NICOX SA
A French public limited company (*société anonyme*) with share capital of EUR 43,223,135
Registered Office: 2405, route des Dolines
06560 Valbonne Sophia Antipolis
France
R.C.S. No. 403 942 642 Grasse

UNIVERSAL REGISTRATION DOCUMENT (URD)

ANNUAL FINANCIAL REPORT

MANAGEMENT REPORT

2021

The original French version of this Universal Registration Document was filed on April 29, 2022 with the AMF (*Autorité des Marché financiers*), the French financial market regulator, as the competent authority under regulation (UE) 2017/1129, without prior approval pursuant to Article 9 of said regulation.

The universal registration document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary together with any amendments to the universal registration document. It is thereupon approved in its entirety by the AMF in accordance with Regulation (EU) 2017/1129.

Copies of this universal registration document may be obtained free of charge from the registered office of NICOX SA, Drakkar D - 2405, route des Dolines, 06560, Valbonne Sophia Antipolis and from the websites of Nicox SA (www.nicox.com) and the AMF (www.amf-france.org).

A concordance table providing cross-references with information required in Appendixes 1 and 2 of the Commission Delegated Regulation (EU) 2019/980 and this universal registration document is included to facilitate the review of information incorporated by reference.

***Disclaimer**: This English language version of this Universal Registration Document is a free translation of the original "Document d'Enregistrement Universel" for the financial year ended December 31, 2021 that was prepared in French. All possible care has been taken to ensure that this translation is an accurate representation of the original the issued in French language and registered on April 29, 2022 by the AMF (French Securities and Exchange Commission). However, in all matters of interpretation of information, views or opinions expressed therein, the original language version of the document in French takes precedence over this translation. In consequence, the translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and Nicox SA expressly disclaims all liability for any inaccuracy herein*

TABLE OF CONTENTS

1. PERSON RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS

1.1 Person responsible for the original French version of the Universal Registration Document

Mr. Michele Garufi, Chairman of the Board of Directors and Chief Executive Officer of Nicox S.A.

1.2 Responsibility statement

I hereby certify that the information contained in the universal registration document is, to my knowledge, true to reality and that no information has been omitted that would alter its import.

I hereby certify that the financial statements are prepared in accordance with the applicable accounting standards and that they give a faithful picture of the assets, the financial position and the results of the company and of all the companies included in the scope of consolidation, and that the management report covering items referenced in the concordance table provided on page 328 presents a faithful picture of the business trends, results and financial position of the company and of all the companies included in the scope of consolidation as well as a description of the principal risks and uncertainties faced by them.

April 28, 2022

Michele Garufi
Chairman and Chief Executive
Officer

1.3 Information provided by third parties, statements from experts and declarations of special interests

Non-applicable

2. STATUTORY AUDITORS

2.1 Principal Statutory and Deputy Statutory Auditors

Principal Statutory Auditors

Ernst & Young Audit
1,2 Place des Saisons - 92400 Courbevoie
RCS Nanterre 344 366 315
Represented by Mr. Pierre Chassagne

External Auditor, Member of the Regional Association of Chartered Accountants of Versailles

Date of first appointment: 1999

Ernst & Young Audit was reappointed joint statutory auditor at the general shareholders' meeting of May 16, 2017 for a term of six fiscal years. Its appointment will accordingly expire after the General Meeting of the shareholders to be called for the purpose of approving the financial statements for the fiscal year ending on December 31, 2022.

Approbans Audit
22, Boulevard Charles Moretti 13014 Marseille
RCS Marseille 525 098 786
Represented by Mr. Pierre Chauvet

Firm of Chartered Accountants registered with the Court of Appeals of Aix-en-Provence

Date of first appointment: 2020

Approbans Audit was appointed statutory auditor at the general shareholders' meeting of June 16, 2020 for a term of six fiscal years. Its appointment will accordingly expire after the General Meeting of the shareholders to be called for the purpose of approving the financial statements for the fiscal year ending on December 31, 2025.

2.2 Statutory Auditors whose appointment was not renewed in the past three years

Novances David & Associés
455, promenade des Anglais
Immeuble Horizon - 06285 Nice Cedex 3
RCS Nice 326 354 099

Represented by Mr. Jean-Pierre Giraud

External Auditor, Member of the Regional Association of Chartered Accountants of Aix-en-Provence
Date of first appointment: 2014

Novances David & Associés was appointed joint statutory auditor at the General Meeting of the shareholders of June 18, 2014 for a term of six fiscal years. Its appointment expired at the end of the General Meeting of June 16, 2020 that approved the financial statements for the fiscal year ended December 31, 2019, in which it was reappointed as the auditor with the new statutory auditors Approbans Audit as indicated above.

2.3 Fees payable to external auditors and to members of their networks

For fiscal years 2020 and 2021, the fees incurred by Nicox S.A. and by its foreign consolidated subsidiaries in respect of its external auditors and members of their networks are broken down as follows:

	Ernst & Young Audit				Approbans			
	Amount (before tax)		In%		Amount (before tax)		In%	
	2020	2021	2020	2021	2020	2021	2020	2021
Audit								
External audit, certifications, review of individual and consolidated accounts								
Issuer	164,000	161,000	90.48%	69.73%	26,000	26,000	100.00%	57.78%
Consolidated subsidiaries	12,000	12,000	6.62%	5.20%				
Other work and services directly associated with the engagement of the external auditor								
Issuer (required under national law)	5,250	57,900	2.90%	25.08%		19,000		42.22%
Subtotal	181,250	230,900	100.00%	100.00%	26,000	45,000	100.00%	100.00%
Other services rendered by the networks								
Tax-related								
Other (specify if> 10% of audit fees)								
Subtotal	-							

3. RISK FACTORS AND INTERNAL CONTROL

Under the provisions of article 16 of Regulation(UE) 2017/1129 of the European Parliament and the Council, this section presents the key risks which on the date of this universal registration document could have a material adverse effect on its business, financial status, operating results, or ability to achieve its objectives. However, the occurrence of risks unknown on the date of this universal registration document or not considered likely to have a material adverse effect on the date of this universal registration document cannot be excluded. Each year the Board of Directors reviews the risks to which the Company is exposed and issues an opinion as to their importance.

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

Within each of these categories, these risks are ranked according to both their adverse effect and probability of occurrence, while taking into account the risk management measures adopted by the Company on the date of this universal registration document. The following table summarizes the key risks identified by the Company and indicates for each, the probability of their occurrence and their adverse effect on the Company on the filing date of this universal registration document. The probability of occurrence is ranked according to three classifications ("low", "moderate" and "high") and the severity of their adverse effect is ranked according to four classifications (“low", "moderate", "high" and "critical").

Ref.	Risk factors	Probability	Adverse effect
3.1	Risks relating to the Company's financial position and capital requirements		
3.1.1	Risks relating to cash burn which could impede or jeopardize the Company's continuing operations should it be unable to obtain the necessary financing	High	Critical
3.1.2	Specific risks relating to the COVID-19 pandemic which could impact in particular the number of visits to doctors and therefore the amount of sales of VYZULTA and ZERVIATE, the recruitment of patients in clinical trials, and therefore the financial situation of the Company	High	Critical
3.1.3	Risks relating to the history of losses and the risk of future losses that have affected and may affect the financial position, cash flows and working capital of the Company and its ability to distribute dividends one day to its shareholders	High	High
3.1.4	Risks relating to commitments incurred in connection with bond financing obtained from Kreos Capital	Moderate	Critical

Ref.	Risk factors	Probability	Adverse effect
3.1.5	Risks associated with income and exchange rate fluctuations, reliability of investments	Moderate	High
3.1.6	Market risks	Low	Low
3.2	Risks relating to products developed by the Company, regulatory authorizations and their commercialization		
3.2.1	Specific risks relating to NCX 470 and NCX 4251 whose development cannot be guaranteed	High	Critical
3.2.2	Specific risks relating to NCX 470, NCX 4251 and ZERVIATE development in Chinese region and other ex-China and ex-US geographies	High	Critical
3.2.3	Risks relating to clinical and non-clinical trials affecting mainly NCX 470 and NCX 4251 which could significantly impact the Company's activity in the event of failure or delays	High	Critical
3.2.4	Risks relating to new products whose development or sale could be disrupted impacting mainly NCX 470 and NCX 4251 and which could significantly affect the Company's outlook and financial position	High	Critical
3.2.5	Risks relating to competition and rapid technological developments which could render the products developed by the Company obsolete	High	Critical
3.2.6	Uncertainty surrounding pricing and reimbursement schemes and reform of health insurance schemes	High	Critical
3.2.7	Risks relating to the market launch of pharmaceutical products	High	Critical
3.2.8	Risks relating to regulatory constraints which could impact the sale and or profitability of the Company's products, in the event of the refusal of an authorization or significant restrictions	Moderate	Critical
3.2.9	Specific risks relating to VYZULTA® (latanoprostene bunod ophthalmic solution), 0.024%, commercialized by Bausch + Lomb, whose commercial success depends on a number of factors and remains uncertain	Moderate	High

Ref.	Risk factors	Probability	Adverse effect
3.2.10	Specific risks relating to ZERVIATE® (cetirizine ophthalmic solution), 0.24%, commercialized in the U.S. by Eyevance Pharmaceuticals, whose commercial success depends on a number of factors and remains uncertain	High	Moderate
3.2.11	Product liability and coverage from insurance policies	High	Moderate
3.2.12	Environmental and industrial risks, financial risks linked to the effects of climate change	Moderate	Low
3.3	Risks relating to dependence on third parties		
3.3.1	Dependence on third parties for carrying out clinical and non-clinical trials	High	Critical
3.3.2	Dependence on partners of collaboration agreements and outside consultants to effectively execute plans for development, obtain regulatory approvals and the marketing of products.	High	Critical
3.3.3	Risks associated with manufacturers, the manufacturing costs of products, the price of raw materials and reliance on third party manufacturers	High	Critical
3.4	Risks relating to the Company's intellectual property		
3.4.1	Infringement and potential infringement of patents and by other intellectual property rights covering our products and product candidates	Moderate	Critical
3.4.2	Scope, validity and enforceability of patents	Moderate	Critical
3.4.3	Litigation and defense of patent rights	Moderate	Critical
3.4.4	Possible infringements of third-party patents	Moderate	Critical
3.4.5	Products not protected by intellectual property rights, trade secrets for which the commercial potential could be affected	Moderate	Critical
3.4.6	Risk relating to the protection of trademarks the use of which could be subject to disputes	Moderate	Critical
3.4.7	Confidentiality agreements relating to employees, consultants and subcontractors	Moderate	Critical

Ref.	Risk factors	Probability	Adverse effect
3.5	Risks relating to the Company's organization, structure and operations		
3.5.1	Reliance on qualified personnel	High	Critical
3.5.2	Risks associated with potential future acquisitions of products or companies and with potential future in-licensing transactions	Moderate	Moderate
3.6	Risks relating to legal and administrative proceedings	Moderate	Moderate

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

3.1.1 Risks associated with cash burn

At December 30, 2021 Nicox Group had cash and cash equivalents in the amount of €42.0 million compared to €47.1 million at December 31, 2020.

Based on a specific review of its liquidity risk, Nicox considers that on the date of this universal registration document the Company has sufficient net working capital to meet its cash requirements until Q4 2023, based on the development of NCX 470 alone.

Nicox anticipates significant capital requirements to complete the following projects:

- the development program for NCX 470 (a novel nitric oxide (NO)-donating prostaglandin analog based on Nicox's internally-developped NO-donating research platform) for lowering of intra-ocular pressure (IOP) in patients with open angle glaucoma or ocular hypertension;

- the development program for NCX 4251 (a novel patented ophthalmic suspension of fluticasone propionate nanocrystals) for dy eye disease; and

- the preclinical development program focused on NCX 1728 selected from a new class of compounds (non-PGA related) based entirely on NO-mediated activity, being investigated for lowering IOP and for applications in retinal diseases. NCX 1728 is an NO-donating PDE5 inhibitor. Formal pre-IND tests are under preparation.

Developments and the cost of clinical and non-clinical trials, as well as costs relating to research and development programs, filing patents and concluding collaboration or product manufacturing agreements also give rise to significant capital requirements that must be met by Nicox.

