Unofficial convenience translation of the French original for information purposes

NICOX SA

a French public limited company (*société anonyme*) with share capital of EUR 43,223,135

Registered office:

Drakkar D - 2405 Route des Dolines

06560 VALBONNE Sophia-Antipolis

R.C.S. (Trade and Companies Register) GRASSE 403 942 642

INTERIM FINANCIAL AND MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

Disclaimer: This English language version of this document is a free translation of the original "*RAPPORT SEMESTRIEL FINANCIER ET D'ACTIVITE AU 30 JUIN 2022*" that was prepared in French. This translation has not been reviewed by the Company's statutory auditors. All possible care has been taken to ensure that this translation is an accurate representation of the original issued in the French language. However, in all matters of interpretation of information, views or opinions expressed therein, the original language version of the document in French takes precedence over this translation. In consequence, the translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and Nicox expressly disclaims all liability for any inaccuracy herein.

PRESENTATION OF THE ACCOUNTS

These interim condensed consolidated financial statements present the following fully consolidated subsidiaries:

- Nicox SA
- Nicox Research Institute S.r.l., Nicox SA's Italian subsidiary ("Nicox S.r.l.")
- Nicox Ophthalmics, Inc., Nicox SA's US subsidiary

These financial statements were prepared in accordance with IAS 34, the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

INTERIM FINANCIAL REPORT RESPONSIBILITY STATEMENT

To the best of my knowledge, and in accordance with applicable reporting standards for interim financial reporting, the interim condensed consolidated financial statements of the company and all consolidated operations 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
Andreas Segerros

1) 2022 FIRST HALF HIGHLIGHTS

January 5, 2022 Nicox European Patent Seals ZERVIATE Major Market Coverage to 2030

https://www.nicox.com/wp-content/uploads/EN_ZERVIATE-Patent-EU-PR_20220105_F1.pdf

Nicox announced that patent EP2408453, covering the company's product ZERVIATE® (cetirizine ophthalmic solution), 0.24%, has been issued by the European Patent Office (EPO). The patent covers the formulation of ZERVIATE which is commercialized in the U.S. by our exclusive U.S. licensee Eyevance Pharmaceuticals, and its use in the treatment of the symptoms of allergic conjunctivitis or allergic rhinoconjunctivitis. The prescription market for allergic conjunctivitis products in Europe, Eastern Europe and Turkey was estimated by IQVIA as around €260 million in 2020. The European Patent grantsexclusivity until 2030, meaning that the ZERVIATE formulation is protected by granted patents in the U.S. to 2032, and in Europe, Japan and Canada to 2030.

January 21, 2022 Nicox Provides Fourth Quarter 2021 Business and Financial Highlights

https://www.nicox.com/wp-content/uploads/EN_Q4-2021-Results-PR_20220121_F.pdf

Nicox provided business and financial highlights for fourth quarter 2021 for Nicox SA and its subsidiaries (the "Nicox Group") as well as key expected value-inflection milestones today. As of December 31, 2021, the Nicox Group had cash and cash equivalents of €41.9 million as compared with €32.7 million at September 30, 2021 and €47.2 million at December 31, 2020. The Company is financed until fourth quarter 2023, financing development of NCX 470 only. Net revenue for the fourth quarter of 2021 was €3.5 million (€0.5 million of net royalty payments, €3.0 million non-cash accounting adjustment initially recorded as deferred income following a licensing payment received from Ocumension in March 2020). Net revenue for the fourth quarter of 2020 was €5.8 million (€0.3 million royalty payments, €5.5 million license payments). Fourth quarter revenue for VYZULTA in 2021 was impacted by additional rebates due to year-end true-up calculations. In addition, Access and Medicare Part D coverage for VYZULTA expanded in 2021, which increases the level of rebates. Despite this, prescriptions for VYZULTA grew by 32% in 2021 compared to 2020. We believe the improved access will better position VYZULTA for growth.

As of December 31, 2021, the Nicox Group had financial debt of €18.3 million consisting of €16.3 million in the form of a bond financing agreement with Kreos Capital signed in January 2019 and a €2.0 million credit agreement guaranteed by the French State in August 2020 in the context of the COVID-19 pandemic. • VYZULTA® (latanoprostene bunod ophthalmic solution), 0.024% United States (U.S.) prescriptions increased by 39% in the fourth quarter of 2021 compared to 2020; ZERVIATE® (cetirizine ophthalmic solution), 0.24% U.S. prescriptions2 increased by 129% over the same period. • 90% of the patients required to complete the Mont Blanc Phase 3 clinical trial on NCX 470 in

patients with open-angle glaucoma or ocular hypertension have been recruited into the trial. The Phase 3 clinical trial intended to support an application for regulatory approval in China, conducted and financed by our partner Ocumension, has completed recruitment and results are expected shortly.

January 27, 2022 Nicox to Participate in Financial, Pharmaceutical Industry and Scientific Events in H1 2022

https://www.nicox.com/wp-content/uploads/EN-PR-conferences-H1-2022_20220127_F.pdf

Nicox announced that members of the management team will participate in the following financial, pharmaceutical industry and scientific conferences in Europe and U.S. in the coming months.

February 8, 2022 Nicox's Positive FDA Meeting Shows Clear Path for NCX 4251 in Dry Eye

https://www.nicox.com/wp-content/uploads/EN_NCX-4251-DryEyePostFDAMeeting-PR_20220208_F.pdf

Nicox announced that it will be focusing the future development of NCX 4251 on dry eye disease. This decision follows the encouraging post hoc results from the Mississippi Phase 2b clinical trial and a subsequent positive meeting with the U.S. Food and Drug Administration (FDA). The results, reported on November 30, 2021, suggest that once-daily dosed NCX 4251, fluticasone propionate ophthalmic suspension 0.1%, is effective in reducing dry eye symptoms in patients who score more highly for a key sign of dry eye disease. We are currently designing the next clinical trial with our clinical advisors and expect to initiate it in 2023.

February 21, 2022 Nicox Granted New Patent for NCX 470 in China, Extending Coverage to 2039

https://www.nicox.com/wp-content/uploads/EN_NCX-470-New-Formulation-Patent-China-PR_20220221_F.pdf

Nicox announced that the Chinese National Intellectual Property Administration (CNIPA) has granted the company a formulation patent for NCX 470, its lead product candidate in development for patients with open-angle glaucoma or ocular hypertension, extending coverage in China to 2039. With the equivalent U.S. and European patents already granted, the formulation is now covered in most major global territories. NCX 470 is also covered by granted composition of matter patents.

February 22, 2022 Nicox Granted New Patent for NCX 4251 in Japan

https://www.nicox.com/wp-content/uploads/EN_NCX-4251-Japanese-Patent-PR_20220222_F1.pdf

Nicox announced that the Japanese Patent Office has granted a new patent expiring in 2040 covering the Company's product candidate NCX 4251. Patent JP.7021301 covers ophthalmic suspensions comprising a specific form of fluticasone propionate nanocrystals and the method for

manufacturing the ophthalmic suspensions. It complements the recent granting of a patent from the same family in Europe. Corresponding patent applications are under examination in the United States (U.S.), China and other territories.

