital, with respect to its current development plan, to meet its cash requirements over the next twelve months. After the restructuring of its debt with Kreos Capital (an investment fund integrated into the BlackRock group) announced on February 28, 2024, the signature of the agreement with Kowa on February 8, 2024, the capital increase through a public offering with preferential subscription rights on June 21, 2024, and the agreement signed with Soleus on October 14, 2024, the Company currently has financing up to the third quarter of 2025, exclusively on the basis of NCX 470's development. The Company estimates that the Denali Phase 3 clinical trial for NCX 470 will be completed in the third quarter of 2025, and that additional funding may be required to complete this study. As part of the restructuring of the Company's debt held by Kreos Capital announced on February 28, 2024, the Company is required to have at least two months of available cash to extend the interest-only period. Should this condition not be met, the creditor would be entitled to demand immediate repayment of the outstanding installments of the principal, which would place the Company in a situation of default within a short period of time. The Company is also pursuing discussions with a view to concluding cash-generating agreements in addition to exploring 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 June 30, 2024 on a going concern basis is appropriate, under the assumption that the Company will continue as a going concern for the foreseeable future.

## 2 ADDITIONAL INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT

### 2.1 Intangible assets and amortization

Intangible assets in Euros	12/31/23	Acquisitions	Disposals and retirements	Other	06/30/24
Start-up costs	58,278	-	-	-	58,278
Research and development expenses	50,000	-	50,000 <sup>(1)</sup>	-	-
Concessions, patents, similar rights and software	2,854,415	-	216,964 <sup>(2)</sup>	-	2,637,452
<b>Total intangible assets</b>	<b>2,962,693</b>	<b>-</b>	<b>266,964</b>	<b>-</b>	<b>2,695,730</b>

<sup>(1)</sup> Laboratory equipment held by a supplier and scrapped after the supplier has ceased to operate the laboratory.

<sup>(2)</sup> Disposal of fully amortized software following a change in IT infrastructure and the relocation of the Company's headquarters.

Amortization and impairment of intangible assets in Euros	12/31/23	Allowances	Disposals and retirements	06/30/24
Start-up costs	58,278	-	-	58,278
Research and development expenses	50,000	-	50,000	-
Concessions, patents, similar rights and software	248,910	5,818	216,964	37,764
Provision for impairment of concessions, patents, similar rights and software	2,581,240	-	-	2,581,240
<b>Total amortization and impairment of intangible assets</b>	<b>2,938,428</b>	<b>5,818</b>	<b>266,964</b>	<b>2,677,282</b>

### 2.2 Property, plant and equipment and depreciation

Property, plant and equipment in Euros	12/31/23	Acquisitions	Disposals and retirements	Other	06/30/24
General facilities, fixtures	232,547		232,547 <sup>(1)</sup>	-	-
Office equipment, computers, furniture, vehicles	216,666	-	191,520 <sup>(1)</sup>	-	25,145
<b>Total property, plant and equipment</b>	<b>449,213</b>		<b>424,067</b>	<b>-</b>	<b>25,145</b>

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

**Nicox S.A.**  
**ANNUAL FINANCIAL STATEMENTS - JUNE 30, 2024**

<b>Depreciation and impairment of property, plant and equipment in Euros</b>	<b>12/31/23</b>	<b>Allowances</b>	<b>Disposals and retirements</b>	<b>06/30/24</b>
Depreciation / general facilities, fixtures	226,259	140	226,395	4
Depreciation / Office equipment, computers, furniture	196,978	2,755	188,158	11,575
<b>Total depreciation of property, plant and equipment</b>	<b>423,237</b>	<b>2,895</b>	<b>414,553</b>	<b>11,579</b>

### 2.3 Financial assets and impairment

Non-current financial assets consist of (i) deposits and guarantees, including the security deposit for the lease on the Company's former offices, expiring on September 30, 2024, and the security deposit for the Company's current new offices, as well as deposits relating to the BlackRock (formerly Kreos Capital) loan, (ii) Nicox's equity interests in its subsidiaries, and (iii) treasury shares.