To date, limited revenues are generated from royalties derived from the direct sales of products. Nicox expects sales for 2022 will not be sufficient to reach profitability. Furthermore, Nicox cannot guarantee that its choices in terms of cash utilization will prove appropriate. Nicox will need to raise additional funds in amounts that will depend on many factors, including the cost of developing or registering new products and, if appropriate, their commercialization. The Company might therefore have to seek other sources of funding:

- either through capital increases, it being specified that as a result of the volatility of the Nicox share price and constraints imposed in connection with capital increases entailing the cancellation of preferential subscription rights, this source of financing could be considered limited; or

- in the form of a debt; or

- by signing strategic partnership agreements with a view to generating new revenue from patent licenses, or to sharing operating costs with partners; or

Nicox cannot guarantee that its future capital requirements will be met or that additional funding will be available on acceptable terms. Turmoil affecting the stock markets has generally made it more difficult to obtain financing by equity securities and could have a materially adverse effect on Nicox's ability to obtain sufficient funding. If the Group were unable to obtain the necessary funding, it could be forced to delay, reduce or eliminate expenses related to certain projects that are under development, to seek funding through partnerships, to grant licenses for the development or marketing of products that the Group would have preferred to develop or market itself, which would have the effect of reducing the added value that the Group might ultimately draw from these products. Such a situation could even jeopardize the continuation of the Company's activities.

3.1.2 Specific risks relating to the COVID-19 pandemic which could impact in particular the number of visits to doctors and therefore the amount of sales of VYZULTA and ZERVIATE, the recruitment of patients in clinical trials, and therefore the financial situation of the Company

The sales of VYZULTA and ZERVIATE depend on the number of prescriptions which itself depends on the number of visits to doctors. A decrease in the number of visits would result in a decrease in the number of prescriptions and therefore a decrease in revenue for Nicox.

The duration and schedule of the Company's clinical trials depend on the number of patients recruited. If the recruitment is impacted by the COVID-19 pandemic and is no longer in line with the Company's estimates, the trials could take longer than expected and generate additional costs.

The coronavirus pandemic, as well as any other comparable health situation, can have a strong impact on the financial markets, on Nicox's share price, as well as on the Company's ability to finance itself and to advance its development programs on the expected timelines. This could have a significant negative effect on the Company, its business, financial situation and results, as well as on its development and prospects.

There is a risk that the COVID-19 pandemic will disrupt the activities of the Company, its partners and / or subcontractors and therefore have consequences on the development of its product candidates and on its funding needs.

No direct future impacts on the Group's financial situation have been noted following the Russia / Ukraine conflict, which was declared during the month of February 2022. Indeed, to date, the Group has no customers in these territories and did not plan to develop a significant activity there in the short or medium term. The Group also has no direct exposure in terms of research and development. Nevertheless, although this conflict has no significant impact on the performance of the Group, the latter cannot, at this stage, predict the macroeconomic consequences of this geopolitical situation and its evolution, on its future performance.

3.1.3 Risks relating to the history of losses and the risk of future losses

To date, the Company has not yet generated significant revenues. The Company has not yet generated profit and has incurred operating losses each year since the commencement of its operations in 1996, and notably net losses for the periods ended December 31, 2021 and December 31, 2020 of (€43.1) million and (€18.1) million respectively.

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

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

Nicox may be expected to continue to incur significant expenses and its operating losses should increase in the near future as a consequence of the significant investments carried out in connection with the development of product candidates and the development of the selected candidate in a new class of NO-mediated IOP lowering agents.

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

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

Nicox has obtained financing of €20 million from Kreos Capital structured as bonds accessible as 3 tranches. The financing was structured into 3 tranches of senior secured bonds, the second tranche being divided into two sub-tranches. The first tranche of €8 million was drawn down on February 1st, 2019, the first sub-tranche of €4 million was paid on November 1st, 2019, the second sub-tranche of €3 million and the last tranche of €5 million were both drawn down on December 12, 2019 and paid on January 2, 2020. In January 2021 Nicox amended its bond financing agreement with Kreos Capital, introducing an additional one-year period of interest-only payments on the outstanding principal starting on February 1st, 2021, and an extension of the overall period of the loan by 6 months to July 2024. The new one-year interest-only period is expected to provide approximately €5.5 million of additional flexibility for investment in development activities in 2021.

On November 30, 2021 a new amendment to the bond financing agreement was signed, whereby the interest-only period will be increased by 18 months to July 2023 (against January 2022 previously) and the maturity date of the loan increased by 18 months to January1st, 2026. In addition, the Company has the option to further extend the interest-only period and the maturity date by 6 additional months, to respectively January 2024 and July 2026, if the Mont Blanc Phase 3 NCX 470 clinical trial meets the primary endpoint of non-inferiority compared to latanoprost. These changes apply to 70% of the outstanding principal, excluding pre-payments of €0.6 million (the "Term Loan"). The interest rate remains unchanged.

€3.3 million of the remaining capital was issued as convertible bonds (the "Convertible Loan"). The term is January 1st, 2026 with the same interest rate of 9.25% per annum, payable in cash. The Convertible Loan is secured against the same securities already in place for the Term Loan. This portion of the debt can be converted into shares at Kreos's discretion at any time (after an initial 60-day period) up to the maturity date of January 1st, 2026. The conversion price is €3.67. If Kreos has not converted the Convertible Loan by the end of the repayment period of the Term Loan, the entire amount of the Convertible Loan remaining is due as a single payment at that time.

The remaining €1.8 million was issued as a new non-convertible bonds with an interest rate of 9.25%, a term the same as the Convertible Loan and with an additional premium payable at repayment such that the total return to Kreos is 1.75 times the original amount.

This financing includes standard early repayment clauses. A breach of Nicox's obligations under this contract could constitute a default event under these clauses and in consequence result in its early repayment. There can be no assurance that Nicox will have the resources required for the early repayment of this bond issue.

For additional information about the bond financing agreement with Kreos Capital, refer to section 20.2 of this universal registration document.

There can also be no assurance that cash flows generated by Nicox will be sufficient to pay the bonds at their maturity which could have a material adverse effect on its business, with security interests having been granted over certain tangible and intangible assets of Nicox S.A., and notably patents relating to the approved product VYZULTA (with the pledge having no impact on the exclusive worldwide license agreement with Bausch + Lomb), securities of the subsidiary Nicox Ophthalmics Inc. as well as a pledge of bank account balances and all receivables of more than €100,000.

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

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

The majority of the Group's expenses are denominated in US dollars. In fiscal year 2021, approximately 66.40 % of operating expenses were in US dollars (55.8% in 2020).

Foreign exchange fluctuations in the value of the euro in relation to the US dollar may result in a material impact on the Group's operating results, notably with respect to the worldwide license for VYZULTA granted to Bausch + Lomb and the license for ZERVIATE for the U.S. market granted to Eyevance for which the Group may receive milestone payments respectively for an amount of up to US$165 million for VYZULTA and $37.5 million for Eyevance in addition to up 6% to 12% in net royalties for VYZULTA and to up 8% to 15% for ZERVIATE. For VYZULTA, the first sales milestone ($5 million, net of payments to Pfizer – see Section 5.2.1) is due upon reaching $100 million of net sales and there is not guarantee that this milestone or any other milestone will be met. For ZERVIATE, $30 million of these milestones are triggered by annual sales targets of $100 million or more.

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

The Group also holds US dollar bank accounts that are translated into euros in the consolidated financial statements at the year-end exchange rate. Cash amounted to €13 487 149 at December 31, 2021 (or 32% of cash and cash equivalents) and may be materially impacted by the Euro/US Dollar exchange rates. This risk is however mitigated by the fact that cash is exclusively destined to cover the Group's expenses denominated in US dollars resulting from its research and development activities in the United States over the medium term.

3.1.6 Market risks

For additional information, refer to note 25.3 "Market risk" to the consolidated financial statements for the period ended December 31, 2021.

3.2 Risks relating to products developed by the Company, regulatory authorizations and their commercialization

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

NCX 470 is a novel nitric oxide (NO)-donating prostaglandin analog (PGA) in development for the lowering of IOP in patients with open-angle glaucoma and ocular hypertension. Another Nicox product candidate, which leverages an established molecule, is NCX 4251, a novel patented ophthalmic suspension of fluticasone propionate nanocrystals which is being developed for dry eye disease.

The Company has completed a Phase 2 clinical trial, Dolomites, for NCX 470. The first Phase 3 clinical trial, Mont Blanc, necessary for U.S. regulatory approval was initiated in the U.S. in June 2020 following a successful End-of-Phase 2 meeting with the FDA. The second Phase 3 clinical trial, Denali, was initiated in November 2020 and, together with the Mont Blanc trial, is designed to fulfill the regulatory requirements for Phase 3 safety and efficacy trials to support New Drug Application (NDA) filings of NCX 470 both in the U.S. and China. The Denali trial is financed jointly and in equal parts by Nicox and our Chinese partner Ocumension and includes clinical sites in both the U.S. and China, with approximately 80% of the patients to be recruited in the U.S. and the remaining 20% of the patients to be recruited in China. The management of a multi-country clinical trial is more complex than in one country alone. The Denali trial includes a long-term safety extension with participation of patients from the U.S. and China.

Certain additional clinical and non-clinical data will be required to support NDA submissions. The requirements for a complete Chinese NDA submission may be different from those in the U.S. Changes in the regulatory environment in one country may impact Nicox’s products or product candidates in other countries.

The Company has also completed a Phase 2b clinical trial of NCX 4251, Mississippi, initiated in December 2020 for the treatment of acute exacerbations of blepharitis, whose results were announced in September 2021. The Mississippi trial did not meet the primary efficacy endpoint of demonstrating complete resolution of the signs (eyelid margin redness and eyelid debris) and symptom (eyelid discomfort) of blepharitis, or secondary efficacy endpoints. Following the encouraging post hoc results from the Mississippi trial and a subsequent positive meeting with the U.S. FDA the Company took the decision to focus the future development of NCX 4251 on dry eye disease. The future development of NCX 4251 in the U.S. will require initial manufacturing scale-up followed by two additional efficacy clinical trials, both evaluating one sign and one symptom of dry eye disease, long term safety data, and certain additional clinical and non-clinical data to support an NDA submission in the U.S. The remaining pharmaceutical, non-clinical and clinical development of NCX 4251 is not yet financed and therefore the Company has not planned yet the start of this last phase of development.. The requirements for a Chinese NDA submission may be different from those in the U.S., and if Ocumension develops NCX 4251 for a different indication, this may require additional clinical and/or non-clinical data, or further pharmaceutical development.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Clinical trials may produce insufficient data to obtain regulatory approval.

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

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

For additional information, refer to Section 3.1 of this universal registration document.

3.2.4 Risks relating to new products

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

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

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

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

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

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

3.2.5 Risks relating to competition and rapid technological developments

The markets in which Nicox operates are highly competitive and rapidly changing. The Company competes with larger companies with development programs that target the same indications, and with greater experience in the development and marketing of products. In addition, these companies have far greater financial and human resources than the Company. As a result, the Company cannot guarantee that its products:

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

New developments are expected both in the healthcare industry and in public and private research facilities. In addition to the development of safer, more effective and less costly products than those developed or marketed by Nicox, its competitors may manufacture and market products under better conditions. Furthermore, competitors' rapid technology developments, including new products developed during the development of our product candidates, may render Nicox's products obsolete before they can become commercially viable. In certain therapeutic areas targeted by Nicox products and product candidates, such as dry eye and allergic conjunctivitis, products may switch from prescription only to non-prescription, also known as over-the-counter, which may have a significant impact on the available market for Nicox products and product candidates.

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

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

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

In addition, pricing and prescribing freedom in some markets are governed and limited by the public authorities. The introduction of more stringent controls on pharmaceutical pricing can have a negative impact on the company's activities, either directly on the products it intends to sell or indirectly on the amount of income that the company can earn through its partnerships and licensing agreements.

3.2.7 Risks relating to the market launch of pharmaceutical products

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

Regulatory approvals, including approval of branding, may not be granted in time to secure a commercial return;

The products may be difficult to produce on an industrial scale or their production on an industrial scale may prove too expensive;

The products may not be profitable because of their cost of production, distribution and/or sale price as imposed by the relevant regulatory authorities;

The products may not qualify for reimbursement arrangements in some countries, thereby jeopardizing their commercial potential in certain jurisdictions;

It may be difficult to achieve acceptable quality standards;

The company may not find a trading partner for the marketing of its products;

The products may not be marketable on account of rights held by third parties;

Third parties may market similar products that offer a higher benefit-risk ratio or a more competitive price; and

A secondary effect or a manufacturing quality problem may arise at any time for a marketed product, which could lead to the restriction or withdrawal of regulatory authorizations for this product.