February 23, 2022 Nicox Announces VYZULTA Now Commercialized in 7 Territories and Approved in Further 9 Countries

https://www.nicox.com/wp-content/uploads/EN_VYZULTA-Recap-PR_20220223_F.pdf

Nicox provides an update on the approvals and launches of VYZULTA (latanoprostene bunod ophthalmic solution), 0.024%, exclusively licensed worldwide by Nicox to Bausch + Lomb, a leading global eye health business of Bausch Health Companies Inc. As of December 31, 2021, VYZULTA was commercialized in 7 territories: United States (2017), Canada (2019), Argentina (2020), Mexico (2020), Hong Kong (2020), Taiwan (2021) and Ukraine (2021). VYZULTA is also approved in 9 other countries, namely Brazil, Colombia, Jordan, Qatar, Singapore, South Korea, Thailand, Turkey and United Arab Emirates. VYZULTA is indicated for the reduction of intraocular pressure in patients with open-angle glaucoma or ocular hypertension in the United States. Bausch + Lomb will continue seeking approvals in territories where the clinical data package, part of the U.S. New Drug Application, can be used for approval by the regulatory authorities.

March 1, 2022 Nicox's Partner Ocumension Obtains Positive Phase 3 Clinical Trial Results for ZERVIATE® in China

https://www.nicox.com/wp-content/uploads/EN_ZERVIATE-China-Phase3-Results-PR_20220301_F.pdf

Nicox announced positive results in a Chinese Phase 3 clinical trial of ZERVIATE® (cetirizine ophthalmic solution), 0.24%, run by its Chinese partner, Ocumension Therapeutics. ZERVIATE was compared to emedastine difumarate ophthalmic solution, 0.05%, an antihistamine marketed under the brand name EMADINE®. ZERVIATE was found to be non-inferior to emedastine difumarate in the primary efficacy endpoint of change from baseline in the itching score in the 24 hours prior to the Day 14 visit. ZERVIATE was safe and well-tolerated with no difference in the proportion of patients with adverse events compared to emedastine difumarate. This clinical trial is required for Ocumension to be able to submit a New Drug Application (NDA) for approval to commercialize ZERVIATE in China.

March 2, 2022 Nicox's Partner Fera Pharmaceuticals Obtains Orphan Drug Designation from the U.S. FDA for Naproxcinod for the Treatment of Sickle Cell Disease

https://www.nicox.com/wp-content/uploads/EN_Naproxcinod-ODD-Sickle-Cell-PR_20220302_F.pdf

Nicox and Fera Pharmaceuticals 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.

April 11, 2022 Nicox's NCX 470 Dolomites Phase 2 Results Published in Journal of Glaucoma

https://www.nicox.com/wp-content/uploads/EN_NCX-470-Dolomites-Results-Publication_PR_20220411_F.pdf

Nicox announced that the results from its Dolomites Phase 2 clinical trial of NCX 470 in patients with open-angle glaucoma or ocular hypertension have been published online by the Journal of Glaucoma, the official journal of the World Glaucoma Association. The publication is titled "A Randomized, Controlled Comparison of NCX 470 (0.021%, 0.042% and 0.065%) and Latanoprost 0.005% in Patients with Open-Angle Glaucoma or Ocular Hypertension: The Dolomites Study". NCX 470 is currently in two Phase 3 clinical trials. Dolomites was a dose-response Phase 2 clinical trial comparing three concentrations of NCX 470 ophthalmic solution (0.021%, 0.042%, and 0.065%) to latanoprost ophthalmic solution, 0.005% in 433 patients with open-angle glaucoma or ocular hypertension. Aligned with previously reported topline results on Dolomites, NCX 470 0.065% achieved statistical superiority compared to latanoprost 0.005% at all time-matched points measured on day 28, with a peak improvement in intraocular pressure (IOP) lowering of 1.4 mmHg greater than latanoprost. All tested concentrations of NCX 470 were statistically non-inferior to latanoprost and the dose response of NCX 470 showed improved IOP lowering with each incremental concentration. NCX 470 was safe and well-tolerated with no drug-related serious adverse events and no evidence of treatment-related systemic side effects.

April 28, 2022 Nicox Reports 2021 Financial Results and First Quarter 2022 Financial Highlights and Provides Update on Key Programs and Milestones

https://www.nicox.com/wp-content/uploads/EN_Q1-22-and-FY-21-PR-_-20220428_F-1.pdf

Nicox announced the financial and operating results for Nicox and its subsidiaries (the "Nicox Group") for the year ended December 31, 2021, as approved by the Board of Directors on April 27, 2022, along with a business update and financial highlights for the first quarter 2022, and provided an update on key upcoming milestones.

Net revenue for the full year 2021 was €7.2 million (€2.4 million in net royalties, €4.8 million in license payments), compared to €12.9 million (€2.4 million in net royalties, €10.5 million in license payments) for the full year 2020. The principal difference in revenue is due to an IFRS treatment of a licensing payment received from our partner Ocumension Therapeutics in 2020. Operating expenses for the year 2021 increased to €25.1 million from €19.5 million for the previous year among which €5.2

million comes from non-clinical and development expenses due to the advancement and progress of the Phase 3 trials on NCX 470. Net loss of the Nicox Group for the full year 2021 was €43.8 million against €18.1 million for the full year 2020. However, the 2021 net loss includes €27.8 million of non-recurring, non-cash items due to a reduction in the estimated fair value of ZERVIATE (of €12.7 million) and of NCX 4251 (of €15.1 million) reflecting, respectively, the changes in the allergic conjunctivitis market in the U.S. and the changes in the development plan and timeline for NCX 4251. As of December 31, 2021, the Nicox Group had cash and cash equivalents of €42.0 million, as compared with €47.2 million at December 31, 2020, and as previously announced, the Company is financed until Q4 2023, assuming the development of NCX 470 alone. As of December 31, 2021, the Nicox Group had financial debt of €20.5 million, consisting of €18.5 million in the form of a bond financing agreement with Kreos Capital signed in January 2019 and a €2 million credit agreement guaranteed by the French State, and granted in August 2020 in the context of the COVID-19 pandemic.

As of March 31, 2022, the Nicox Group had cash and cash equivalents of €35.1 million as compared with €42.0 million at December 31, 2021. Net revenue2 for the first quarter of 2022 was €0.7 million (entirely composed of net royalty payments). Net revenue for the first quarter of 2021 was €1.7 million (including €0.7 million of net royalty payments). As of March 31, 2022, the Nicox Group had financial debt of €20.5 million consisting of €18.5 million in the form of a bond financing agreement with Kreos Capital signed in January 2019 and a €2 million credit agreement guaranteed by the French State, and granted in August 2020 in the context of the COVID-19 pandemic.