<b>Financial assets in Euros</b>	<b>12/31/23</b>	<b>Increases</b>	<b>Decreases</b>	<b>06/30/24</b>
Deposits and guarantees	649,230	4,226	-	653,456
Participating interests <sup>(1)</sup>	55,631,552	-	-	55,631,552
Other financial assets <sup>(2)</sup>	146,033	-	83,820	65,324
<b>Financial assets subtotal</b>	<b>56,426,815</b>	<b>1,119</b>	<b>83,820</b>	<b>56,350,332</b>

<sup>(1)</sup> 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. The Italian subsidiary is currently in the process of being wound in 2024 and the corresponding equity investments will be cancelled in full in the second half of this year, once the subsidiary has been liquidated.

<sup>(2)</sup> Corresponding to 311,067 treasury shares formerly held by Kepler-Cheveux under a liquidity contract and transferred to Nicox SA upon its termination effective January 1, 2024.

<b>The impairment of financial assets in Euros</b>	<b>12/31/23</b>	<b>Impairment</b>	<b>Reversal of impairments</b>	<b>06/30/24</b>
Impairment of Nicox Ophthalmics investments <sup>(1)</sup>	54,621,792	-	-	54,621,792
<b>For the impairment of financial assets</b>	<b>54,621,792</b>	<b>-</b>	<b>-</b>	<b>54,621,792</b>

<sup>(1)</sup> 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 ZERVIAE licensed to Harrow Inc. As a result, for the US market, the value of this asset was fully written down.

## 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	174,682	174,682	-
Trade receivables	3,021,820	3,021,820	-
Other receivables	1,120	1,120	-
State, Value Added Tax	83,239	83,239	-
French State, Research Tax Credit, payroll tax, a contested tax adjustment <sup>(1)</sup>	1,238,223	463,997	774,226
Due from a subsidiary <sup>(see note 2.5)</sup>	33,485,699	1,266	33,484,433
Prepayments	1,206,726	1,206,726	-
<b>Total receivables</b>	<b>39,211,509</b>	<b>4,952,850</b>	<b>34,258,659</b>

- <sup>(1)</sup> Includes (i) 2023 RTC in the amount of €477,834 (the Company received a refund of its 2022 research tax credit in the amount of €504,372 in 2023), (ii) the contested tax adjustment submitted to the administrative court in the amount of €774,226 in respect of 2016 and paid by the Company.

## 2.5 Due from subsidiary

At June 30, 2024, the company had a receivable of €33.5 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.

The marketing authorization application was filed in April 2023 and obtained on September 17, 2024. The commercial launch of this product is expected soon.

The recoverability of Nicox's receivable owed by Nicox Ophthalmics 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.

## 2.6 Cash

Cash and cash equivalents amounted to €7,655,487 at June 30, 2024. This included €3,021,094 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 June 30, 2024, accrued interest receivable amounted to €7,262.

## 2.7 Prepayments

Prepaid expenses are presented in the table below:

Prepaid expenses in Euros	06/30/24	12/31/23
Development expenditures	1,049,552	824,296
Overhead costs	63,617	56,331
Insurance	93,557	5,782
<b>Total prepaid expenses</b>	<b>1,206,726</b>	<b>886,409</b>

## 2.8 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 (January 1, 2026). This premium is amortized prorata temporis over the bond's term. At June 30, 2024, its net value amounted to €914,118.

## 2.9 Shareholders' equity

### 2.9.1 Overview

At June 30, 2024, the share capital consisted of 63,454,594 fully paid up ordinary shares with a par value of €0.01. In addition, at June 30, 2024, the Company held 311,067 own shares in treasury at a price of €0.21 per share, or a total value of €65,324. During the 2024 first half, Nicox SA carried out a number of capital transactions.

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

	Ordinary shares		Share premium	Cumulative losses	Total equity
	Number	Amount			
<b>As of December 31, 2023</b>	<b>50,170,498</b>	<b>50,170,498</b>	<b>529,477,867</b>	<b>(558,235,112)</b>	<b>21,413,253</b>
Acquisition of restricted stock units	129,196	129,196	(129,196)	-	-
Capital reduction by reducing the nominal share price		(49,796,697) <sup>1</sup>		49,796,697	-
Capital increase through the issue of ordinary shares (public offering with preferential subscription rights)	13,154,900 <sup>2</sup>	131,549	2,719,841	-	2,851,390
Loss for the first half	-	-	-	(4,276,717)	(4,276,717)
<b>As of June 30, 2024</b>	<b>63,454,594</b>	<b>634,546</b>	<b>532,068,512</b>	<b>(512,715,132)</b>	<b>19,987,926</b>

<sup>1</sup> The Extraordinary General Meeting of May 6, 2024 granted authority to the Board of Directors to reduce capital by reducing the nominal value of shares from €1 to €0.01.