A pharmaceutical product can only be introduced on the market after it has successfully completed all phases of development provided for by regulations in force in the territory in question. This risk concerns, in the short term, VYZULTA and ZERVIATE. Specifically, VYZULTA is currently being commercialized by exclusive worldwide partner Bausch+Lomb in the U.S., Canada, Argentina, Hong Kong, Mexico, Taiwan and Ukraine, and has been approved in Brazil, Colombia, Jordan, Qatar, Singapore, South Korea, Thailand, Turkey and United Arab Emirates. However, no assurance can be given that the product will be marketed in other territories. While ZERVIATE has been commercialized in the U.S. by U.S. partner Eyevance Pharmaceuticals (an affiliate of Santen Pharmaceuticals Ltd, Japan) since March 2020, it is possible that ZERVIATE might never be marketed in other territories. With respect to the other product candidates, the risk associated with marketing will persist until a future date in light of their current stage of development.

3.2.8 Risks relating to regulatory constraints

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

Pharmaceutical products cannot be marketed in a given jurisdiction until they have been approved by the relevant regulatory authority, and all pharmaceutical development requires non-clinical and clinical trials to demonstrate the safety and efficacy of the compound under evaluation. The unfavorable outcome of clinical trials or applications for regulatory approval of the therapeutic products developed by the Group is likely to have a material adverse effect on its business.

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

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

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

The EMA, the U.S. FDA, the Chinese NMPA and similar regulatory bodies may also implement new standards, or change their interpretation and enforcement of existing standards and requirements, for the manufacture, packaging or testing of products at any time. A company that is unable to comply could be subject to regulatory or civil proceedings or be ordered to pay fines.

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

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

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

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

VYZULTA® is a prostaglandin analog with one of its metabolites being NO. VYZULTA was developed for the reduction of IOP in patients with open angle glaucoma or ocular hypertension in the U.S.. The marketing authorization application for VYZULTA, submitted by its exclusive worldwide licensee, Bausch + Lomb (a company of Bausch Health Companies, Inc.) was approved by the U.S. FDA in November 2017 and VYZULTA has been marketed in the U.S. by the licensee since December 2017. VYZULTA is also approved and commercialized in Canada, Argentina, Hong Kong, Mexico, Taiwan and Ukraine, and has been approved in Brazil, Colombia, Jordan, Qatar, Singapore, South Korea, Thailand, Turkey and United Arab Emirates.

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

Outside the United States, Canada, Argentina, Brazil, Colombia, Jordan, Mexico, Hong Kong, Qatar, Singapore, South Korea, Taiwan,Thailand, Turkey, Ukraine and United Arab Emirates, it is still necessary to obtain regulatory approvals before launching VYZULTA on the market. There is no guarantee that Bausch + Lomb will file an application for countries other than the United States, Canada, Argentina, Brazil, Colombia, Jordan, Mexico, Hong Kong, Qatar, Singapore, South Korea, Taiwan, Thailand, Turkey, Ukraine and United Arab Emirates or that if such applications are filed, that they will be successful.

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

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

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

Nicox is contractually entitled to receive from Bausch + Lomb net royalties on sales of 6 % to 12 % after deduction of payments owed to Pfizer (see Section 5.2.1 for additional information concerning these payments). Royalties received by Nicox depend on sales generated by Bausch + Lomb, which depend on the commercial success of VYZULTA in the United States, Canada, Argentina, Brazil, Colombia, Jordan, Mexico, Hong Kong, Qatar, Singapore, South Korea, Taiwan , Thailand, Turkey, Ukraine and United Arab Emirates and any other territories where it may be commercialized. Nicox cannot guarantee such commercial success. Figures for actual sales may be impacted by the following factors:

- The commercial success of VYZULTA depends on several factors (none of these factors can be guaranteed by the Group), including:
    - Bausch + Lomb's success in obtaining a satisfactory product reimbursement level and sale price after, as applicable, discounts, allowing for viable business development;
    - The maintenance and development of commercial production capabilities at Bausch + Lomb that provide for flexible conditions to ensure enough orders are processed;
    - The continued investment by Bausch + Lomb in medical, marketing and sales support at an appropriate level;
    - VYZULTA's acceptance by the medical community, and, more generally, the success of its launch, commercial sales and distribution.
    - Bausch + Lomb's continued ability to manufacture VYZULTA in accordance with applicable regulatory requirements; and

    - Bausch + Lomb's ability to obtain marketing approvals in other countries for VYZULTA and its wish to apply for such authorizations.
- In addition, restrictions on the use, promotion or sale of VYZULTA or other post-approval restrictions could limit the market potential and reduce the sales volume of the product and its profitability;

Bausch + Lomb has focused its efforts on the United States and countries which accept U.S. FDA approval or reference to existing studies in support of marketing applications in local countries. To our knowledge, marketing applications have not been filed in Europe or Japan and we are not aware of any such plans. In addition, no assurances can be given that such marketing authorizations would be approved. The absence of a marketing authorization for VYZULTA outside the United States, Canada, Argentina, Brazil, Colombia, Jordan, Mexico, Hong Kong, Qatar, Singapore, South Korea, Taiwan, Thailand, Turkey, Ukraine and United Arab Emirates could limit the commercial success of this product and have a significant effect on the Company's financial position and delay achieving its objectives.

Bausch Health Companies, Inc., has announced their intention to create a spin-off company around Bausch + Lomb. There is a risk this may impact sales of VYZULTA.

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

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

The Company has identified the main specific risks associated with ZERVIATE and has listed them below.

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

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

In March 2019, the Company entered into an exclusive license agreement with Ocumension Therapeutics for the development and commercialization of ZERVIATE for a territory comprising mainland China, Hong Kong, Macau and Taiwan or the Chinese market. In March 2020 the license agreement was amended to expand Ocumension exclusive rights to the majority of the Southeastern Asian countries. A Phase 3 clinical trial in China was succesfully completed by Ocumension in February 2022 for a submission of an NDA in China.

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

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

In May 2021, the Company entered into an exclusive license agreement with Laboratorios Grin for the registration and commercialization in Mexico.

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

The Company does not plan to commercialize ZERVIATE directly in any country and therefore cannot guarantee commercial success. Potential partners make evaluations of the regulatory and commercial environment concerning products for allergic conjunctivitis, and the potential costs for approving and commercializing ZERVIATE. The Company cannot guarantee that any such evaluations will be positive, and that any positive evaluation will lead to the signature of an agreement.

- Regulatory authorities might impose restrictions on the use or sale of ZERVIATE. These restrictions could limit the potential market, delay the launch and/or reduce the level of sales and profitability of the product.
- The commercial success of ZERVIATE will depend on several factors (none of which can be guaranteed by the Group), including:
    - Availability of the product within the timeframe and in sufficient quantities to support the commercial launch;
    - The maintenance and development of commercial production capacities that provide for flexible conditions to ensure enough orders are processed;
    - In the U.S., Eyevance's success in obtaining a satisfactory reimbursement level and sale price after, as applicable, discounts, allowing for viable business development. This will apply similarly when ZERVIATE is launched in other countries;
    - In the U.S., the continued investment by Eyevance in medical, marketing and sales support at an appropriate level. This will apply similarly when ZERVIATE is launched in other countries;The Company's ability to include new partnerships to develop and market ZERVIATE in other countries;
    - The ability of our partners to obtain regulatory authorizations in other countries; and
    - The acceptance of ZERVIATE by the medical community, and, more generally, the success of the launch, commercial sales and distribution.
    - Eyevance was acquired by Santen Pharmaceutical Co., Ltd of Japan in September 2020. There is a risk this may impact sales of ZERVIATE; and,
    - The evolution of the allergic conjunctivitis market, for example the launch of cheaper, generic equivalents of branded products and Rx-to-OTC switches, already occurring in the U.S., which may significantly impact the future potential sales.

3.2.11 Product liability and coverage from insurance policies

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

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

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

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

Nicox's research and development activities involve the storage, use and disposal of hazardous radioactive and biological products (see Section 5.6.3 of the 2021 Universal Registration Document). Since 2012, these activities have been outsourced. Although these activities are monitored and involve only small amounts of hazardous materials, they pose a risk of contamination to the environment. Even

though the Group believes that its activities and procedures comply with standards laid down by applicable laws and regulations, the risk of accidental contamination or injury due to the storage, use and disposal of these hazardous materials cannot be completely eliminated. Nicox could therefore be held liable for amounts over and above the limits of its insurance policy (see Section 3.7.1 of this universal registration document). The occurrence of such a risk could have a significant negative impact on the Group's financial position.

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

3.3 Risks relating to dependence on third parties

3.3.1 Dependence on third parties for carrying out clinical and non-clinical trials

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

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

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

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

3.3.2 Dependence on partners of collaboration agreements and on outside consultants

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

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

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

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

Nicox also relies on outside consultants and subcontractors (such as academic researchers, medical specialists, and clinical and pre-clinical research organizations) to develop its products. Agreements

between the company and such consultants and subcontractors may include limitation of liability clauses in favor of the other contracting party, in which case the company may not be able to secure full compensation for any losses incurred if the other contracting party fails to perform. Competition for access to these consultants is high, and the company cannot guarantee that it will be able to maintain its existing relationships on commercially acceptable terms. In general, contracting parties may terminate the contract at any time.

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

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

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

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

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

Any decision by the manufacturers to alter the price of the products could negatively affect the margin received by Nicox. Nicox might delay the development or marketing of its products under development if their manufacture is disrupted or stopped.

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

A higher than anticipated cost of manufacturing the products or a significant rise in the cost of the raw materials needed for their manufacture could affect the commercial prospects of these products or the Group's margin. In these circumstances, the Group may have to halt the development or sale of these products, thereby potentially affecting the Group's financial position or prospects.

In addition, the Group's ability to develop and deliver products in a timely and competitive manner could be significantly affected if, for example, the Group is unable to maintain relations with manufacturers possessing the requisite facilities and expertise, if contract disputes arise, or if other events hinder production.

3.4 Risks relating to the Company's intellectual property

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

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

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

Nicox cannot therefore guarantee that:

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

3.4.2 Scope, validity and enforceability of patents

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

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

In particular, the expiration of patents protecting VYZULTA (protection in the U.S. until 2025, which may be subject to extension to 2030), ZERVIATE (protection in the U.S. until 2030 and 2032, in Japan, Canada and Europe until 2030), NCX 470 (worldwide protection until 2029 under a composition of matter patent with potential extensions up to 5 years in the U.S. and EU and formulation patent until 2039 in the U.S., EU, Japan and China), and NCX 4251 (worldwide protection by patents until 2033 and to 2040 by additional patents granted in the EU and Japan) could have a material adverse effect on the Company's business and financial position (for additional information, refer to Sections 5 and 7 of this universal registration document).

3.4.3 Litigation and defense of patent rights

Competitors can or could infringe the patents of products developed or marketed by Nicox or attempt to circumvent them. The company may have to resort to legal action to enforce its rights, to protect its

trade secrets or to determine the scope and validity of others' proprietary rights. Furthermore, the ability of the Group to assert its rights under patents depends on its ability to detect infringements. It is difficult to detect infringers who do not advertise the compounds used in their products.

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

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

3.4.4 Possible infringements of third-party patents

Products developed or in-licensed by the company must not infringe the exclusive rights belonging to third parties. Third parties may also allege infringement by Nicox of their patents or of other intellectual property rights (see Section 3.6 "Risks relating to legal and administrative proceedings"). If a legal action is brought against the company on such grounds, there can be no assurance that the company will win the case. Moreover, even if Nicox conducted prior art searches to determine whether its rights infringe the rights held by third parties, it cannot be certain that all relevant rights have been identified because of the uncertainty inherent in this type of search. Such disputes could divert the attention of management teams and key personnel from their task of managing the Company's operations which could have a material adverse effect on the Company's business.

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

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

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

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

3.4.6 Risks relating to the protection of trademarks

Nicox is exposed to certain risks related to trademarks. Nicox has submitted applications in numerous countries in order to register several trademarks, particularly for its products. These trademark applications may not result in registration or may be canceled following their registration on the grounds of non-use, revocation or infringement. The company may be denied use of the brand name. Some

trademark applications filed by the company may be subject to opposition proceedings. There is no guarantee that the company will be able to resolve these trademark-related disputes and similar disputes in the future. Also, trademarks intended to designate products may be rejected by the relevant regulatory authorities.

3.4.7 Employees, consultants and subcontractors

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

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

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

3.5.1 Reliance on qualified personnel

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

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

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

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

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

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

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

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

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

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

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

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

- incompatibility between marketing and employee management techniques;

- maintaining staff motivation and retaining key employees;

- integrating the cultures of both companies;

- maintaining important strategic customer relationships;

- consolidating corporate and administrative infrastructures and eliminating duplications; and

- coordinating and integrating geographically separate organizations.

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

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

- use a substantial portion of its cash resources;

- increase its expenses and its debt level if the Group has to make additional borrowings to finance an acquisition;
- take on liabilities for which the Group is not indemnified by the former owners, given that indemnification obligations may also be the subject of litigation or concerns in connection with the solvency of the previous owners;

- lose existing or potential contracts owing to conflicts of interests;
- suffer adverse tax consequences or deferred compensation charges;

3.6 Risks relating to legal and administrative proceedings

Teva Pharmaceutical Industries 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.