Owing to a better than expected enrollment rate in recent months, over 98% of the patients required to complete the NCX 470 Mont Blanc Phase 3 clinical trial have been enrolled. Patient enrollment is continuing in both the United States (U.S.) and China in the ongoing Denali Phase 3 clinical trial on NCX 470 in patients with open-angle glaucoma or ocular hypertension. Denali, which also includes a long-term safety extension, has been recruiting patients in the U.S. since November 2020. Approximately 670 patients are expected to be randomized at approximately 60 clinical sites in the U.S. and China, with approximately 80% of the patients to be recruited in the U.S. and the remaining 20% of the patients to be recruited in China. The topline results will not be available by the end of 2023 as previously communicated due to several hurdles (including the COVID-19 pandemic situation in the U.S. and China). The Company will announce a new date for availability of the results when we have more visibility on the overall timelines of the trial. VYZULTA® (latanoprostene bunod ophthalmic solution), 0.024% U.S. prescriptions increased by 43% in the first quarter of 2022 compared to first quarter 2021, however revenue remained unchanged due to an increased level of rebates. As of December 31, 2021, VYZULTA, exclusively licensed worldwide to Bausch + Lomb, was commercialized in 7 territories: United States (2017), Canada (2019), Argentina (2020), Mexico (2020), Hong Kong (2020), Taiwan (2021) and Ukraine (2021). VYZULTA is also approved in 9 other countries, namely Brazil, Colombia, Jordan, Qatar, Singapore, South Korea, Thailand, Turkey and United Arab Emirates. VYZULTA is indicated for the reduction of intraocular pressure in patients with open-angle glaucoma or ocular hypertension. Our

partnership with Samil Pharmaceutical concerning ZERVIATE in South Korea has been expanded to include Vietnam.

May 2, 2022 Nicox at ARVO 2022: Presentation of clinical Phase 2 results on NCX 4251 and new non-clinical evidence of improved hemodynamic and retinal cell physiology on NCX 470

https://www.nicox.com/wp-content/uploads/EN_ARVO-_abstracts-presentation_20220502_F1.pdf

Nicox announced poster presentations highlighting the effect of NCX 4251 in patients with dry eye disease as well as new non-clinical evidence of neuroprotective activity on NCX 470 at the Association for Research in Vision and Ophthalmology (ARVO) 2022 Annual Meeting, one of the key scientific events in vision research, being held in person on May 1-4, 2022 in Denver, CO, United States and virtually on May 11-12.

May 4, 2022 Nicox: 2022 Ordinary Shareholder Meeting

https://www.nicox.com/wp-content/uploads/EN_AGO-2022-avis-de-reunion_20220504_F.pdf

Nicox convened an ordinary shareholder meeting on Tuesday June 14, 2022 at 2:00 pm CEST in the offices of BuroClub -Drakkar 2 - Bâtiment D - 2405 route des Dolines - 06560 Valbonne Sophia Antipolis - France.

May 16, 2022 Nicox Announces a New Governance Structure

https://www.nicox.com/wp-content/uploads/EN-_-PR-Corporate-changes_-20220516_F4.pdf

Nicox announced that its Board of Directors appointed Andreas Segerros as Chief Executive Officer of Nicox S.A on May 13th, 2022, effective from June 1st, 2022, following the Board's decision to end the mandate of Michele Garufi, who has been Chairman, Chief Executive Officer and Co-Founder of the Company since its creation in 1996. Michele Garufi will remain as Board member of Nicox SA. The Board has also decided to separate the roles of Chief Executive Officer and Chairman of the Board. Current Board member and Chairman of the Audit Committee, Jean-Francois Labbé has been proposed by the Board to become the future Chairman of the Board. This nomination is subject to the approval of an amendment to the Company's by-laws to increase the age limit for the Chairman of the Board, which will be the subject of a resolution to be voted at the Company's next Extraordinary General Meeting. During the interim period, the Board of Directors has nominated Michele Garufi as interim Chairman of the Board, effective from June 1st, 2022.

June 3, 2022 Nicox Accelerates Topline Results from NCX 470 Mont Blanc Phase 3 Glaucoma Trial to November 2022

https://www.nicox.com/wp-content/uploads/EN_-NCX-470-Mont-Blanc-LPFV-PR_20220603_FA.pdf

Nicox announced that it has closed screening for additional patients in its Phase 3 Mont Blanc clinical trial of NCX 470 0.1% in patients with open-

angle glaucoma or ocular hypertension. Therefore, the Company now expects to advance the announcement of the Mont Blanc topline results to November this year, as opposed to Q1 2023. NCX 470 0.065% has already demonstrated a statistically significant greater reduction of intraocular pressure compared to latanoprost 0.005% in a Phase 2 trial and is being evaluated in Phase 3 at a higher concentration than was tested in Phase 2.

June 14, 2022 Nicox: 2022 Ordinary Shareholder Meeting

https://www.nicox.com/wp-content/uploads/EN_AGO-2022-defaut-de-quorum_20220614.pdf

Nicox informed its shareholders that the Ordinary general meeting convened on first call on Tuesday June 14, 2022, cannot be held as the quorum required by law will not be reached.The shareholders of Nicox are thus convened on second call for an Ordinary general meeting on the same resolutions and the same agenda on Tuesday June 28, 2022 at 2:00 pm CET in the offices of BuroClub- Drakkar 2 - Bâtiment D - 2405 route des Dolines - 06560 Valbonne Sophia Antipolis - France.

2) CONDENSED INTERIM CONSOLIDATED FINANCIAL HIGHLIGHTS AT JUNE 30, 2022 AND 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue from collaborations

Net profit from collaborations amounted to €1.4 million for the 2022 first half compared to €1.3 million in the last year's same period and includes exclusively net royalties received in H1 2022. Net profit from collaborations in H1 2021 included €0.1 million in non-recurring revenue linked to license concessions.

Research and development expenditures

In the 2022 first half research and development expenditures amounted to €7.8 million compared to €10.0 million in H1 2021. Lower research and development expenses in the first half of 2022 compared to the same period in 2021 reflects primarily the completion in Q3 2021 of the Phase 2b Mississipi study for NCX4251 initiated in December 2020.

Administrative expenses

Administrative expenses amounted to €3.7 million at June 30, 2020 compared with €3.3 million at June 30, 2021. These expenses relate mainly to the costs of administrative and financial personnel, compensation and fees for corporate officers, communications and business development expenses (including activities relating to evaluating companies and products for in-licensing and acquisition opportunities).

Other income

Other income amounted to €0.4 million at June 30, 2022 compared to €0.5 million at June 30, 2021 and concerned primarily the research tax credit.

Other expenses

Other expenses amounted to €1.2 million at June 30, 2022, compared with €0.1 million one year earlier, and concerned mainly severance payments to the former Chairman and Chief Executive Officer following the Board of Directors' decision to terminate his functions on June 1, 2022. In 2021 other expenses related to losses linked to translation adjustments for asset and liabilities stated in foreign currency.

Amortization of intangible assets

There were no amortization expenses for intangible assets as of June 30, 2022 versus € 587,000 as of June 30, 2021. This amortization charge related exclusively to the ZERVIATE intangible asset whose development was completed in June 2019 and which was fully written down in December 2021 to a fair value based on the product's potential in the US.

Impairment of intangible assets

Nicox recognized an impairment charge of US$11,456,000 or €11,029,000 on the intangible asset NCX 4251 as of June 30, 2022, after its decision to seek a partner to continue the development of this product in the United States. As at June 30, 2021, no impairment charge had been recognized.

Financial income

Financial income amounted to €3.9 million in the 2022 first half compared to €1.5 million for the same period in 2021. For the six month period ended June 30, 2022 financial income included €3.4 million from foreign exchange gains and €0.5 million in income from cash equivalents.