<sup>2</sup> On June 21, 2024, the Board of Directors approved a capital increase with preferential subscription rights raising €3.3 million in gross proceeds, by issuing 13,154,900 new shares with a nominal value of €0.01 at a subscription price of €0.25 per new share, each with a share warrant attached, together referred to as shares with warrants or SW (*Action à bon de Souscription d'Actions* or "ABSA"). The net proceeds of the Transaction amounted to €2.8 million.

## 2.9.2 Stock options

At the Extraordinary General Meeting of May 6, 2024, the shareholders granted an authorization to the Board of Directors for 38 months to award stock options or stock purchase options to Group employees and officers, subject to a limit of 10% of the number of shares making up the share capital calculated at the grant date. 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. Options granted under this authorization must be exercised no later than 5 years after their effective grant date by the Board of Directors. This authorization was not used by the Board of Directors during the first half.

Changes during the first half are described below:

	<b><u>Rights*</u></b>
<b>Stock subscription or purchase options at December 31, 2023</b>	<b>3,288,637</b>
Awarded in the period	-
Canceled in the period	(1,722,408)
<b>Stock subscription or purchase options at June 30, 2024 .....</b>	<b>1,566,229</b>

\* One option confers a right to 1.057 shares, adjusted to reflect shareholders' preferential subscription rights at the time of the capital increase on June 21, 2024.

## 2.9.3 Equity warrants

On June 21, 2024, the Board of Directors recorded the completion of a capital increase by a nominal amount of €131,549.00 by the issue of 13,154,900 shares with warrants (SW) with a par value of €0.01 at a subscription price of €0.25 per SW, including issue premium, representing gross proceeds of €3,288,725.00. 13,154,900 share warrants were issued in connection with this transaction, conferring a right to 2 new shares for every 5 share warrants exercised at a price of €0.275 per new share.

The number of shares to be issued prior to the June 21, 2024 transaction was adjusted to reflect the capital increase with shareholders' preferential subscription rights.

Information on warrants granted to directors, investors and other third parties is presented in the table below. At June 30, 2024, all of these warrants were outstanding and have not been cancelled or lapsed since they were granted.

	<b>Grant date</b>	<b>Rights</b>	<b>Adjusted number of shares</b>	<b>Expiration date</b>	<b>Share exercise price</b>	<b>Adjusted exercise price</b>
Kreos loan	01/23/19	308,848	326,452	01/23/24	€5.990	€5.667
Scientific Advisory Board	07/07/20	60,000	63,420	07/07/25	€4.145	€3.921
Fera	12/16/20	10,000	10,570	12/16/25	€4.292	€4.060
Kreos loan	02/28/21	100,000	105,700	01/28/26	€4.234	€4.006
2021 private placement	12/13/21	6,018,000	5,390,700	12/13/26	€3.210	€3.037
2022 private placement	11/21/22	6,849,316	7,239,727	11/21/27	€1.700	€1.608
2024 public offering	06/21/24	13,154,900	13,154,900	06/21/26	€0.275	€0.275
<b>TOTAL</b>		<b>26,501,064</b>	<b>26,291,469</b>			

\* post-capital increase of June 21, 2024



#### **2.9.4 Convertible bonds**

In 2021, the €3,300,000 convertible bond loan granted to Kreos Capital (a subsidiary of BlackRock) conferred a right to the issue of 900,000 shares at a conversion price of €3.67 per share, maturing on January 1, 2026. Under the terms of the debt restructuring agreement with Kreos Capital entered into on March 29, 2024, the Company has undertaken to launch a €3,300,000 convertible bond issue in favor of BlackRock Inc., maturing on January 1, 2026; these convertible bonds will be subscribed by offsetting receivables and will replace existing convertible bonds, subject to shareholder authorization. On May 6, 2024, the shareholders called an Extraordinary General Meeting and authorized the Board of Directors to carry out this new issue, on one or more occasions, of up to 33 bonds convertible into shares, each with a par value of €100,000, representing a total maximum loan amount of €3,300,000.