At the end of August 2020, the appeals board in a preliminary opinion concluded in favor of the existence of the inventive step of the patent and invited the parties to submit their observations by December 31, 2020. The parties filed their arguments in December 2020 and January 2021. The date of the hearing is set for July 5, 2022.

The Group considers that the risk of invalidity of the patent is low, and in consequence has not recorded a provision for this contingency. However, this procedure is by nature uncertain and an unfavorable decision for the Company by this body would have a material adverse effects on its business and financial position (See Section 18.7 "legal and arbitration proceedings" of this Universal Registration Document)

The Company contests the application of social security contributions on directors' compensation paid to two non-employee directors whose tax residence is in the United States. By judgment of January 24, 2020, the Court of Justice of Nice approved the claims of the Company; URSSAF appealed this judgment, requesting that it be overturned, the social security charge adjustment confirmed and, as a result, that the Company be ordered to pay €95,054 in principal and €2,000 under Article 700 of the French Code of Civil Procedure. The case was struck from the docket due to the failure of URSSAF to perform procedures. After initiating new procedures, the case was reinstated.

3.7 Insurance and risk coverage

3.7.1 Insurance

Civil liability of senior officers

The Company purchased a global directors and officers liability policy for Group's senior officers (including directors) including coverage for defense costs before the civil and criminal courts, with a coverage limit for 2021 of €20 million per period of insurance.

General civil liability: Operational, product and professional civil liability

The Company purchased a master policy to cover the civil liability of Nicox Group companies' operations, with a coverage limit for 2021 of €15 million per claim for damage to third parties arising from their operations. The Company obtained an extension of guarantee for Product and Professional Liability in the amount of €15 million per claim and per year of insurance with a deductible of €30,000 per claim. Lower limits of coverage exist for the different guarantees.

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

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

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

Premium for 2021 for the above insurance policies amounted to €264,322, including taxes.

3.7.2 Risk coverage

Besides the insurance policies described in the preceding section, the Company has taken precautions to ensure continued operations and to avoid any significant loss in the event of a major incident. The Company's computer data is stored on central servers located in a secure site as well as in a Tier 3 datacenter. Daily, weekly and monthly backups are performed on a five-day-rolling basis. A copy of the weekly backups is transferred to another Tier 3 datacenter located more than 150 km from the first datacenter. The Company entrusts the storage and backup of all materials relating to its clinical studies, its financial data and its human resources data to a specialist company.

3.8 Internal control system

The Company has based the development, implementation and description of its internal control and risk management system on the framework published by the AMF for small and midcap companies.

It should be noted that the procedures described in this report apply to the parent company and all companies included in the Group's consolidated accounts. This report describes the situation as of December 31, 2021.

3.8.1 Group objectives for Internal Audit

3.8.2 The Group is implementing the structuring of its Internal Audit mechanism over time.

In this respect, the Group notes that Internal Audit is a mechanism of the Company defined and implemented under its responsibility, and intended to ensure:

- Application of the instructions and strategies defined by Management;
- The reliability of financial information;
- Compliance with laws and regulations;
- The correct operation of the Group's internal processes, particularly those which help to protect its assets;

and, in general, it contributes to the control of its activities, the effectiveness of its operations and the efficient use of its resources. However, Internal Audit cannot provide an absolute guarantee that the Company's objectives will be met.

3.8.3 Organization of Internal Audit

The Nicox Internal Audit is based on organizational structures and methods responsible for direction and control, but also responsible for risk management.

The Board of Directors and its different committees:

The Board of Directors

The Board of Directors is the leading player in the Group's Internal Audit. It has adopted internal rules that define, among other items, the responsibilities and procedures for the operation of the Audit Committee, the Compensation Committee, and the Corporate Governance Committee.

The Audit Committee

For the work of its Audit Committee, the Group relies on the report of the AMF working group on the Audit Committee (AMF Recommendation of July 22, 2010).

The Audit Committee, whose role is to advise the Board of Directors, is responsible for the following within the framework of the Internal Audit process:

- to monitor the effectiveness of the Internal Audit and risk management systems within the Group;
- to review the controls performed by the Finance Department to evaluate the relevance and effectiveness of the procedures in effect;
- to monitor the implementation of the recommendations developed on the basis of the results of the Finance Department's controls;
- to regularly review the Group's main financial risks and its significant off-balance sheet commitments;
- to take a position on any changes in accounting principles and the determinant financial statements judgments and estimates.

In the context of the missions it has been assigned, the Audit Committee may ask the Chief Executive Officer to provide it with any document or allow the committee to interview any person, particularly the Vice President for Finance and the Statutory Auditors, in order to obtain information about the specific accounting, financial and operational features of the company. The Audit Committee is regularly informed in reports of the progress on the different work being performed as part of the Internal Audit of Group companies.

The Compensation Committee

The Compensation Committee, which has an advisory role with the Board of Directors, is responsible for the following within the Internal Audit process:

- to review annually the compensation, in-kind benefits, stock options and free shares awarded to corporate officers and senior management employees, and the members of the Management Committee;
- to review the plan for long-term allocation of stock options and free shares;
- to review the annual increase in employee payroll.

The Corporate Governance Committee

The Corporate Governance Committee, which has an advisory role with the Board of Directors, is responsible for the following tasks within the Internal Audit process:

- to establish criteria to assess the independence of the members of the Board of Directors;

- to evaluate and monitor corporate governance procedures;

- to verify the appropriate application of the regulations and recommendations on corporate governance;

- to examine candidates for corporate officers and senior management employees.

The Science and Technology Committee

The Science and Technology Committee, which has an advisory role with the Board of Directors, is responsible for the following tasks within the Internal Audit process:

- Assisting the Board in supervising the scientific and technical aspects of the company's activities;

- Examining the progress and performances of Management in achieving the objectives and limiting the associated risks.

The Corporate Social Responsibility Committee

The Committee assists the Board in overseeing the employment, social and environmental dimensions of the Company's activities. Its mission is to examine employment, social and environmental issues and to consider areas for improvement, in particular to help the Board consider how to share value and achieve a balance between the level of employee compensation, compensation for shareholder risk-taking and the investments needed to ensure the company's long-term sustainability.

The Management Committee

In addition to the Board of Directors and its different committees, Internal Audit also relies on an operational committee: the Management Committee.

The Management Committee, led by the Chief Executive Officer is currently composed of five members. The Management Committee monitors the Group's plan, ensures respect for the operating plan and targets assigned by the Board of Directors at all management levels, and debates all organization and operational strategy questions placed on the agenda by its members.

In addition, it is responsible for defining, leading and monitoring the Internal Audit process best adapted to the Group's situation and activities. Within this framework, it is continually informed of any malfunctions, insufficiencies or difficulties in application. The Management Committee ensures the commitment to the correct actions necessary.

Advisory Committees

The Group regularly organizes meetings of Advisory Committees composed of independent experts in order to exchange information on various issues related, in particular, to its business development activities and its new commercial activities. These committees provide an independent opinion and propose recommendations that assist the Group to make strategic and operational choices.

Quality Assurance and Finance Department

Finally, the other players in Internal Audit are Quality Assurance and the Finance Department:

Quality Assurance (QA)

- The Quality management system is organized around two pillars:

- Designing, preparing and managing a quality information system as reflected by procedures, instructions, forms and models. QA ensures the distribution of procedures and the homogeneity of formats and media used;

- conducting quality audits to evaluate in an independent manner;
  - Compliance with procedures and internal processes for the purpose of ensuring continuing improvement for operations;
  - The capabilities of suppliers and service providers for the purpose of guaranteeing compliance with applicable requirements.

The Finance Department

The Vice President of Finance (with the support of QA for the document support area) is responsible for maintaining the Internal Audit process which is based on:

- continual update and improvement of the existing administrative and financial procedures;

- the establishment of new procedures, as needed;

- the availability of adapted information tools.

3.8.4 Internal information distribution

Disseminating information for making it possible to implement Internal Audit within the Group through Quality Assurance which directs production and centralizes all standard procedures through a Quality gateway after formal approval. Each newly issued procedure is transmitted in an accompanying email by Quality Assurance in order to:

- Summarize the objectives of the procedure,

- Indicate its application date.

A reply from each recipient is requested to ensure follow-up (confirmation that it has been read).

Each new employee receives an email from Quality Assurance which informs the employee where he can access the procedures for his department.

In addition, certain procedures are covered by internal training sessions in order to explain the content and responsibilities.

3.8.5 Risk management

In its management of risks, the Group relies on three main tools, which complete the Internal Audit process. This approach is moving it toward conformity with the transposition of the 4th and 7th European Directives, primarily by establishing a specific risk management process.

The universal registration document

Nicox prepares each year a universal registration document (URD) that includes a chapter on the risk factors that could have a material negative impact on its activity, financial position and results. This document deals with operational risk factors as well as financial, environmental, commercial and technological risk factors.

Faced with a number of these risks, the Group adopts a policy of precautions for risk insurance and coverage. Nicox believes that, as of this date, its insurance coverage is adequate for all the operations of its Group.

Assessment of risk management

There was no formal review of risk management in 2021.

Statutory Auditors' review of Internal Audit procedures

The Statutory Auditors conduct a yearly review of the Internal Audit Procedures. The conclusions of this work are presented to the Finance Department and allow the Internal Audit teams to enhance the risk identification process. The answers provided by management are reconciled with the correct action plan.

In December 2021, the Auditors' work consisted of individual interviews with managers of the Company and walk-through tests on the functional processes of certain Company operations.

3.8.6 Control activities

3.8.6.1 Internal control procedures relating to the preparation and processing of financial and accounting information

3.8.6.1.1 Accounting and financial management and organization

Parties involved

The Group's company accounts are kept under the direction of the Vice President for Finance. The accounts of Nicox SA and Nicox Research Institute Srl are maintained internally. The accounting for Nicox Ophthalmics Inc. is outsourced, as is the consolidation of the Group's financial results.

As part of their procedures on behalf of the parent company and the publication of its consolidated financial statements, the Statutory Auditors conducted an audit of companies included in the consolidation scope of Nicox SA and considered at December 31, 2021 as significant entities based on the thresholds set by them.

In addition, as of December 31, 2021, the payroll function was outsourced for the entire Group.

Forward-looking management tools

The Business Plan: This is a projected business model prepared for all Group operations over a time horizon of five years (or ten, if necessary). This document is prepared and updated regularly on the basis of the Group's strategic decisions, taking into account the different objectives to be achieved for each operational development, and also taking into consideration changes in the pharmaceutical markets, regulations and the competitive environment. Each update of the Business Plan is presented to the Board of Directors.

The "Annual Budget": Every year in the final quarter of the year, the Group Finance Department prepares an annual Budget, in close collaboration with the operational departments. On the basis of the strategic objectives defined in the Business Plan, the Management Committee defines the Group's objectives for the coming year. These objectives are then approved by the Board of Directors and distributed to the operational departments. The various operational departments assess their detailed needs in terms of operating expenses, investments and equipment, and human resources. This information is centralized by the Vice President of Finance and the Group Management Controller. The Management Committee evaluates the various budget proposals and makes certain decisions. The finalized Budget is presented to the Audit Committee and then to the Board of Directors for approval.

Achievements are monitored and analyzed every quarter as part of the annual reporting process and subject to a detailed review by the Audit Committee at the end of each quarter.

The Revised Budget: budget revision process carried out midyear. This process updates budget assumptions for the following six-month period by comparison of the actual figures for the year to date with the initial budget projection. The Revised Budget is presented to the Audit Committee and then to the Board of Directors.

The Business Plan: the Annual Budget and the Revised Budget compose a set of financial documents and statements intended for the operational departments, the Management Committee, the Audit Committee and the Board of Directors of the Group. These financial documents and statements are shared by a defined and limited group of users, for strictly internal use, and are not, under any circumstance or in any form, communicated to the public.

3.8.6.1.2 Preparation of financial and accounting information

The consolidated internal reporting system

The internal reporting system is based on the collection and compilation of local general accounting and Budget data/Revised Budget of all Group entities. The data are returned in the form of detailed reports and consolidated statements which reflect the discrepancies between actual and forecast data. Consolidation adjustments are recognized at the close of each half-year.

Based on this information, the Finance Department produces an operating report every quarter as part of the financial closing procedure. This consists of various cost accounting financial statements, both for the reference month and year to date as well as an analysis of the most significant variances in relation to Budget and the Revised Budget excluding consolidation adjustments.

The operational reporting information is made available to line management departments This report is presented every quarter to the Audit Committee.