Finance expenses

Finance expenses amounted to €1.2 million at June 30, 2022 compared to €1.0 million one year earlier. In H1 2022, finance expenses included €1.0 million in interest expense on the KREOS loan and €0.4 million in foreign exchange losses. In H1 2021, finance expenses consisted exclusively of interest expense on the KREOS loan.

Income tax (expense) / benefit

Nicox group has recognized a €1.7 million tax benefit at June 30, 2022 versus €0.0 one year earlier. The H1 2022 impact resulted from the reversal of the €2.4 million deferred tax liability arising from the impairment of NCX4251 and a €0.7 million withholding tax payment assessed by the tax authorities after the completion of a tax audit in 2020.

Loss for the period

The Company recorded a loss for the period of €17.0 million for the six-month period ended June 30, 2022, compared to a loss of €11.7 million for the same period in 2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2022, Nicox had cash and cash equivalents of €31.6 million, as compared with €42.0 million on December 31, 2021.

As of June 30, 2022, Nicox Group had residual financial debt, versus €20.6 million as of December 31, 2021, in the form of a bond loan from KREOS Capital subscribed in 2019 for

€20 million as well as a French Covid-relief government-guaranteed loan for €2 million obtained in the 2020 second half. The debt balance has not changed significantly since December 31, 2021, as the Group restructured the bond loan agreement with KREOS Capital in Q4 2021, obtaining an additional 18 months of interest-only payments on the outstanding principal, the payment of the latter being suspended until August 21, 2023.

At June 30, 2022, Nicox also had a finance lease liability totaling €0.9 million concerning mainly the Group's offices. At December 31, 2021, this lease liability amounted to €1.0 million.

3) FORESEEABLE TRENDS FOR THE COMPANY FOR THE YEAR

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

Report clinical results from the Mont Blanc Phase 3 study of its lead drug candidate NCX 470 currently under clinical development. NCX 470, a novel nitric oxide (NO)-donating prostaglandin analog (PGA), is currently in two multi-regional Phase 3 glaucoma clinical trials, with top-line results from the first Phase 3 clinical trial, Mont Blanc, expected in November 2022. Results from the second Phase 3 trial, Denali, are expected after 2024. 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 ongoing Phase 3 program, planned and executed together with our Chinese partner, Ocumension Therapeutics, is expected to support NDA submissions in the U.S. and China, and will also provide data for countries accepting the same package for approval.

In September, 2021, the company announced the results from the NCX 4251 Phase 2b Mississippi Blepharitis Trial. The results of this study were discussed with the U.S. Food and Drug Administration (FDA) at the end of phase 2 meeting in early 2022, in order to agree on the Phase 3 program needed to submit a New Drug Application for this product for the US market. At the conclusion of this meeting, Nicox announced that it will continue to focus the future development of the product on dry eye disease rather than the indication for blepharitis as initially planned. Nicox will focus in the second half on finding a partner to pursue the development of this product for the dry eye indication in the United States, following the Group's decision to not pursue development in this country on its own.

In December 2021, Nicox raised €15 million in gross proceeds and restructured its debt with Kreos Capital, thereby ensuring a cash flow runway up to the fourth quarter of 2023.

4) RISK FACTORS AND UNCERTAINTIES

The principal risks and uncertainties for the remaining six months of the financial year are described in chapter 3 of the Universal Registration Document of Nicox for the 2022 fiscal year filed with the AMF (*Autorité des Marchés Financiers*) on April 29, 2022 (No. 22-0392) available on the Nicox website (www.nicox.com).

5) RELATED PARTIES

No related party agreements were entered into in the 2022 first half.

6) AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS

See the enclosed document.

The Board of Directors
September 14, 2022

Nicox S.A.

For the six-month period ended June 30, 2022

Auditors' review report
on the interim financial statements

This is an unsigned free translation into English of the auditor's review report issued in the French language and is provided solely for the convenience of English speaking readers. This report should thus be read in conjunction with, and is construed in accordance with, French law and professional standards applicable *in France*.

Nicox S.A.

For the six-month period ended June 30, 2021

Statutory auditors' review report on the interim financial statements

To the Shareholders

Pursuant to our appointment as statutory auditors by your shareholders' meetings and in accordance with article L. 451-1-2 III of the French monetary and financial code ("*Code Monétaire et Financier*"), we hereby report to you on:

- The limited review of the accompanying condensed consolidated interim financial statements of Nicox S.A. for the six-month period ended June 30, 2022;
- The verification of the information given in the interim management report.

These condensed consolidated interim financial statements were prepared under the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these statements on the basis of our limited review of these financial statements.

1. Conclusion on the financial statements

We have conducted our limited review in accordance with the professional standards applicable in France.

A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than for an audit conducted in accordance with generally accepted audit standards in France. As such, it provides a moderate assurance that the financial statements as a whole are free of material misstatements that is lower than that which would result from an audit.

Based on our limited review, we have identified no material irregularities that would indicate that the condensed consolidated interim financial statements are inconsistent with IAS 34, the IFRS as adopted in the European Union for interim financial reporting.

2. Specific verifications

We have also verified information given in the interim management report on the condensed consolidated interim financial statements that were subject to our review.

We have no matters to report as to the fair presentation and consistency of this information with the condensed consolidated interim financial statements.

Marseille and Paris-La Défense, September 14, 2022

Statutory Auditors

[French original signed by:]

Approbans Audit	Ernst & Young Audit
Pierre Chauvet	Pierre Chassagne

TABLE OF CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Unaudited interim condensed consolidated financial statements for the six-month periods ending on June 30, 2022 and 2021

NICOX SA

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIODS ENDING JUNE 30, 2022 AND 2021 (IN € 000S EXCEPT PER SHARE AMOUNTS)

		For the six-month period ended June 30	
	Notes	**2022**	**2021**
Revenue from collaborations		2,322	2,043
Royalty payments		(892)	(721)
Net profit	5.1	**1,430**	**1,322**
Research and development expenditures	5.2	(7,778)	(10,000)
Administrative expenses	5.3	(3,724)	(3,263)
Other income	5.4	371	466
Other expenses	5.5	(1,190)	(90)
Operating loss before amortization and impairment of intangible assets		**(10,891)**	**(11,565)**
Amortization of intangible assets	5.6	-	(587)
Impairment of intangible assets	5.7	(10,472)	-
Operating loss		**(21,363)**	**(12,152)**
Financial income	5.8	3,915	1,451
Finance expenses	5.8	(1,237)	(1,036)
Net financial income/(expense)	5.8	**2,678**	**415**
Loss before tax		**(18,685)**	**(11,737)**
Income tax (expense) / benefit	5.9	1,679	24
Loss for the period		**(17,006)**	**(11,713)**
Loss attributable to equity holders of the Company		(17,006)	(11,713)
Weighted average number of shares		43,202,015	37,083,717
Basic/diluted loss per share (in €)		(0.39)	(0.32)