On June 21, 2024, the Board of Directors decided that, in accordance with the delegation of authority granted by the General Meeting, each 2024 convertible bond would confer a right to a number of shares, rounded down to the nearest whole number, corresponding to the par value of the number of 2024 bonds to be converted by the beneficiary divided by the unit subscription price of the capital increase with preferential subscription rights carried out by the Company on June 21, 2024, i.e. 13,200,000 shares at a price of €0.25 per share. On the same day, in agreement with Kreos Capital, the Board of Directors duly noted that the 900,000 2021 convertible bonds held by Kreos Capital had lapsed and been cancelled.

#### **2.9.5 Restricted stock units (*actions gratuites* or free shares)**

At the Extraordinary General Meeting of May 6, 2024, the shareholders authorized the Board of Directors, for a period of 38 months, to grant existing or future shares in the Group, without consideration, to employees and officers of the Group, subject to a limit of 10% of the number of shares making up the share capital calculated at the grant date. The vesting of these shares is subject to performance conditions set by the Board of Directors at the time of the grant.

This authorization did not give rise to any awards in the first half of 2024.

Changes in the period are described below:

	<b>Number of rights</b>
<b>RSUs outstanding at December 31, 2023.....</b>	<b>996,805</b>
Awarded in the period	611,502
Vested in the period	(129,196)
Canceled in the period	(61,188)
<b>RSUs outstanding at June 30, 2024</b>	<b>1,417,923<sup>(1)</sup></b>

<sup>(1)</sup> Confers a right to 1,498,744 shares to be issued, taking into account the adjustment to maintain shareholders' preferential subscription rights in connection with the June 21, 2024 rights issue. One right entitles the holder to 1,057 shares.

## 2.10 Provisions for contingencies and charges

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

Balance sheet provisions in €	12/31/23	Allowances	Provisions written back to income	06/30/24
Provision for contingencies and exchange rate losses - foreign currency accounts <sup>(1)</sup>	12,776	6,853	12,776	6,853
Provision for retirement severance benefits ( <i>indemnité de fin de carrière</i> )	700,050	-	444,067 <sup>(2)</sup>	255,983
<b>Total provisions for contingencies and charges</b>	<b>712,826</b>	<b>6,853</b>	<b>456,843</b>	<b>262,836</b>

<sup>(1)</sup> This amount corresponds to the remeasurement of trade payables in USD at the closing exchange rate on 06/30/24.

<sup>(2)</sup> The reversal in the first half of 2024 reflects the departure of five employees following the restructuring of the Company under the agreement with Kreos, and the retirement of one employee in February 2024.

Some benefits are also provided through defined contribution plans, for which contributions are expensed when incurred.

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:

	06/30/24	12/31/23
Social security contribution rate	45.20%	45.20%
Discount rate <sup>(1)</sup>	3.33%	3.10%
Salary escalation rate	2.50%	2.50%
Conditions of retirement	Voluntary departure	Voluntary departure
Retirement age:	Management: 65 years Non-management: 64 years	Management: 65 years Non-management: 64 years
Mortality tables	INSEE 2017-2019	INSEE 2017-2019

<sup>(1)</sup> Source: E Corp.AA 15+yrs.

## **2.11 Due date of payables at year-end**

On March 29, 2024, the Company amended its bond debt agreement with Kreos Capital, a subsidiary of BlackRock. The purpose of this amendment was to facilitate future financing and in parallel pursue strategic options which would allow the completion of the NCX 470 Phase 3 clinical trial, Denali, expected in the second half of 2025. The adoption of the amended contracts and the restructuring of the outstanding principal of €16.9 million, comprising amortizable and non-amortizable bonds, was subject to a reduction in the Company's operating costs decided by the Board of Directors in order to focus on completing the Denali study, and convening an Extraordinary General Meeting to authorize additional financing. These two conditions were met in the first half of 2024 by reducing the number of employees, mainly in administrative departments, lowering corporate overheads, initiating liquidation proceedings for its Italian subsidiary and raising €3.3 million in gross proceeds on June 21, 2024, as authorized by the Extraordinary General Meeting of June 6, 2024. In exchange, BlackRock agreed to extend the interest-only payment period until December 31, 2025 at the latest, provided the cash runway is maintained until then. Otherwise, the company will be required to resume repayments of the principal two months before the end of its cash runway.