Added to these monthly operational reporting items are an interim and annual consolidated report including in particular consolidation adjustments and a reconciliation table with the operational reporting information. This report is submitted to and discussed by the Audit Committee, and then submitted to the Board of Directors.

The consolidated quarterly, semi-annual and annual reports are a major component of the financial information control system. They are favored by the Executive Committee as a monitoring, control and management tool. The reconciliation of accounting and forecast data, combined with the monthly analysis, ensures that the information produced is of high quality and reliable.

These reporting elements and analytical reviews are strictly for internal use and accessible to a defined and limited group of users. They are in no way and in no manner disclosed to the public.

The consolidated financial statements

The consolidated reporting system described above, and in particular the monthly report produced as part of a monthly closing procedure, is the basis on which the consolidated financial statements are prepared.

The procedures for escalating information from the subsidiaries to the parent company, along with the closing procedures, enable the parent company to prepare the consolidated financial statements. A closure timetable is circulated in the month preceding each closing to allow the various accounting divisions to arrange for all the necessary information to be submitted on time.

The consolidated accounts are closed semi-annually on June 30 and December 31 of each year (statutory accounting year end date). They are subject to an audit by the statutory auditors on December 31 and to a limited review on June 30. The statutory auditors carry out a review of internal control procedures in the last quarter of each year.

The separate statutory financial statements of each Group company are prepared only as of December 31 of each year. Each subsidiary prepares its own financial statements (except in special cases as indicated above in the paragraph entitled Parties involved) according to the accounting standards applicable locally. For consolidation purposes, the data are restated using the Group's accounting standards (IFRS since January 1, 2005).

3.8.6.1.3 Update of standard procedures relating to the preparation and processing of financial and accounting information

The accounting manual and four (4) procedures dealing with the preparation and processing of accounting and financial information have remained in application since 2018.

3.8.7 Information systems

During 2021, the reporting documents, business plan and budget were prepared using Excel.

3.8.8 Oversight of the Internal Control system

3.8.8.1 Verification or Periodic Control of the proper implementation of procedures

Operational area

Periodic control of operational areas was undertaken by Quality Assurance and is detailed in Section 3.8.6.3.2, which focuses on Quality Assurance work in 2021.

Accounting and financial area

The Group did not update the self-assessment record in 2021, including:

- The application guide for internal control of accounting and financial information;
- General internal control principles with regard to accounting and financial information;
- Questionnaires on internal control of accounting and financial reporting and on risk analysis and management.

3.8.8.2 Reporting of work on Risks and Internal Control operations

The work conducted on Risks and Internal Control operations is submitted by the Finance Department to the Audit Committee and is a major component of the risk management process.

This work involves the following:

Work in relation to the AMF Reference Framework (Selection of control points involving a self-assessment, identification of the scope of existence tests, proposed corrective action plan, selection of working processes for risk mapping);

- Improvement of the Internal Control system to encompass the updating of procedures, improved management tools, improved security and confidentiality of computer data, the conduct of audits by Quality Assurance.

3.8.8.3 Work carried out in 2021 on Internal Control and Quality System management

3.8.8.3.1 Monitoring work undertaken by Quality Assurance

The Quality Group was integrated into the Quality Assurance Organization.

The Quality function covers all Group operations (research and development, manufacturing).

As of 31 December 2021, the quality system was deployed at all sites and subsidiaries.

In 2021 a Quality Manual and a Quality Policy were validated by Management, and are currently available to all employees on the Quality Portal.

Nicox is constantly striving to improve its processes, and is investing to update its procedures and optimize the work of its teams.

3.8.8.3.2 Work undertaken in the field of IT

The work in the IT area in 2021 was limited to maintenance and infrastructure rationalization. Given its size, the Group subcontracts IT services with an objective of ensuring the continuity of service.

3.8.8.4 Areas for improvement in the Internal Control system

3.8.8.4.1 Adaptation of accounting and financial tools to the Group's new environment

In 2021, the Company developed a database to automate the management of stock options and restricted stock units (actions gratuites attribuées) or RSUs granted to Group employees. The purpose of this database is to improve the reliability of financial communications about stock options and RSUs. This database was put into service in February 2022 and was used for the accounts closed on 31 December 2021. In 2021, the Company also improved the order management database for goods and services by introducing the notion of a budget code for each expense and by tracking budget expenditures and balances oustanding by order.

3.8.8.4.2 Network architecture and IT security

In 2021, the Group continued to adapt and rationalize the IT infrastructure of Nicox Group: by replacing obsolete equipment to ensure availability, the integrity and confidentiality of Nicox's IT infrastructure; by outsourcing as much as possible IT operations to guarantee continuity of service in the context of a small structure and by educating end users about information systems to assist them in becoming more autonomous with IT procedures and quality documents.

3.8.8.4.3 Audit program conducted by the Quality Assurance

Service providers (for non-clinical development, pharmaceutical development, clinical development, manufacturing for active substances and finished products, secondary packaging) are audited on a routine basis every 2 years, except when a for-cause audit before the anniversary date is required, or when after risk analysis the QA and technical teams decide that the audit may be postponed for a certain period. In this latter case an internal memorandum is issued. Two (2) external audits were performed in 2021 relating to activities outsourced in 2021 by Group subsidiaries.

4. INFORMATION ABOUT THE COMPANY

4.1 Company name and trade name of the Company

The legal name of the Company is Nicox SA.

4.2 Place of registration, registration number and legal identity number (LEI) of the Company

Nicox SA is registered at the '*registre du commerce et des societies*' (Company Register) of Grasse, France, (Postal code 06133) under the number 403 942 642. The Nicox SA APE code is 7211Z.

LEI code: 969500EZGEO9W4JXR353

4.3 Date of incorporation and the length of life of the Company

The Company was established on February 15, 1996 and registered on February 27, 1996 for a period expiring on December 12, 2094.

4.4 Registered office and legal form of the Company, legislation under which it operates, its country of incorporation, the address and telephone number of its registered office and website

Nicox SA is a French corporation with a Board of directors subject to the provisions of the Commercial Code. Its corporate headquarters are located at DRAKKAR D 2405 route des Dolines 06560 Valbonne Sophia Antipolis, France. Telephone number: +33 (0)4 97 24 53.00.

Website: www.nicox.com. Information provided on the Company's website does not constitute part of the original French language version of the Universal Registration Document (*document d'enregistrement universel*) that was filed with the French Financial Market Authority, the AMF, with the exception of information expressly incorporated by reference into said document, and on that basis has not been reviewed or approved by the AMF.

5 BUSINESS OVERVIEW

5.1 Overview

5.1.1 Summary of the main activities of the Company

We are an international ophthalmology company developing innovative solutions to help maintain vision and improve ocular health. Nicox has two programs in late stage clinical development, one in glaucoma (two Phase 3 trials ongoing) and one in dry eye disease (one Phase 2b trial completed in blepharitis, with *post hoc* analysis in dry eye disease), a pre-clinical development candidate, and two out-licensed and commercialized products with exclusive partners.

- NCX 470, a novel nitric oxide (NO) donating prostaglandin analog, is currently in two Phase 3 clinical trials, Mont Blanc and Denali, for the lowering of intraocular pressure (IOP) in patients with open-angle glaucoma or ocular hypertension. Top-line results from the Mont Blanc trial are currently expected in Q1 2023. 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.

- NCX 4251, a novel and patented ophthalmic suspension of fluticasone propionate nanocrystals, is currently in development for patients with dry eye disease. A Phase 2b clinical trial in blepharitis, Mississippi, has been completed, with a post hoc analysis carried out in dry eye disease. The future development of NCX 4251 in the U.S. will require initial manufacturing scale-up followed by two additional efficacy clinical trials, both evaluating one sign and one symptom of dry eye disease, long term safety data, and certain additional clinical and non-clinical data to support an NDA submission in the U.S. The remaining pharmaceutical, non-clinical and clinical development of NCX 4251 is not yet financed and therefore the Company has not planned yet the start of this last phase of development.

  NCX 1728, a pre-clinical development candidate selected from a new class of compounds (non-PGA related) based entirely on NO-mediated activity, being investigated for lowering IOP and for applications in retinal diseases. NCX 1728 is an NO-donating PDE5 inhibitor.
- VYZULTA®, indicated for the reduction of IOP in patients with open angle glaucoma or ocular hypertension, is exclusively licensed worldwide to Bausch + Lomb, a Bausch Health Companies Inc. company, and commercialized in the U.S., Canada, Argentina, Hong Kong, Mexico, Taiwan and Ukraine. VYZULTA has been also approved in Brazil, Colombia, Jordan, Qatar, Singapore, South Korea, Thailand, Turkey and United Arab Emirates.

- ZERVIATE®, indicated for the treatment of ocular itching associated with allergic conjunctivitis, is commercialized in the U.S. by our exclusive U.S. licensee Eyevance Pharmaceuticals or Eyevance, a wholly-owned subsidiary of Santen Pharmaceutical Co., Ltd. Our exclusive Chinese partner for the development and commercialization of ZERVIATE in China and in the majority of Southeast Asia, Ocumension Therapeutics, has completed a Phase 3 clinical trial in China. ZERVIATE is also exclusively licensed for development and commercialization in other territories.

Our lead product candidate, NCX 470, leverages the same technology as VYZULTA, our product commercialized under license, which leverages our proprietary expertise in generating novel patentable molecules and are new molecular entities (NMEs) that release NO. NO is a well-known, small, naturally-occurring signaling molecule whose target is an intracellular enzyme, soluble guanylate cyclase (sGC). NO, present in ocular tissues, plays a key role in the regulation of intraocular pressure, or IOP. An NO-donating moiety can be linked to other pharmaceutical agents to improve IOP lowering efficacy. Release of NO and the subsequent activation of sGC is one of the mechanisms that is believed

to lead to IOP lowering by Nicox's novel molecules. Adding NO to well-known molecules, such as prostaglandin analogs (PGAs), which is the most commonly prescribed class of IOP-lowering drugs, adds a potential second mechanism of action (MOA), and we believe allows certain of our products and product candidates to lower IOP further than the parent molecule alone. We believe that by designing our proprietary molecules with a dual MOA, we may be able to achieve greater IOP lowering compared to the parent compound alone.

Product candidates

NCX 470, developed based on our internally-developed NO-donating research platform, is our lead product candidate. NCX 470, an NME, is a novel NO-donating prostaglandin analog formulated as an ophthalmic solution, which is currently in late-stage clinical development for the lowering of IOP in patients with open-angle glaucoma or ocular hypertension.

Following a positive End-of-Phase 2 meeting with the U.S. FDA, we initiated the first Phase 3 clinical trial, Mont Blanc, in the U.S. in June 2020, evaluating NCX 470 for the lowering of IOP in patients with open-angle glaucoma or ocular hypertension. The Mont Blanc trial is a multi-regional, double-masked, 3-month, parallel group trial evaluating the efficacy and safety of NCX 470 ophthalmic solution, 0.1% compared to latanoprost ophthalmic solution, 0.005% in patients with open-angle glaucoma or ocular hypertension. The 0.1% dose was selected through an initial adaptive design portion of the trial, which also included the 0.065% dose. The primary efficacy evaluation is based on time-matched IOP at 8 AM and 4 PM at Week 2, Week 6 and Month 3. The trial is expected to randomize approximately 670 patients at approximately 50 clinical sites, primarily in the U.S. and one clinical site in China. Top-line results from the Mont Blanc trial are currently expected in Q1 2023.

In November 2020 Nicox initiated the second Phase 3 trial in the U.S., Denali, financed in equal parts by Nicox and Ocumension, our exclusive partner for NCX 470 in the Chinese, Korean and Southeast Asian markets. The Chinese part of the trial was initiated in December 2021. Denali is a 3-month Phase 3 trial evaluating the safety and efficacy of NCX 470 ophthalmic solution, 0.1% versus latanoprost ophthalmic solution, 0.005%, for the lowering of IOP in patients with open-angle glaucoma or ocular hypertension. The Denali trial, which includes a long-term safety extension, is expected to randomize 670 patients, at approximately 60 clinical sites in the U.S. and China, with approximately 80% of the patients to be recruited in the U.S and the remaining 20% of the patients to be recruited in China. The Denali trial, together with the Mont Blanc trial, are designed to fulfill the regulatory requirements for Phase 3 safety and efficacy trials to support NDA submissions in the U.S. and 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.

In the U.S., a multicenter, dose-response, Phase 2 clinical trial, Dolomites, NCX 470 ophthalmic solution 0.065% demonstrated non-inferiority and statistical superiority, based on the trial's pre-specified statistical analysis plan of diurnal mean IOP reduction at Day 28, to latanoprost ophthalmic solution, 0.005%, the U.S. market leader in prostaglandin analog prescriptions.