NICOX SA

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDING JUNE 30, 2022 AND 2021

	Notes	For the period ended June 30	
		2022	2021
Loss attributable to equity holders		**(17,006)**	**(11,713)**
Exchange differences on translation of foreign operations		1,735	1,638
Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax)		**1,735**	**1,638**
Actuarial gains / (losses)	14	108	(38)
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods (net of tax)		**108**	**(38)**
Other comprehensive income/(loss) for the period, net of tax, attributable to equity holders of the Company		**1,843**	**1,600**
Total comprehensive loss for the period attributable to equity holders of the Company		**(15,163)**	**(10,113)**

NICOX SA

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE SIX-MONTH PERIODS ENDING JUNE 30, 2022 AND 2021 (€ 000s)

ASSETS	Notes	At June 30 2022	At December 31 2021
Non-current assets			
Goodwill		27,954	25,637
Intangible assets	6	32,550	39,974
Property, plant and equipment		916	1,023
Non-current financial assets		158	237
Total non-current assets		**61,578**	**66,871**
Current assets			
Trade receivables		1,992	1,086
Government grants receivable	7	1,056	1,452
Other current assets		205	377
Prepayments	8	2,766	2,853
Cash and cash equivalents	9	31,644	41,970
Total current assets		**37,663**	**47,738**
TOTAL ASSETS		**99,241**	**114,609**
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	10	43,223	43,138
Share premium	10	536,115	536,200
Translation reserve		7,688	5,953
Purchase of treasury shares		(893)	(847)
Accumulated deficit		(525,431)	(508,892)
Total equity		**60,702**	**75,552**
Non-current liabilities			
Non-current financial liabilities	12	20,730	21,160
Deferred tax liabilities	13	7,538	9,236
Provisions	14	578	661
Total non-current liabilities		**28,846**	**31,057**
Current liabilities			
Current financial liabilities	12	763	346
Trade payables		4,097	3,649
Deferred income	15	1,947	1,970
Other current liabilities		2,886	2,035
Total current liabilities		**9,693**	**8,000**
TOTAL LIABILITIES AND EQUITY		**99,241**	**114,609**

NICOX SA

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDING JUNE 30, 2022 AND 2021 (€ 000s)

		For the six-month period ended June 30	
	Notes	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		(17,006)	(11,713)
Adjustments to reconcile the loss for the period to net cash flows			
Depreciation and impairment of tangible fixed assets		205	214
Amortization and impairment of intangible fixed assets		10,479	595
Amortization and impairment of financial assets		-	-
Expenses related to share-based payments		359	795
Provisions		25	27
Non-cash translation adjustments		(2,971)	(857)
Amortized cost of non-convertible bonds		(98)	26
Gain on disposal of assets		(9)	-
Deferred tax liabilities		(2,406)	(36)
Working capital adjustments:		**(11,422)**	**(10,949)**
(Increase) / Decrease in trade receivables and other currents assets		(646)	780
(Increase) / Decrease in government grant receivables		396	(393)
Increase / (Decrease) in deferred income		(24)	(61)
(Increase) / Decrease in trade payables and other current liabilities		1,300	317
Change in working capital requirement		**1,026**	**643**
Net cash flows from (used in) operating activities		**(10,396)**	**(10,306)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		-	-
Purchase of property, plant and equipment		(10)	(6)
Disposal of financial assets		37	
Net cash flows from/(used in) investing activities		**27**	**(6)**
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Increase of borrowings net of issuance costs		-	-
(Decrease) in borrowings net of issuance costs		-	-
(Purchase) /Disposal of treasury shares		186	(164)
Repayment of finance lease liabilities		(180)	(198)
Net cash flows from/(used in) financing activities		**6**	**(362)**
Net Increase / (Decrease) in cash and cash equivalents		**(10,362)**	**(10,674)**
Cash and cash equivalents at January 1		**41,970**	**47,195**
Net foreign exchange difference		37	7
Cash and cash equivalents at June 30		**31,644**	**36,528**

NICOX SA

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDING JUNE 30, 2022 AND 2021
(€ 000s EXCEPT SHARE AND PER SHARE ITEMS)

	Issued capital								
	Ordinary shares	**Amount**	**Share premium**	**Purchase of treasury shares**	**Translation reserves**	**Reserves**	**Loss for the period**	**Attributable to equity holders of the Company**	**Total equity**
At January 1, 2021	**37,030,335**	**37,031**	**528,595**	**(605)**	**2,959**	**(449,047)**	**(18,098)**	**100,835**	**100,835**
Loss for the period							(11,713)	(11,713)	(11,713)
Other comprehensive income/(loss)					1,638	(38)		1,600	1,600
Comprehensive income/(loss) for the period					**1,638**	**(38)**	**(11,713)**	**(10,113)**	**(10,113)**
Allocation of profit of the previous period						**(18,098)**	**18,098**		
Issuance of ordinary shares									
Share-based payments	81,650	82	(82)			795		795	795
Purchase of treasury shares				(268)				(268)	(268)
Issuance of equity warrants						**91**		**91**	**91**
At June 30, 2021	**37,111,985**	**37,112**	**528,513**	**(873)**	**4,597**	**(466,297)**	**(11,713)**	**91,340**	**91,340**
Loss for the period							(32,048)	(32,048)	(32,048)
Other comprehensive income/(loss)					1,356	40		1,396	1,396
Comprehensive income for the period					**1,356**	**40**	**(32,048)**	**(30,652)**	**(30,652)**
Issuance of ordinary shares	6,000,000	6,000	7,713					13,713	13,713
Purchase of treasury shares				26				26	26
Share-based payments	26,200	26	(26)			668		668	668
Equity component of convertible bonds						457		457	457
At December 31, 2021	**43,138,185**	**43,138**	**536,200**	**(847)**	**5,953**	**(465,223)**	**(43,761)**	**75,552**	**75,552**
Loss for the period							(17,006)	(17,006)	(17,006)
Other comprehensive income/(loss)					1,735	108		1,843	1,843
Comprehensive income/(loss) for the period					**1,735**	**108**	**(17,006)**	**(15,163)**	**(15,163)**
Allocation of profit of the previous period						(43,761)	43,761		
Share-based payments	84,950	85	(85)			359		359	359
Purchase of treasury shares				(46)				(46)	(46)
At June 30, 2022	**43,223,135**	**43,223**	**536,115**	**(893)**	**7,688**	**(508,425)**	**(17,006)**	**60,702**	**60,702**

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDING JUNE 30, 2022 AND 2021.

1. CORPORATE INFORMATION ON THE REPORTING ENTITY

Nicox S.A. (“Nicox” or the "Company") is incorporated and domiciled in France. The Company’s headquarters are located at 2405 route des Dolines, 06560 Valbonne and the company is listed on Euronext Paris (“COX”). These condensed interim consolidated financial statements concern the Company and its subsidiaries (collectively, “the Group”).

Nicox Group is an international ophthalmology company using innovative solutions to help maintain vision and improve ocular health. The Group’s strategy is to maximize the potential of its technology and products through in-house development and industry-leading collaborations.