Nicox has the option to make capital repayments as part of paying down the amortizing bond. Should it decide not to make these payments, the interest rate will be increased to 13.5% (from 9.25%) until such payments are made. Nicox paid BlackRock a restructuring fee equivalent to 3% of the principal remaining due on amendment of the contracts. 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. Settlement fees of 3% due on repayment of the entire debt due on 1 July 2026 shall be increased to 8% regardless of any pre-payments. Existing convertible bonds, all non-amortizable, have been cancelled and replaced by new convertible bonds (see note 2.9.4).

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 June 30, 2024, the balance of these two loans to be repaid amounts to €1,090,242.

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

<b>Payables in euros at 06/30/24</b>	<b>Total</b>	<b>Less than one year</b>	<b>Between 1 and 5 years</b>	<b>More than 5 years</b>
Borrowings and financial liabilities	<b>20,536,039</b>	522,585	20,013,455	
Payables to subsidiaries and shareholders	<b>3,155,740</b>	3,155,740		
Trade payables and related accounts	<b>1,580,340</b>	1,580,340		-
Tax and social security liabilities Amounts due to employees	<b>281,152</b>	281,152		-
Social security agencies	<b>187,997</b>	187,997		-
State: Tax and related liabilities	<b>46,135</b>	46,135		-
<b>Total liabilities</b>	<b>25,787,303</b>	<b>5,773,848</b>	<b>20,013,455</b>	<b>-</b>

**Nicox S.A.**  
**ANNUAL FINANCIAL STATEMENTS - JUNE 30, 2024**

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

<b>Invoices receivable from suppliers</b>	<b>06/30/24</b>	<b>12/31/23</b>
Miscellaneous overhead	588,113	827,683
Development expenditures	136,546	118,618
Legal, accounting and other fees	66,000	82,914
Consultants' fees	5,076	18,339
<b>Total invoices receivable</b>	<b>795,735</b>	<b>1,047,554</b>

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

<b>Tax and social security liabilities</b>	<b>06/30/24</b>	<b>12/31/23</b>
Personnel and other payables	33,938	64,672
Personnel, provision for paid leave and accrued bonuses	281,152	300,118
Provision for social charges	122,257	137,787
Accrued social charges	31,702	37,950
State, other accrued liabilities	46,135	106,911
<b>Total tax and social security liabilities</b>	<b>515,184</b>	<b>647,438</b>

## **2.12 Deferred revenue**

At June 30, 2024, the Company recognized deferred revenue of €1,994,935 relating to the amendment to the license agreement with Ocumension for the NCX470 trial (see note 2.17).

## **2.13 Currency translation differences**

The unrealized foreign exchange gains in the amount of €1,515,520 correspond mainly to the revaluation of the current account of the US subsidiary, Nicox Ophthalmics Inc.

## **2.15 Revenue and royalties for patent concessions**

Revenue in the period break down as follows:

<b>Revenue and other income</b>		
<b>Nature</b>	<b>06/30/24</b>	<b>06/30/23</b>
NCX 470 licensing payment	3,000,000	-
Royalties received on VYZULTA sales	3,067,315	2,720,016
Miscellaneous chargebacks	1,800	3,068
<b>Total</b>	<b>6,069,115</b>	<b>2,723,083</b>

Revenue for the first half of 2024 amounted to €6,069,115 (including €3,067,315 in royalties and €3,000,000 in license payments), compared with €2,723,083 for the full year 2023 (including €2,720,016 in royalties). Their net amounts (after deducting royalties paid to Pfizer) for the first half of 2024 and 2023 were €1,937,292 and €1,669,138 respectively.

## **2.16 Other purchases and external expenses**

<b>Nature</b>	<b>06/30/24</b>	<b>06/30/23</b>
Research and development expenses	2,697,065	4,547,983
Chargebacks to subsidiaries <sup>(1)</sup>	2,509,647	5,841,087
Miscellaneous services (legal, accounting, insurance, etc.)	1,646,630	1,659,516
<b>Total</b>	<b>6,853,343</b>	<b>12,048,586</b>

<sup>(1)</sup> Included at June 30, 2023 an adjustment of €3,488,962 relating to service chargebacks in 2022.