The molecules in VYZULTA and NCX 470, discovered using our research platform, are believed to lower IOP through a dual MOA, which combines NO donation, that activates sGC, with PGAs that activate Prostaglandin F, or FP, receptors, to increase the compounds' ability to lower IOP relative to the parent active compounds. In NCX 470, our NO-donating research platform was applied to add an NO-donating group to bimatoprost. Bimatoprost (known by the brand name LUMIGAN) is a PGA and is the current market leader by sales value among all glaucoma therapies in the U.S. and EU, the two largest glaucoma markets worldwide. NCX 470's potential dual MOA is believed to lower IOP by increasing the outflow of fluid from the eye through the primary, or conventional outflow route via trabecular meshwork as well as through secondary, or unconventional outflow route via uveoscleral pathway. The primary outflow is believed to be increased by NO released from NCX 470 via activation of sGC and relaxation of trabecular meshwork while the secondary outflow pathway is believed to be

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

We are applying key learnings, based on Nicox's stand-alone NO-donors, to NO-donating moieties attached to other non-PGA therapeutic classes of compounds with the goal of enhancing the NO-mediated effects. NCX 1728, NO-donating PDE5 inhibitor, is the first in a new class of compounds in which NO-mediated effects are enhanced by concomitant phosphodiesterase-5 (PDE5) inhibition activity within the same molecule. PDE5 inhibition has been shown both to enhance the efficacy and the duration of NO-mediated effects. This class of molecules is being evaluated for development in IOP lowering and in certain retinal diseases.

In addition to our NO-donating product candidates in preclinical and clinical development, our pipeline includes a product candidate based on a novel and proprietary formulation of a well-established molecule that has previously been used in other indications and therapeutic areas, with the potential to offer novel treatments for various eye conditions.

NCX 4251, our novel patented ophthalmic suspension of fluticasone propionate nanocrystals, is in development as a topical treatment, applied to the eyelid margins for patients with dry eye disease. Fluticasone propionate, the active ingredient in NCX 4251, is a well-established corticosteroid which has been marketed for more than 20 years for a number of non-ophthalmic indications, including asthma and allergic rhinitis. Fluticasone propionate has an affinity for the glucocorticoid receptor approximately ten times greater than dexamethasone, a corticosteroid commonly used in ophthalmology. Fluticasone propionate has not been approved previously for topical ophthalmic use. Once-daily NCX 4251, fluticasone propionate ophthalmic suspension 0.1% was evaluated in the Mississippi Phase 2b clinical trial, versus placebo in patients with acute exacerbations of blepharitis. The primary outcome measure in the Mississippi trial was the proportion of patients achieving complete cure in all three hallmark signs and symptoms of blepharitis, eyelid redness, eyelid debris and eyelid discomfort, at Day 15, with two secondary outcome measures focused on signs and symptoms of dry eye. The trial did not meet the primary or secondary efficacy endpoints, however, a *post hoc* analysis of the data suggest that NCX 4251 is effective in reducing dry eye symptoms in patients with higher severity (moderate to severe) of key signs and symptoms of dry eye. The results of the Mississippi trial were announced in September 2021. Subsequent to the post hoc analysis and meeting with the U.S. FDA in early 2022, we are now focusing the development of NCX 4251 on dry eye disease. The future development of NCX 4251 in the U.S. will require initial manufacturing scale-up followed by two additional efficacy clinical trials, both evaluating one sign and one symptom of dry eye disease, long term safety data, and certain additional clinical and non-clinical data to support an NDA submission in the U.S. The remaining pharmaceutical, non-clinical and clinical development of NCX 4251 is not yet financed and therefore the Company has not planned yet the start of this last phase of development.

Products

Our product commercialized under license, VYZULTA (latanoprostene bunod ophthalmic solution), 0.024%, represents the first FDA approved drug developed based on our internally-developed NO-donating research platform. In VYZULTA, an NO-donating- group was linked to latanoprost, the active ingredient in XALATAN, a PGA, structurally related to prostaglandins. PGAs are in a class of molecules used in ophthalmology to lower IOP and are believed to do so by activating FP receptors located on the surface of cells. In the U.S., PGAs are the first line and the most commonly prescribed pharmacotherapy class for the lowering of IOP in glaucoma and ocular hypertensive patients. VYZULTA is the first PGA with one of its metabolites being NO approved by the FDA for the reduction of IOP . NO is believed to lower IOP by increasing the outflow of fluid from the eye via activation of sGC, a different mechanism from that of PGAs. Thus, VYZULTA is believed to possess a dual MOA in a single molecule. Prior to the FDA approval of VYZULTA, there were no other NO-donating products approved for the lowering of IOP in the U.S. VYZULTA is exclusively worldwide licensed to

Bausch + Lomb, a Bausch Health Companies Inc. company, and is commercialized in the U.S., Canada, Argentina, Hong Kong, Mexico, Taiwan and Ukraine. VYZULTA has been also approved in Brazil, Colombia, Jordan, Qatar, South Korea Singapore, Thailand, Turkey and United Arab Emirates.

ZERVIATE (cetirizine ophthalmic solution), 0.24%, our second FDA approved product, is a novel formulation of cetirizine developed and approved for the first time as an eye drop. ZERVIATE, which is indicated for the treatment of ocular itching associated with allergic conjunctivitis, is the first product for the topical treatment of ocular allergies to use cetirizine, the active ingredient in ZYRTEC, a well-established oral antihistamine which has been marketed for over 20 years. We believe that the proven safety and efficacy of oral cetirizine currently recognized by physicians will encourage the adoption of ZERVIATE ophthalmic solution. In 2017, we granted Eyevance exclusive rights to commercialize ZERVIATE in the U.S. and transferred the New Drug Application, or NDA, to Eyevance. ZERVIATE has been commercialized in the U.S. by Eyevance since March 2020. ZERVIATE has been exclusively licensed for development and commercialization to Ocumension in the Chinese and majority of Southeast Asian Region markets. In February 2022 Ocumension successfully completed a Phase 3 clinical trial in China with ZERVIATE. Subject to any additional data requested by the Chinese NMPA, this Phase 3 trial, in addition to the data package used by the FDA for ZERVIATE in the U.S., is expected to be sufficient to support a Chinese NDA. ZERVIATE has also been exclusively licensed to Samil in South Korea and Vietnam, to ITROM in Gulf and Arab markets and to Laboratorios Grin in Mexico.

Ophthalmic Products Market

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

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

The dry eye disease market comprises of pharmaceutical prescription products for both chronic and short term use and a significant part of non-prescription artificial tears. The principal mode of pharmaceutical treatment is anti-inflammatory. Some short term prescription products are used together with the chronic treatments, such as at the initiation stage, when the chronic treatment takes time to act, or as adjunctive therapy in case of exacerbations in patients already on chronic treatments. A significant number of generic steroids are used for short term use, and the lead branded chronic treatment (Restasis) has just become available as a generic.

Worldwide, the sales of pharmaceutical ophthalmic treatments reached $24.3 billion in 2020 and have grown at an average rate of 6% annually since 2015, according to IQVIA Health Analytics. In the U.S. alone, ophthalmology sales reached $11.1 billion in 2020, growing also at an average rate of 6% annually since 2015. With respect to our markets of focus, worldwide sales of treatments targeting glaucoma were $6.0 billion, out of the $24.3 billion worldwide market for ophthalmic drugs and sales. In the U.S. sales of treatments targeting glaucoma totaled $3.0 billion in 2020, at an average annual rate of 6% since 2015 or 27% of the $11.1 billion total of the U.S. ophthalmic drug market. The estimated worldwide market for dry eye disease treatment is over $5 billion, and the current prescription market in the U.S. at around $3.8 billion (according to Bloomberg). Additionally, prescription topical treatments for ocular allergies generated approximately $400 million in the U.S. in 2020, not including

substantial sales of non-prescription and over-the-counter products used to alleviate symptoms of ocular allergies.

Our intellectual property portfolio consists of patents and pending patent applications related to composition of matter, pharmaceutical compositions and methods of use for our product candidates. We have patent protection for VYZULTA in the U.S. (through 2025 which may be subject to extension to 2030. Eligibility for a patent term extension has been agreed by the USPTO), for ZERVIATE (in the U.S. until 2030 and 2032, in Europe, Japan and Canada until 2030) and for our product candidates NCX 470 (worldwide protection until 2029 under a composition of matter patent with potential extension up to 5 years in the U.S. and EU and formulation patent until 2039 in the U.S., EU, Japan and China), and NCX 4251 (worldwide protection by patents until 2033 and to 2040 by additional patents granted in the EU and Japan). These dates do not include potential patent extensions which may be available to us.

As of December 31, 2021, we had 30 employees, including personnel supporting our development operations in the U.S. and France, and research and nonclinical development operations in Italy. Our headquarters are located in Sophia Antipolis, Valbonne, France, and we have been listed on Euronext Paris (COX.PA) since 1999.

5.1.2 Our Competitive Strengths

We believe the following key competitive strengths are core to our ability to develop novel treatment solutions for our patients and become a leader in ophthalmology:

- Our clinical stage pipeline, consisting of novel therapies targeting inadequately met or unmet medical needs within ophthalmology, including glaucoma and dry eye disease;

- Our proven NO-donating research platform, which we believe provides a competitive advantage for the discovery of innovative product candidates for the lowering of IOP, as validated by VYZULTA and further demonstrated by the results of the NCX 470 Dolomites Phase 2 clinical trial, and which has generated NCX 1728;

- Our products commercialized in the U.S., VYZULTA (which is also commercialized in certain other territories outside of the U.S.) and ZERVIATE, both of which may potentially be able to obtain marketing approval in other countries where the data submitted to FDA are sufficient, or new data can be generated, for such approval;

- Our proven ability to enter into successful partnerships with leading biopharmaceutical companies, as demonstrated by our worldwide exclusive licensing agreement with Bausch + Lomb for VYZULTA, to enter into regional collaboration agreements as demonstrated by the exclusive licensee agreements with Ocumension and to enter into commercialization partnerships, as demonstrated by our exclusive licensing agreement with Eyevance and as well by the development and commercialization agreements with Ocumension, Samil, ITROM and Laboratorios Grin;

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

5.1.3 Our Strategy

We plan to keep the maximum of options open for the company by maintaining rights to our novel therapeutics for eye diseases in key territories, such as the U.S. and Europe, as we create value by advancing their development, maintaining the potential for direct marketing, licensing for certain

territories and growth through strategic transactions. The strategy is subject to obtaining sufficient or additional financing where necessary. Key elements of our strategy include:

- ***Rapidly advance our product candidates through clinical development to approvals in the U.S.*** Our pipeline includes NCX 470 in Phase 3 for open-angle glaucoma and ocular hypertension and NCX 4251 for dry eye disease;

- ***Optimize development through partnerships.*** We are seeking to optimize development and commercialization of our product candidates through regional collaborations where appropriate, to leverage the resources of a partner, such as our partnerships with Ocumension on NCX 470 in the Chinese, Korean and Southeast Asian markets and NCX 4251 in the Chinese market. In certain instances, we may partner a program for exclusive development;

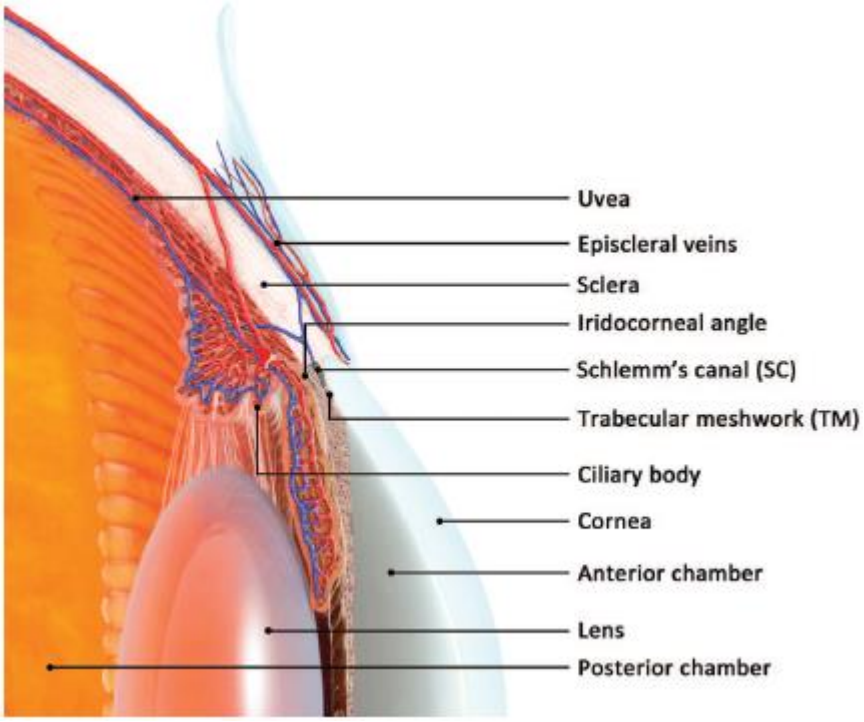
- ***Demonstrate value in our early-stage pipeline.*** Nicox plans to advance NCX 1728, an NO-donating PDE5 inhibitor, the first molecule selected from this new class of molecules based entirely on NO-mediated activity, into pre-clinical development;;

- ***Maximize the value of ZERVIATE through partnering.*** ZERVIATE has been commercialized in the U.S. by our exclusive U.S. licensing partner, Eyevance Pharmaceuticals, a wholly-owned subsidiary of Santen Pharmaceutical Co., Ltd, Japan, since March 2020. It is also partnered with Ocumension for the Chinese and the majority of Southeast Asian markets, with Samil in South Korea and Vietnam, with ITROM in Gulf and Arab markets and with Laboratorios Grin for Mexico. Similar to VYZULTA, we believe this strategy will allow us to efficiently use our internal resources while providing significant financial benefit through milestones and royalty payments. We are currently seeking partners capable of pursuing approval for and marketing ZERVIATE in other countries.