2. CONSOLIDATED COMPANIES

Consolidated subsidiary	Date of first-time consolidation	Registered office	Method of consolidation	Ownership interest (%) 06/2022	Ownership interest (%) 12/2021
Nicox S.A.	1996	2405 Route des Dolines 06560, Valbonne Sophia Antipolis	Parent	-	-
Nicox Research Institute S.r.l.	1999	Via Ariosto 21, Bresso, MI 20091 Italy	Full consolidation	100%	100%
Nicox Ophthalmics Inc.	2014	4721 Emperor Blvd. Suite 260 - Durham, NC 27703 – USA	Full consolidation	100%	100%

3. ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements have been prepared and presented in accordance with IAS 34 (Interim Financial Reporting) and as such do not include all the financial information required for annual consolidated financial statements in accordance with the IFRS of the IASB as adopted by the European Union. The notes to the financial statements include explanatory notes relating to material events and transactions occurring in the six-month period ending June 30, 2022 with an impact on the Group’s financial position and its earnings after December 31, 2021. These notes are to be read in conjunction with the annual consolidated financial statements for the period ended December 31, 2021.

The accounting principles adopted to prepare the unaudited condensed interim consolidated financial statements as at June 30, 2022 and for the period ending on June 30, 2022 and 2021 are in compliance with the IFRS of the IASB and the interpretations thereof adopted by the European Union. They have been established in accordance with the accounting principles described in the notes to the annual consolidated financial statements for the period ended December 31, 2021, with the exception of new standards adopted for

periods beginning on or after January 1, 2022. No other standards, interpretations or amendments in issue but not yet into force were early adopted by the Group. The accounting principles applied for the period beginning on January 1, 2022 are identical with those adopted for the annual consolidated financial statements for the period ended December 31, 2021. The other standards and interpretations published by IASB and approved by the European Union entering into force on January 1, 2022 had no impact on the Group's condensed consolidated financial statements.

These financial statements include the normal recurring adjustments necessary for a fair presentation of the results of the relevant interim financial periods. All intragroup balance sheet balances and transactions are eliminated in consolidation. The interim results presented do not necessarily reflect the annual results expected for the full year ending on December 31, 2022.

These unaudited interim condensed consolidated financial statements, have been prepared on a going concern basis as the Group currently believes that it has sufficient cash to sustain its operations and thus ensure continuity of business over the next twelve months.

Nicox S.A. IFRSs adopted by the European Union at June 30, 2022 may be consulted under the heading IAS/IFRS Interpretations and Standards, at :*https://www.efrag.org/Endorsement*

These interim condensed consolidated financial statements were adopted by the Board of Directors on September 14, 2022. The interim condensed consolidated financial statements have been adjusted to reflect conditions existing at the balance sheet date. The 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 and which required no adjustments are presented in note 18.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing the interim condensed consolidated financial statements, the Group's management has to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts recognized in the financial statements.

The underlying estimates and assumptions are reviewed on an ongoing basis. Changes in these estimates are accounted for prospectively. Information on the use of estimates, assumptions and judgments in connection with the application of accounting policies with the most significant impact on amounts recognized in the consolidated financial statements are presented below.

4.1 Impairment of intangible assets

In February 2022, Nicox announced that it will be focusing the future development of NCX 4251 on dry eye disease rather than the indication for blepharitisas as initially planned. This decision follows the post hoc results from the Mississippi Phase 2b clinical trial and a subsequent meeting with the U.S. Food and Drug Administration (FDA). Nicox completely revised its development plan for NCX 4251, which has led to an impairment of this asset in the amount of US$17,846,000 (€17,181,000 at the 6-month closing price on June 30, 2022). This impairment reflects mainly an increase in development costs, the time required to complete the studies and bring the product to market as well as a higher percentage of success in future clinical trials. On June 30, 2022, the Group decided to seek a partner to pursue the product's development outside China where it is licensed to Ocumension

Therapeutics and as a consequence recognized an additional impairment charge of US$11,456,000 (corresponding to €11,029,000 based on the closing price of June 30, 2022). The net carrying amount of NCX 4251 after impairment now stands at US$3,698,000 (€3,560,000), which is the value in use for this asset and limited to the Chinese territory for which the rights have been licensed to Ocumension. This impairment was recognized in the consolidated statement of profit or loss under "*Impairment of intangible assets*".

4.2 Company objectives

The Board of Directors sets the Group's objectives each year. Achieving these objectives is one of the criteria upon which variable compensation is calculated for certain employees. Furthermore, Group employees receive share-based compensation (stock options and free shares). The vesting of this share-based compensation is subject to performance conditions requiring that at least 50% of the Group's yearly objectives set by the Board of Directors are met for the calendar year concerned. In the event that these performance conditions are not met, half of the rights granted for fiscal 2022 (i.e. 50% + 1 option) will be definitively canceled, with the other half of the rights remaining in effect for the stock options and free shares. The performance of the 2022 objectives was measured in June 2022 at 75%.

4.3 COVID-19 and the Russian conflict

The Group closely monitors the situation and apprises the market if there is any impact, notably on its development programs, its financing needs or revenues. The Group has not identified any indications of impairment which might result in the recognition of an impairment loss for these intangible assets, including goodwill due to the pandemic. However, the Group is experiencing delays in the clinical enrollment of patients in the Denali study due to both the ongoing impact of COVID-19 in China, where 20% of patients were expected to be enrolled, and a longer term impact on the glaucoma clinical trial environment from the pandemic period.

With respect to its cash position in Q3 2020, the Group obtained state-guaranteed loans with Société Générale and LCL in H2 2020 for an amount totaling €2 million linked to the COVID-19 pandemic. These loans are not secured against any of the Group's assets and up to 90% of the loan amounts are guaranteed by the French State. It had an initial maturity of 12 months which may be extended for an additional year and Nicox may exercise an option to extend the repayment period by 1 to 5 years after that. In addition, in December 2021, the Group raised €15 million in gross proceeds and restructured its loan agreement with Kreos, thus ensuring a cash flow runway up to the fourth quarter of 2023. The COVID-19 pandemic, as well as any other comparable health crisis, could have a significant impact on the advancement of the Group's development programs within the established timetables. This could have a significant negative effect on the Group, its business, financial situation and results, as well as on its development and prospects.

No direct future impact on the Group's financial position has been identified as a consequence of the Russia/Ukraine conflict, which began in February 2022. As of the date of this document, the Group has no customers in these regions and no plans to develop significant business activity there in the short or medium term. The Group also has no direct exposure in the area of research and development. Despite however the fact that this conflict has no significant impact on the Group's performance, it remains unable at this stage to predict the macroeconomic consequences of this geopolitical situation and its evolution on its future performance.

5. INCOME AND EXPENSES

5.1 Revenue from collaborations

Net profit is calculated by deducting royalty payments from revenue from collaborations and breaks down as follows:

	For the six-month period ended June 30,	
	2022	**2021**
	(€ 000s)	
Upfront payment(s)	-	83
Net royalty payments	1,430	1,239
Net profit	**1,430**	**1,322**

5.2 Research and development expenditures

In the 2022 first half research and development expenditures amounted to €7,779,000 compared to €10,000,000 in H1 2021. Lower research and development expenditures in H1 2022 compared to one year earlier reflect primarily the completion of the Mississipi study for NCX4251, whose results were released in September 2021.