In the 2024 first half research and development expenditures amounted to €2.7 million compared to €4.6 million in H1 2023. The decrease in research and development expenses in the first half of 2024 compared with the same period in 2023 reflects mainly residual activity relating to the Mont Blanc clinical trial in H1 2023. The results of this study were published in the third quarter of 2022.

## **2.17 Salaries and payroll taxes.**

Salaries amounted to €1,548,085 at June 30, 2024, compared with €918,403 at June 30, 2023. The increase in the 2024 first half is attributable to the reorganization of the Company required under the debt restructuring agreement with Kreos announced and signed on February 27, 2024. This reorganization resulted in the departure of 5 employees and severance payments of €655,577 over the first half of 2024, in addition to one retirement. On that basis, the number of the Company's employees was reduced from 11 to 5 in the first half of 2024.

Social security charges in June 2024 and June 2023 amounted to €411,690 and €361,070 respectively.

## **2.18 Other expenses.**

Other expenses include €1,130,023 in royalty payments to Pfizer and €60,000 in Directors' fees set aside for the 2024 half-year.

**Nicox S.A.**  
**ANNUAL FINANCIAL STATEMENTS - JUNE 30, 2024**

Royalties paid to Pfizer are intended to pay for the repurchase of latanoprostene bunod rights, in the form of a percentage of royalties paid to the Company by Bausch & Lomb on net sales of VYZULTA.

## **2.19 Foreign exchange losses on trade receivables and payables**

Foreign exchange losses amounted to €57,306 at June 30, 2024, compared with €130,216 at June 30, 2023, and concerned mainly US dollar-denominated receivables and payables.

## **2.20 Financial income and expenses**

At June 30, 2024, financial expenses for Nicox S.A. are as follows:

<b>Financial income</b>	<b>06/30/24</b>	<b>06/30/23</b>
Other interest and similar income (1)	398,300	549,593
Foreign exchange gains	22,966	110,520
Provisions written back to income	12,706	38,724
<b>Total financial income</b>	<b>433,972</b>	<b>698,838</b>

- <sup>(1)</sup> At 06/30/24, other interest and similar income include €276,696 of interest on current account balances charged back to the US subsidiary and €111,230 in financial income on time deposit accounts.

<b>Finance expenses</b>	<b>06/30/24</b>	<b>06/30/23</b>
Depreciation, amortization, and provisions <sup>(1)</sup>	310,934	305,879
Interest and similar charge <sup>(2)</sup>	788,914	790,305
Foreign exchange losses	-	211,935
Net losses on disposals of investment securities <sup>(3)</sup>	72,168	185,040
Other financial expenses	28,330	28,818
<b>Total financial expenses</b>	<b>1,200,346</b>	<b>1,521,978</b>

- <sup>(1)</sup> Corresponding mainly to the amortization of the redemption premium on the BlackRock bonds: €304,151 at 06/30/2024
- <sup>(2)</sup> Corresponding to the interest recognized on the BlackRock loan.
- <sup>(3)</sup> Corresponding to and investment loss on treasury shares

## **2.21 Research tax credit**

No provision was recorded for the 2024 research tax credit, as no eligible expenditure was identified.

## **2.22 Other financial commitments**

See notes 2.9.4 and 2.11 (BlackRock debt)

## **2.23 Commitments given**

In the 2024 first half, the Company signed long-term leases for company vehicles after the previous contracts had expired. The total commitment at June 30, 2024 for the new vehicles is €144,010.

### **2.23.1 Licensing agreements**

On February 7, 2024, the Company signed an agreement granting Kowa Company, Ltd. exclusive Japanese rights to develop and commercialize NCX 470, Nicox's nitric oxide (NO)-donating bimatoprost eye drop, for the lowering of intraocular pressure (IOP) in patients with glaucoma or ocular hypertension. Kowa, is a Japanese company with a global pharmaceutical business engaged in ground-breaking research, development and marketing. Under the terms of the exclusive licensing agreement, Kowa has the rights to develop and commercialize NCX 470 in Japan. Upon the signature of the contract, Kowa made a non-refundable upfront payment of €3 million to Nicox, with a further potential €10 million in development and regulatory milestones, €17.5 million in sales milestones and tiered royalties from 7% to 12% on net sales. Kowa is responsible for all development, regulatory and commercialization costs for NCX 470 in Japan. The collaboration between the two companies is managed by a joint management 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.