5.1.4 Description of the Eye

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

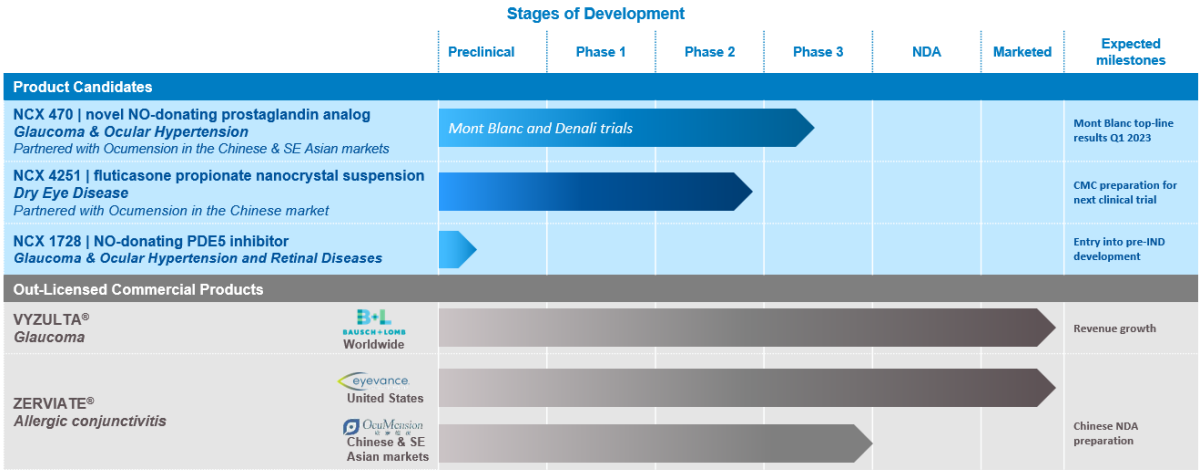
The picture below shows the cross section of the aqueous humor drainage system of the eye.



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

5.1.5 Our Pipeline

We believe that our pipeline is strong in glaucoma and broad across eye diseases of the anterior segment (i.e. the front of the eye), with two products commercialized, one product candidate in Phase 3 clinical development, one in Phase 2 clinical development, one preclinical candidate:



Overview

Our product candidate pipeline features clinical and early development stage assets with a potential to offer novel treatments in various eye conditions. Those targeting the lowering of IOP in patients with open-angle glaucoma or ocular hypertension are from our internally-developed NO-donating research platform. We are also targeting dry eye disease with development of a novel and proprietary formulation of a well-established molecule that has previously been used in other indications and therapeutic areas.

In addition, we have two commercialized products; VYZULTA, commercialized in the U.S., Canada, Argentina, Hong Kong, Mexico, Taiwan and Ukraine, and which is also approved in Brazil, Colombia, Jordan, Qatar, Singapore, South Korea Thailand, Turkey and United Arab Emirates, by our exclusive worldwide licensee, Bausch + Lomb, and ZERVIATE, commercialized in the U.S. since March 2020 by our exclusive U.S. partner Eyevance.

Using NO in ophthalmology

We have developed a leading position in the therapeutic application of NO-donating compounds in ophthalmology. Our compounds are designed to release NO with a pharmacological benefit believed to be elicited locally at the tissue level via NO activation of the intracellular enzyme sGC expressed within ocular tissues. Consistent with our strategic positioning in ophthalmology, our research platform is focused on eye conditions where NO has been shown to play an important role.

NO is a well-known small naturally-occurring signaling molecule whose target is an intracellular enzyme, sGC, which converts guanosine triphosphate to the second messenger, cyclic guanosine monophosphate, or cGMP. The cellular machinery, that synthesizes endogenous NO, is present in ocular tissues, together with other components involved in the NO signaling cascade via the activation of sGC. The NO stimulated increase in the concentration of cGMP in the trabecular meshwork leads to the sequestration of intracellular calcium, the relaxation of the trabecular meshwork and, consequently, an increase in the outflow of the aqueous humor from the anterior segment of the eye through the primary or conventional outflow pathway (i.e., via the trabecular meshwork, Schlemm's canal, aqueous veins, and episcleral veins). All of the foregoing events are thought to lead to lowering of IOP. The effect of NO in the sGC signaling cascade may be further increased or prolonged by sGC stimulators, which interact synergistically with NO to increase the production of cGMP. Additionally, the effect of NO on IOP lowering may be further increased and/or prolonged by PDE5 inhibitors, which inhibit the

degradation of cyclic guanosine monophosphate (cGMP), a key intracellular messenger that is produced as a result of stimulation by NO. Studies have shown that topical administration of traditional NO donors, such as nitroglycerin or isosorbide mononitrate, reduces IOP, reinforcing the role of NO in IOP regulation. Lower plasma levels of NO markers are found in open angle glaucoma patients compared to individuals without glaucoma. Several studies conducted in animal models, as well as in glaucoma patients, have shown that the release of NO activates sGC and lowers IOP.

To date, it has been established that NO plays a key role in the regulation of IOP. An NO-donating moiety can be linked to other pharmaceutical agents to improve IOP-lowering efficacy, as is the case with our lead clinical development candidate NCX 470, a novel NO-donating prostaglandin analog, and our commercialized product with the same mechanism of action, VYZULTA. Release of NO and the subsequent activation of sGC is one of the mechanisms that is believed to lead to IOP lowering- by our novel molecules. By designing our proprietary molecules with a dual MOA, we may be able to achieve increased IOP lowering efficacy compared to the molecules acting by a single mode of action. Based on this approach, our partnered approved product VYZULTA, the only NO-donating molecule approved for an ophthalmic indication in the U.S., and our product candidate NCX 470 currently in clinical development, are comprised of a parent PGA and an NO-donating moiety. NCX 470, a novel NO-donating prostaglandin analog, has demonstrated statistical superiority to latanoprost, based on pre-specified statistical analyses of IOP reduction in the Dolomites Phase 2 trial. We believe that NCX 470 has the potential to become the first approved non-combination product with statistical superiority to a PGA. We also believe that NCX 470 has the potential to lower IOP more than bimatoprost, an FDA approved PGA that is the current U.S. market leader by sales, marketed under the brand LUMIGAN. The results from the Dolomites Phase 2 trial on NCX 470 together with the positive clinical Phase 2 and 3 results obtained with latanoprostene bunod and the subsequent approval of VYZULTA by the FDA demonstrate the potential of such dual MOA approach with our internally-developed NO-donating research platform in ophthalmology.

NO-donating research platform

We have developed a leading scientific and strategic position in the therapeutic application of NO-donating- compounds based on our internally-developed NO-donating research platform. Using this proprietary expertise in generating novel, patentable molecules, are NMEs that release NO, our research center has conducted lead generation and lead evaluation in preclinical studies in ophthalmology, creating a significant patent portfolio.

We have focused our research efforts on ocular disorders in which NO is believed to play a major role in controlling IOP. Our research platform produced the NO-donating compounds, VYZULTA and NCX 470. VYZULTA has demonstrated greater IOP lowering than the parent PGA compound in a randomized clinical trial. This effect is believed to be due to the additional lowering in IOP from the NO-donating moiety. We are applying key learnings, based on Nicox stand-alone NO-donors, to NO-donating moieties attached to other non-PGA therapeutic classes of compounds with the goal of enhancing the NO-mediated effects. NCX 1728, an NO-donating PDE5 inhibitor, is the first in this new class of compounds in which NO-mediated effects are enhanced by concomitant phosphodiesterase-5 (PDE5) inhibition activity within the same molecule. PDE5 inhibition has been shown both to enhance the efficacy and the duration of NO-mediated effects. This class of molecules has the potential for development in IOP lowering and in certain retinal diseases.

Mechanism of action of NO and NO-donating prostaglandin analogs

Evidence suggests that PGAs, which are indicated for reducing elevated IOP in patients with open-angle- glaucoma or ocular hypertension, have a MOA which works via prostaglandin FP receptor activation with a primarily positive impact on the activity of certain enzymes, resulting in a widening of the interstitial spaces of the ciliary muscle and contributing to increased uveoscleral outflow of the aqueous humor. This pathway is referred to as the nonconventional or the secondary pathway. However, the conventional or the primary pathway, wherein aqueous humor exits the eye through the trabecular

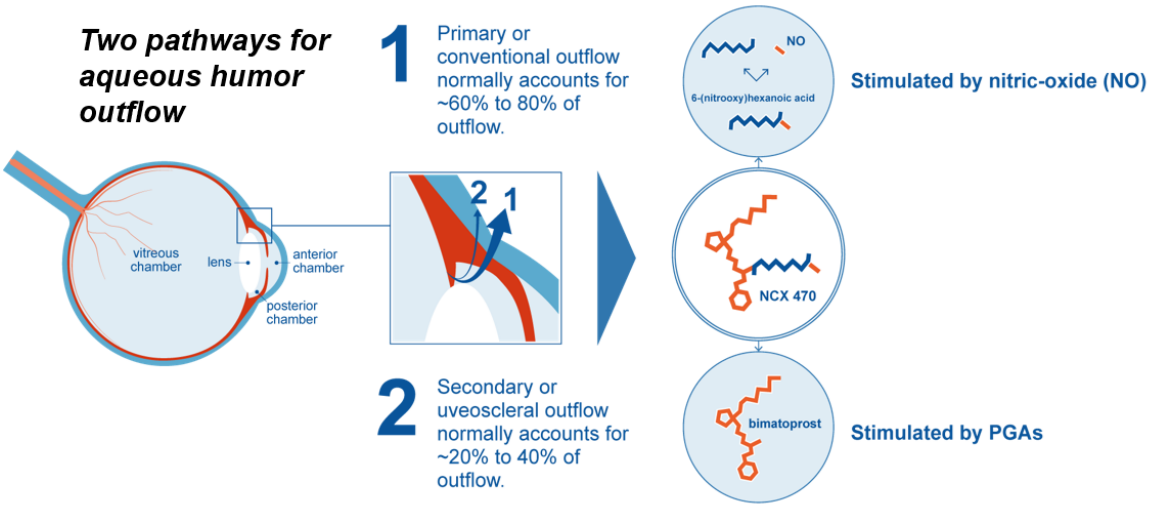
meshwork into Schlemm's canal, a circumferential vessel in the angle of the eye between the cornea and the iris that collects the aqueous humor from the anterior chamber and delivers it to the venous blood vessels, is believed to be a major limiting factor in aqueous humor outflow, and the flow through the primary or conventional pathway is decreased in glaucoma. PGAs may have only a small impact on this pathway.

Because the primary or conventional pathway is known to be NO-sensitive, we sought to create a compound that would both release a PGA to target the uveoscleral and secondary pathway by activating FP receptors and, at the same time, release NO to stimulate sGC to target the primary or conventional pathway in order to achieve a novel dual MOA. Through investigating this mechanism, latanoprostene bunod was discovered in our research center in Italy. Latanoprostene bunod (the active ingredient in VYZULTA) is an NO--donating version of an existing drug, latanoprost, which belongs to the category of prostaglandin F2alpha analogs. Latanoprostene bunod- is metabolized, after application on the ocular surface, into latanoprost acid and another moiety which is then further metabolized to release NO.