The following table provides a breakdown of research and development costs by nature and product:

	For the six-month period ended June 30,	
	2022	**2021**
	(€ 000s)	
Internal expenditures	**(1,918)**	**(2,043)**
External expenditures	**(5,861)**	**(7,957)**
Total research and development costs	**(7,779)**	**(10,000)**
External expenditures		
ZERVIATE (AC 170)	(61)	(59)
NCX 4251	(312)	(2)
NCX 470	(4,893)	(4,911)
Other expenses not allocated by	(532)	(430)
Other expenditures	(63)	(180)
Total external expenditures	**(5,861)**	**(7,957)**

5.3 Administrative expenses

Administrative expenses amounted to €3,724,000 for the 2022 first half compared to €3,263,000 for the same period in 2021. These expenses relate mainly to the costs of administrative and financial personnel, compensation and fees for corporate officers, communications and business development expenses (including activities relating to evaluating companies and products for in-licensing and acquisition opportunities) and quality-related expenses.

5.4. Other income

Other income amounted to €371,000 as of June 30, 2022, compared to €466,000 one year earlier, and mainly concerns the research tax credit (€340,000 in 2022 compared with €394,000 in 2021) and translation adjustments (€30,000 in 2022 versus €22,000 in 2021).

5.5 - Other expenses

Other expenses amounted to €1,190,000 at June 30, 2022, compared with €90,000 million one year earlier, and concerned severance payments to the former Chairman and Chief Executive Officer following the Board of Directors' decision to terminate his functions on June 1, 2022. In 2021 other expenses related to losses linked to translation adjustments for asset and liabilities stated in foreign currency.

5.6 Total amortization of intangible assets

There were no amortization expenses for intangible assets as of June 30, 2022 versus €587,000 as of June 30, 2021. This amortization charge related exclusively to the ZERVIATE intangible asset whose development was completed in June 2019 and was fully written down in December 2021.

5.7 Total impairment of intangible assets

At June 30, 2022, the Group recorded an impairment charge of US$11,456,000 (equivalent to €11,029,000) for its drug candidate NCX 4251, after deciding to pursue the development of this product by means of a partner (see note 4.2). As at June 30, 2021, no impairment charge had been recognized.

5.8 Net financial income (expense)

	For the six-month period ended June 30	
	2022	**2021**
		(€ 000s)
Foreign exchange gain (3)	3,386	1,290
Other financial income(1)	529	161
Total financial income	**3,915**	**1,451**
Foreign exchange loss	(16)	(2)
Other finance expense(2)	(1,221)	(1,034)
Total finance expense	**(1,237)**	**(1,036)**
Net financial income (expense)	**2,678**	**(415)**

(1) For the six-month period ending June 30, 2022, this amount consists primarily of income from the term deposit account.

(2) For the quarter ending June 30, 2022, other financial expenses include €893,000 in interest expenses on the KREOS loan.

(3) This mainly corresponds to the foreign exchange gain arising from the re-measurement of bank balances in foreign currency.

5.9 Income tax

The Group recognized a tax benefit of €1,679,000 as of June 30, 2022 compared to €0 one year earlier. The H1 2022 impact resulted from the reversal of the €2,406,000 million deferred tax liability arising from the impairment of NCX4251 and a €709,000 million withholding tax payment assessed by the tax authorities after the completion of a tax audit in 2020.

6. INTANGIBLE ASSETS

6.1 Breakdown by nature

	At June 30 2022	At December 31, 2021
	(€ 000s)	
Patent, rights, licenses	80,657	74,136
Software	357	357
Research and development activities acquired separately	50	50
Gross value	**81,064**	**74,543**
Patent, rights, licenses	(48,207)	(34,268)
Software	(257)	(251)
Research and development activities acquired separately	(50)	(50)
Accumulated depreciation	**(48,514)**	**(34,569)**
Net value of intangible assets	**32,550**	**39,974**

At June 30, 2022, the intangible assets in the form of patents, rights and licenses amounted to a gross value of €80.7 million, breaking down as follows: ZERVIATE for US$48.7 million (equivalent to €46.9 million), NCX 4251 for US$33.0 million (equivalent to €31.8 million), with the balance of €2 million for Nitromed, which has been fully impaired. The Group began writing down the value of ZERVIATE recognized under "North America" in June 2019 with the portion allocated to this region in December 2021 fully amortized, i.e. US$18.6 million or €17.9 million at the closing price on June 30, 2022.

NCX 4251 was written down as of December 31, 2021 by US$17.8 million, or €17.4 million at the closing price as of June 30, 2022 to reflect the change in therapeutic indication from blepharitis to dry eye following the results of the Mississippi clinical trial communicated in September 2021. At June 30, 2022, an additional impairment charge of US$11.5 (equivalent to €11.1 million) was recorded in response to the Group's decision to pursue the development of this product in the United States through a partner to be identified (see note 4.2).

6.2 Change in the year

	Gross value	Amortization and depreciation	Net value
		(€ 000s)	
Value at December 31, 2021	**74,543**	**(34,569)**	**39,974**
Acquisitions/amortizations	-	(10,478)	(10,478)
Disposals or retirements	-	-	-
Impact of change in exchange rates	6,521	(3,467)	3,054
Value at June 30, 2022	**81,064**	**(48,514)**	**32,550**

7. GOVERNMENT GRANTS RECEIVABLE

	At June 30 2022	At December 31 2021
	(€ 000s)	
Research tax credit*	1,056	1,452
Total	**1,056**	**1,452**

* The Group has requested the reimbursement of the 2021 Research Tax Credit by virtue of European community tax provisions for small and medium-size companies, in compliance with regulations in force. As of June 30, 2022, this settlement in the amount of €716,000 not been completed. A provision was recorded by the Group in the amount of €340,000 for the 2022 RTC for the 2022 first half. In the 2022 first half, the Group received a 2020 RTC refund in the amount of €736,000.

8. PREPAYMENTS

Prepayments amounted to €2,766,000 at June 30, 2022, compared to €2,853,000 at December 31, 2021, represent primarily advance payments for the Mont-Blanc and Denali clinical trials.

9. CASH AND CASH EQUIVALENTS

	At June 30 2022	At December 31 2021
	(€ 000s)	
Cash	21,644	31,970
Cash equivalents	10,000	10,000
Total cash and cash equivalents	**31,644**	**41,970**

10. ISSUED CAPITAL AND RESERVES

At June 30, 2022, the share capital consisted of 43,223,135 fully paid up ordinary shares with a par value of €1.

Type of transaction	Share capital	Share premium	Number of shares	Par value
	(€ 000s)			In Euros
As of January 1, 2021	**37,031**	**528,595**	**37,030,335**	**1**
Issuance of ordinary shares**	6,000	7,712	6,000,000	1
Issuance of shares	107	(107)	107,850	
As a December 31, 2021	**43,138**	**536,200**	**43,138,185**	**1**
Issuance of restricted stock units	85	(85)	84,950	1
Issuance of ordinary shares	-	-		-
As of June 30, 2022	**43,223**	**536,115**	**43,223,135**	**1**

** This includes the 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 issuance of 3,529,565 new ordinary shares for gross proceeds of €15.0 million.