### **2.23.2 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.

#### **Commitments to employees and corporate officers:**

A member of the Executive Committee employed by the Company is entitled to a contractual severance payment equivalent to one year's salary. The severance payment is calculated on the basis of one-twelfth of gross compensation, including all bonuses, for the twelve months preceding termination of the employment contract. Should the employee's employment contract be terminated on June 30, 2024, the total amount of compensation payable under the above provisions would be €315,350, including taxes.

The Chief Executive Officer is also entitled to a payment equivalent to one year's salary in the event of removal from office. The calculation of this benefit is based on the fixed and variable compensation received during the financial year preceding the date of revocation. Payment of this severance benefit is contingent on the Board of Directors' determination that at least 50% of the Company's objectives were achieved in the year preceding his revocation. As at June 30, 2024, the Chief Executive Officer failed to meet the length-of-service criteria for entitlement to this severance payment, there is no corresponding liability.

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 Company had not recorded any provision at June 31, 2024 for the relevant parties.

#### **Litigation:**

At June 30, 2024, there were no new disputes or changes in the disputes described in the 2023 annual report.

## 2.24 Compensation of senior and corporate officers

A summary of total compensation recognized at June 30 for 4 Directors and the Chief Executive Officer in 2024, compared with 6 Directors and the Chief Executive Officer in 2023, is presented in the table below:

	06/30/24	06/30/23
	(In thousands of euros)	
Short-term benefits	316	425
Post-employment benefits	47	51
<b>Total</b>	<b>363</b>	<b>476</b>

At June 30, 2024, outstanding stock options and restricted stock units awarded to corporate officers broke down as follows:

Type of equity instrument	Exercise or subscription price per warrant (€)	Number of rights	Number of shares issuable <sup>(1)</sup>	Expiry date
Restricted stock units ( <i>actions gratuites</i> or free shares)		108,279	114,450	
Stock options <sup>(2)</sup>	6.05	30,000	31,710	02/12/27
Stock options <sup>(2)</sup>	4.79	145,000	153,265	01/27/28
Stock options <sup>(2)</sup>	3.52	135,000	142,695	01/14/29
Stock options	2.37	135,000	142,695	02/15/30

<sup>(1)</sup> Taking into account the adjustment to maintain shareholders' preferential subscription rights in connection with the capital increase of June 21, 2024

<sup>(2)</sup> Rights cancelled in October 2024

## 2.25 Tax and contingent tax position

No tax payable or research tax credit receivable was recognized at June 30, 2024. Ordinary losses carried forward indefinitely amounted to €508,933,307 at December 31, 2023.

### Subsidiaries and Associates at June 30, 2024

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 wholly-owned by Nicox S.A. is currently being wound up.
- Nicox Ophthalmics Inc., a US company acquired on October 22, 2014, wholly-owned by Nicox S.A.



**Nicox S.A.**  
**ANNUAL FINANCIAL STATEMENTS - JUNE 30, 2024**

Subsidiaries and associates:

<b>In Euros</b>	<b>Nicox Research Institute</b>	<b>Nicox Ophthalmics Inc. <sup>(1)</sup></b>
Issued capital	100,000	9
Other equity (before appropriation of profit)	(4,013,679)	(33,958,368)
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	-	33,484,433
Net book value of loans and advances	-	33,484,433
Guarantees and pledges given by the Company	-	-
Revenue excluding taxes for the last financial year ending June 30, 2024	28,330	2,767,249
Result (profit or loss in last financial year at June 30, 2024)	(821,090)	234,740
Dividends received by the Company during the year	-	-

(1) Banque de France rate at 06/30/24 used for conversion of USD amounts, i.e. 1.0705

## **2.26 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

## **2.27 Financial risk management objectives and policies**

### **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 June 30, 2024, the Company had €7.7 million in cash and cash equivalents (€11.3 million at December 31, 2023 - *see note 1.2 Accounting principles - Going concern*).

As part of the restructuring of its loan with BlackRock (see note 2.9.4), €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 may be converted into shares at the option of BlackRock at any time until maturity on January 1, 2026. The conversion price per share is €0.25 for 13,200,000 shares. 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.