11. SHARE-BASED PAYMENTS

Share-based payments on Group profit or loss break down as follows:

	At June 30	
	2022	**2021**
		(€ 000s)
Stock options	(221)	(473)
RSUs	(138)	(323)
Total impact on loss for the period	**(359)**	**(796)**

11.1 Stock subscription or purchase options

Changes in the period are described below:

	Rights
Stock subscription or purchase options at December 31, 2021**	**904,250**
Awarded during the period	594,800
Canceled during the period	(120,800)
Stock subscription or purchase options at June 30, 2022	**1,378,250**

*An option confers entitlement to the issuance of one share

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

11.2 Warrants

204,000 warrants issued to directors and members of the Scientific Advisory Board were outstanding as of June 30, 2022 compared with 348,000 as of December 31, 2021, with 144,000 warrants having expired during the period. A warrant confers a right to subscribe for one share

11.3 15.3. Restricted stock units (actions gratuites or free shares)

Changes in the period are described below:

	Number of shares issuable
Restricted stock units outstanding at December 31, 2021	**254,400**
Awarded in the period	163,300
Vested in the period	(84,950)
Canceled in the period	(49,100)
Restricted stock units outstanding at June 30, 2022	**283,650**

12. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

	At June 30 2022	At December 31, 2021
	(€ 000s)	
Borrowings	20,196	20,520
Rentals	534	640
Total non-current financial liabilities	**20,730**	**21,160**

	At June 30 2022	At December 31, 2021
	(€ 000s)	
Borrowings	412	
Rentals	351	346
Total current financial liabilities	**763**	**346**

13. DEFERRED TAX LIABILITIES

As of June 30, 2022, deferred tax liabilities amounted to €7,538,000, versus €9,236,000 as of December 31, 2021. These correspond to deferred tax calculated on the basis of fair value adjustments associated with the exercise of the purchase price allocation of the US subsidiary, Nicox Ophthalmics Inc., net of deferred tax assets. The change in H1 2022 reflects the reversal of the €2,406,000 deferred tax liability arising from the impairment of NCX 4251 and a €707,000 withholding tax payment assessed by the tax authorities following a tax audit completed in 2020.

14. CURRENT AND NON-CURRENT PROVISIONS

	As of Jan. 1, 2021	Increase	Actuarial gains and losses	Amount used in the period	Change in consolidation scope	At December 31, 2021
	(€ 000s)					
Post-	730	(67)	(2)	-	-	661
Total	**730**	**(67)**	**(2)**	**-**	**-**	**661**
Non-current	730	(67)	(2)	-	-	661
Current	-	-	-	-	-	-

	As of Jan. 1, 2022	Increase	Actuarial gains and losses	Reversals repaid during the period	Change in consolidation scope	At June 30, 2022
	(€ 000s)					
Post-	661	25	(108)	-	-	578
Total	**661**	**25**	**(108)**	**-**	**-**	**578**
Non-current	661	25	(108)	-	-	578
Current	-	-	-	-	-	-

15. DEFERRED INCOME

Deferred income amounted to €1,947,000 at June 30, 2022 (€1,970,000 at December 31, 2021) and concerns mainly deferred income received in connection with the amendment of the Ocumension license for NCX 470.

16. OFF-BALANCE-SHEET COMMITMENTS AND LITIGATION

16.1 Off balance sheet commitments

New off-balance sheet items were recognized in the first half ending on June 30, 2022 an amount totaling €6,460,000. This concerns mainly phase 3 clinical development expenses for NCX 470.

16.2 Disputes

16.2.1 Teva Pharmaceutical

Teva Pharmaceutical Industries Ltd filed a notice of opposition on November 23, 2016 with the European Patent Office (EPO) against the European patent covering latanoprostene bunod and requested the revocation of the patent as a whole, alleging the absence of novelty or an inventive step. The European patent office rejected this notice of opposition and decided to maintain the patent as delivered. Teva Pharmaceuticals appealed this decision of the EPO on September 12, 2018. On June 20, 2022, Teva withdrew its appeal, rendering the decision of the European Patent Office final and upholding the patent as granted.

16.2.2 URSSAF

The Group contests 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. The case was struck from the docket due to the failure of URSSAF to perform procedures. After initiating new procedures, the case was reinstated. The date of the hearing was set for December 1, 2022.

16.2.3 Tax audit

In February 2019, the Group was informed of a tax audit of the parent company Nicox SA. 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 Group strongly disagrees with 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 Group submitted an appeal to a higher authority, the two remaining tax assessments were maintained. In H1 2022, a €0.7 million withholding tax was assessed and paid by the Group. The Group filed a claim concerning the collection of this amount, which was rejected on September 5, 2022. The company has two months to appeal this decision. Residual tax loss carryforwards continue to be disputed by the tax authorities.

16.2.4 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 Bausch & Lomb Inc. and Nicox SA filed a federal lawsuit in New Jersey challenging this claim. As a consequence of this lawsuit, the FDA's regulatory review of the ANDA is automatically suspended for a period of 30 months. 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.. This legal proceeding is expected to last for a period of 3 to 4 years.

17. RELATIONS WITH RELATED PARTIES

Total compensation recognized for directors (6 persons as of June 30, 2022 and 5 persons as of June 30, 2021) and management committee members (5 persons as of June 30, 2022 and 5 persons as of June 30, 2021) breaks down as follows

	At June 30:	
	2022	**2021**
Short-term benefits	2,035 (1)	785
Post-employment benefits	191	159
Other long-term benefits	(92)	60
Share-based payments	196	247

TOTAL	**2.330**	**1.251**

(1) Includes €1,020,000 in severance payments to the former Chairman and Chief Executive Officer pursuant to the Board of Directors' decision to terminate his duties effective June 1, 2022.

Members of the management committee and the CEO are eligible for a contractual severance allowance of between three and eighteen months of salary should their employment contract be terminated as a result of a change in majority control of the Group within two years from the date thereof. 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 June 30, 2022, the total amount of the severance benefits payable under the provisions described above would amount to €2,357,000.

Should the employment contract be terminated at the initiative of the Group, the management committee members, the CEO and selected employees would also receive a contractual severance benefit of between six months and two years of salary based on the salary received for the 12 months preceding the termination of the employment contract. The provisions described above do not apply in the case of termination for serious or gross misconduct. In addition, payment of the benefit to the CEO is contingent on the achievement of undisclosed objectives. Should the employment contract be terminated for all beneficiaries on June 30, 2022, the total amount of the severance benefits payable under the provisions described above would amount to €1,979,000.

Due to the conditional nature of the commitments described above, no provisions were recorded by the Group at June 30, 2022 or December 31, 2021 in consequence for the relevant parties. A provision for accrued expenses was recorded for potential severance payments payable to the former Chairman and Chief Executive Officer whose term of office ended on May 31, 2022. These severance payments were made in July 2022.

As of June 30, 2022, stock options, free shares and equity warrants outstanding awarded to company directors and members of the Management Committee were distributed as follows:

Type of equity instrument	**Exercise price (€)**	**Number of rights**	**Number of shares issuable**	**Expiration date**
RSUs	-	85,000	85,000	-
Stock options	6.0546	60,000	60,000	02/12/2027
Stock options	4.79	190,000	190,000	01/27/2028
Stock options	3.5181	180,000	180,000	01/14/2029
Stock options	2.3716	285,000	285,000	02/15/2030
Equity warrants	8.88	144,000	144,000	05/24/2023

18. SUBSEQUENT EVENTS

None