In February 2024, the Company signed a commitment letter to restructure its debt with BlackRock (see notes 2.9.4 and 2.11), entered into a licensing agreement with the Japanese company Kowa for NCX 470, streamlined its structure to reduce operating expenses and carried out a capital increase financing in June 2024. Through these different measures, the Company was able to extend its cash runway to February 2025.

The Company is continuously seeking new sources of financing to ensure the continuity of its research and development activities.

## **2.28 Subsequent events**

### **2.28.1 Signature of an exclusive research agreement with Glaukos**

On September 23, the company entered into an exclusive research and license option agreement with Glaukos Corporation for NCX 1728. The option entitles Glaukos to enter into exclusive global license agreements on pre-agreed terms including upfront and milestone payments plus royalties. Glaukos will fund and conduct NCX 1728 preclinical research activities evaluating it in glaucoma (including neuroprotection) and in other retinal diseases.

Glaukos is an ophthalmic medical technology and pharmaceutical company focused on novel therapies for the treatment of glaucoma, corneal disorders and retinal disease. Glaukos possesses expertise in the treatment of ophthalmic disorders and has unique drug delivery capabilities which could optimize NCX 1728 for uses including reduction of intraocular pressure, neuroprotection and as a potential treatment for retinal diseases. Glaukos is for that reason an ideal partner to accelerate the research and development of this unique compound and deliver on its therapeutic potential.

Under the terms of the agreement, Glaukos will fund the evaluation of NCX 1728 in a preclinical research program agreed between Nicox and Glaukos. The program will explore indications for the treatment of glaucoma, including neuroprotection, and in the treatment of retinal diseases, with the activities being overseen by a Joint Steering Committee. Glaukos has an option to license NCX 1728 on an exclusive global basis for development in these ophthalmic conditions, which can be exercised within certain specified periods, the first of which is in 12 months. The pre-agreed terms, which would initiate upon signature of a license agreement following Glaukos' exercise of its option to license, include standard economic provisions for a license agreement of this nature.

#### **2.28.2      Signature of an agreement with Soleus and amendment of the bond agreement with Kreos**

On October 14, 2024, Nicox and Soleus announced the signature of a \$16.5 million royalty and equity financing agreement. Under the terms of the agreement, Nicox will receive a payment from Soleus of \$15 million (€13.7 million), less certain expenses. In exchange for this payment, Soleus will receive all royalties and milestone payments due to Nicox from VYZULTA sales since 1 July 2024 and in the future, net of payments to Pfizer, per the terms of the contract signed with Pfizer in August 2009. Payments to Pfizer and to Soleus will be made by Bausch + Lomb at the direction of Soleus to Nicox. The agreement includes other customary provisions for a transaction of this nature. This agreement with Soleus only covers VYZULTA revenue and does not include any other Nicox products or product candidates.

In addition to the \$15 million payment, Nicox will receive equity financing of \$1.5 million (€1.37 million), in the form of Nicox shares issued at a price of €0.3144 per share, representing a 20% premium to the closing price on October 11, 2024, warrants valued at \$0.75 million (€0.69 million) at an exercise price of €0.5240 per share, representing a premium of 100% to the closing price on October 11, 2024.

The Company has also entered into agreement with its main lender to release the guarantee held over VYZULTA. Under the terms of this agreement, will make debt repayments of €5.2 million to its existing lender Kreos Capital VI (UK) Limited (referred to jointly with its subsidiaries as "Kreos") by June 2025 and the interest rate on the outstanding debt shall remain at 9.25%. Such repayments will reduce the amortizable portion of the debt, currently representing €11.8 million, out of a total debt with Kreos of €19.4 million. Nicox will pay a restructuring fee of 1% on the outstanding principal. In return, Kreos will release the security held over VYZULTA and will take an additional security over NCX 470. The other debt-related terms described in the 2023 Annual Report remain unchanged, with the exception of the following:

Kreos will be entitled to:

- 70% of payments from any new license agreements which will be deducted from amortizable debt;
- Staggered payments to be made by any acquirer of the company or of significant assets before December 31, 2029 of a minimum of €2 million and which could exceed €5 million if the transaction was over €50 million in value;
- Additional warrants, potentially exercisable upon certain conditions after repayment of the debt to Kreos, as compensation if the Convertible Debt cannot be converted.

The Company considers that this transaction will ensure financing up to the 3rd quarter of 2025.