The preclinical and clinical data demonstrate that latanoprostene bunod lowers IOP to a greater extent than latanoprost alone in multiple animal models and in glaucoma patients. Our partner, Bausch + Lomb, conducted preclinical studies to investigate the effect of latanoprostene bunod on primary human trabecular meshwork cell contractility to determine whether latanoprostene bunod might mediate this additional IOP lowering through the conventional outflow pathway. Results from these preclinical studies support the concept that latanoprostene bunod has a dual MOA and may target both aqueous outflow pathways to lower IOP in patients with glaucoma or ocular hypertension. These data have been further supported by results of a Phase 2 clinical trial of latanoprostene bunod versus latanoprost conducted in glaucoma and ocular hypertension patients.

As mentioned above, NCX 470 is a novel NO-donating prostaglandin analog that we believe has the potential to become the first non-combination product with statistical superiority to a PGA (latanoprost) and to lower IOP more than bimatoprost, an FDA-approved PGA that is the current U.S. market leader by sales marketed under the brand LUMIGAN. Both NCX 470 and VYZULTA are designed to lower IOP via two MOAs. Upon administration to the eye, NCX 470 and VYZULTA are transformed by certain enzymes present in the eye into the PGAs, bimatoprost acid and latanoprost acid, respectively, and the NO-donating moiety. This NO--donating moiety is then further transformed, breaking down into NO and inactive organic compounds. The PGA, one of the active components of NCX 470 and VYZULTA, is released in the eye and is believed to interact with specific receptors (prostaglandin F2 alpha receptors). This interaction is thought to trigger signaling cascades that ultimately lead to rearrangement of the smooth ciliary muscle in the eye's middle layer, called the uvea, which in turn improves the outflow of the fluid present in the eye, or aqueous humor, from the fluid-filled- chamber at the front of the eye backwards through the uvea and sclera (the white fibrous capsule of the eye). This outflow is referred to as the uveoscleral, unconventional or secondary outflow pathway. NO, the second active component released by NCX 470 and VYZULTA, is thought to enhance the outflow of the eye fluid by the conventional or primary outflow pathway, by modulating the eye tissues called the trabecular meshwork and changing the structure of a canal inside the eye known as Schlemm's canal. The released NO is thought to trigger signals leading to a decrease in cell contractility and volume and, thus, allowing an enhancement of the conventional outflow pathway.

The picture below shows the MOAs of NO-donating PGAs: The trabecular meshwork outflow, also known as the primary or conventional outflow pathway, which is NO sensitive and the uveoscleral outflow, the secondary or non-conventional outflow pathway that is PGA sensitive.



Glaucoma Overview

Glaucoma is a group of ocular diseases in which the optic nerve is injured, leading to peripheral and ultimately central visual field loss. Glaucoma can eventually progress to blindness if not treated and is currently considered to be one of the three leading causes of irreversible blindness worldwide. Glaucoma is frequently linked to abnormally high pressure in the eye, elevated intraocular pressure (IOP) due to blockage or malfunction of the eye's aqueous humor drainage system in the front of the eye. Current medications are targeted at reducing IOP to slow the progression of the disease. It is generally accepted that every mmHg of IOP lowering results in a risk reduction in open angle glaucoma progression of approximately 10% to 20%. Numerous eye drops are available to either decrease the amount of fluid produced in the eye or improve its flow out of the eye. Nearly half of all patients with open angle- glaucoma require more than one medication to lower their IOP to a target level at which visual field loss is likely to be minimized or halted. The requirement for multiple medications to lower an individual patient's IOP to their target level highlights the need for more effective treatments.

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

In 2020, worldwide sales of treatments targeting glaucoma were $6.0 billion, out of the $24.3 billion worldwide market for ophthalmic drugs. In the U.S., sales of treatments targeting glaucoma totaled $3.0 billion in 2020 or 27% of the $11.1 billion U.S. market for ophthalmic drugs. Of the U.S. sales of treatments targeting glaucoma, $1.4 billion, or approximately 50%, were sales of prostaglandin analogs, of which almost 90% were branded products led by LUMIGAN and TRAVATAN Z. Over 70% of the PGA prescriptions are for generic latanoprost. PGAs are currently used as the first line standard of care pharmacotherapy in the U.S.

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

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

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

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

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

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

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

For patients whose glaucoma is not well-controlled- on a single PGA eye drop, adjunctive therapies are added on the top of PGAs as second, third and fourth eye drops. The adjunctive therapies include beta blockers, alpha agonists, carbonic anhydrase inhibitors, rho kinase inhibitors, or their fixed dose combinations. As the number of medications increases, compliance decreases and hence the opportunity for more effective single-drop treatments remain. The total sales of adjunctive therapies accounted for approximately $1.6 billion of the $3.0 billion U.S. sales of treatments targeting glaucoma in 2020. Currently, it is estimated that 3.5% of the worldwide population between 40 and 80 years of age are affected by the most common forms of glaucoma, and it is estimated that, in 2020, around 34.5 million prescriptions were written in the U.S. annually for glaucoma drugs.

Product Candidates in our Pipeline

NCX 470—Our Lead Product Candidate

NCX 470, an NME, is formulated as an ophthalmic solution for the lowering of IOP in patients with open-angle glaucoma or ocular hypertension. NCX 470 has been evaluated in the Dolomites safety and efficacy Phase 2 clinical trial and is currently in two multi-regional (U.S. – China) Phase 3 trials, Mont

Blanc and Denali. NCX 470 is designed to release both bimatoprost and NO following instillation into the eye. Bimatoprost, marketed under the brand name LUMIGAN by Allergan, Inc., is the leading product by sales in the class of PGAs, the most widely used class of drugs for the treatment of elevated IOP in patients with open-angle glaucoma and ocular hypertension. Bimatoprost is generally considered to be slightly better at lowering IOP than latanoprost. Whilst no head-to-head trials have been carried out with NCX 470, we believe that, through the contribution of NO, NCX 470 has the potential for greater IOP lowering efficacy than bimatoprost.

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

Top line Results of the Dolomites Phase 2 NCX 470 Clinical Trial

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

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

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

NCX 470 was well tolerated when dosed once daily for 28 days in patients with open-angle glaucoma or ocular hypertension. Only three out of the 433 patients in the trial discontinued due to an adverse event. The majority of adverse events in the trial were mild. The most frequently reported adverse event

was conjunctival hyperemia, the majority of which were mild, in 16.8% of patients who dosed with the 0.065% dose of NCX 470 compared with 6.5% of patients who dosed with latanoprost. Notably, adverse events for conjunctival hyperemia plateaued at the 0.042% concentration, for which it was reported for 22.2% of patients. There were no treatment-related serious adverse events, and no evidence of treatment-related systemic side effects.

Mont Blanc and Denali Phase 3 Clinical Trials Ongoing

Nicox successfully completed an End-of-Phase 2 meeting with the U.S. FDA and agreed on the design for the NCX 470 Phase 3 program, as well as nonclinical and CMC plans supporting submission of a New Drug Application (NDA) in the U.S.

In June 2020 Nicox initiated the first Phase 3 clinical trial in the U.S., Mont Blanc, evaluating NCX 470 for the lowering of IOP in patients with open-angle glaucoma or ocular hypertension. Mont Blanc is a multi-regional, double-masked, 3-month, parallel group trial evaluating the efficacy and safety of NCX 470 ophthalmic solution, 0.1% compared to latanoprost ophthalmic solution, 0.005% in patients with open-angle glaucoma or ocular hypertension. The 0.1% dose of NCX 470 was selected through an initial adaptive design portion of the trial, which also included the 0.065% dose. The primary efficacy evaluation of the Mont Blanc trial is based on time-matched IOP at 8 AM and 4 PM at Week 2, Week 6 and Month 3. The Mont Blanc trial is expected to randomize approximately 670 patients at approximately 50 clinical sites, in the U.S. and at one clinical site in China. Top-line results from the Mont Blanc trial are currently expected in Q1 2023.

In November 2020 Nicox initiated the second Phase 3 trial in the U.S., Denali, financed jointly and in equal parts by Nicox and Ocumension, our exclusive Chinese licenc ed partner. The Chinese part of the trial was initiated in December 2021. Denali is a 3-month Phase 3 trial evaluating the safety and efficacy of NCX 470 ophthalmic solution, 0.1% versus latanoprost ophthalmic solution, 0.005%, for the lowering of IOP in patients with open-angle glaucoma or ocular hypertension. The Denali trial, which includes a long-term safety extension, is expected to randomize approximately 670 patients, at approximately 60 clinical sites in the U.S. and China, with approximately 80% of the patients to be recruited in the U.S and the remaining 20% of the patients to be recruited in China. The Denali trial, together with the Mont Blanc trial, are designed to fulfill the regulatory requirements to support NDA submissions in the U.S. and China and will also provide data for countries accepting the same clinical data package for approval. 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.*NCX 470 Market Research*

In order to understand the potential clinical adoption of NCX 470 for glaucoma and to assess its reimbursement and revenue potential, an independent third party market research agency with extensive experience in the ophthalmology market assessment conducted an initial primary market research trial in the U.S. in the first half of 2019. The market research was comprised of 40 interviews with U.S. ophthalmology key opinion leaders, high volume prescribers including ophthalmologists and optometrists, and third party payers.

Multiple target product profiles of NCX 470 were tested with differentiation from each other by increasing superiority in IOP reduction compared to latanoprost 0.005%, based on a hypothetical statistically significant outcome in a head-to-head Phase 3 clinical trial. The varying levels of efficacy in the three target product profiles tested were chosen based on the current U.S. FDA-approved therapies. Specifically, statistical superiority to latanoprost similar to VYZULTA's published Phase 2 VOYAGER trial was selected for the first profile but with a superior U.S. FDA label based on head-to-head Phase 3 trials vs. a PGA for NCX 470, a statistical superiority to latanoprost similar to the published ROCKLATAN Phase 3 Mercury-1 clinical trial at Month 3 but with improved safety and tolerability vs ROCKLATAN was selected for the second profile and finally a 2 mmHg or better statistical superiority

to latanoprost was selected for the third profile. For all three profiles, the safety and tolerability were identical and based on existing PGAs.

Based on our market research, we concluded that there was an opportunity for an impactful product with any of the three profiles tested and that the market potential increased with the size of the improved reduction in IOP. More specifically, the results indicated that the VYZULTA-based product profile had peak U.S. net revenue potential of $230 million (25% market share of the U.S. first-line therapy branded market); the Mercury-1 ROCKLATAN-based product potential but with improved safety and tolerability to ROCKLATAN had peak U.S. net revenue potential of $310 million (35% market share of the U.S. first-line therapy branded market); and the profile based on 2 mmHg superiority to latanoprost had peak U.S. net revenue potential of $540 million (60% market share of the U.S. first-line therapy branded market). The above forecasts include estimations about the future growth of the market and assume an appropriate level of reimbursement is available.

A confirmatory market survey was carried out in 2021 by a different an independent third party market research agency. This market research was comprised of 28 interviews with U.S. ophthalmology key opinion leaders, high volume prescribers including ophthalmologists and optometrists, and third party payers. The findings from this market research confirms that NCX 470, with a superiority in IOP reduction of 1.5 to 1.7 mmHg (equivalent to the second profile used in the 2019 market research) compared to latanoprost, could have peak U.S. net revenue potential of between $200 million and $300 million, taking similar assumptions for the glaucoma market as were used for the market research above in 2019

NCX 470 nonclinical studies

In rabbit, dog and nonhuman primate nonclinical models of IOP, our data demonstrate that NCX 470 is able to lower IOP more than bimatoprost alone, with up to 3.5 mmHg greater lowering of IOP with NCX 470 as compared with bimatoprost 0.03% in a non-human primate model when tested with equimolar solutions (or solutions containing equivalent numbers/concentrations of molecules). Additionally, and notably, in the nonclinical model of ocular hypertension in rabbits in which bimatoprost is known not have an effect on IOP, NCX 470 appeared to lower IOP, with up to 8.4 mmHg IOP lowering due to NO alone, suggesting that its NO-donating part of the molecule produces an IOP lowering- action.

NCX 470 exploratory non clinical studies

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

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

NCX 4251

Our second product candidate in clinical development, which leverages an established molecule, is NCX 4251, a novel patented ophthalmic suspension of fluticasone propionate nanocrystals which is in development as a topical treatment for patients with dry eye disease. NCX 4251 has been evaluated in a Phase 2 trial, Danube, and a larger Phase 2b trial, Mississippi, both of which studied patients with blepharitis. The primary outcome measure in the Mississippi trial was the proportion of patients achieving complete cure in all three hallmark signs and symptoms of blepharitis, eyelid redness, eyelid debris and eyelid discomfort, at Day 15, with two secondary outcome measures focused on signs and symptoms of dry eye disease. The trial did not meet the primary or secondary efficacy endpoints, however a post hoc analysis of the data suggests that NCX 4251 is effective in reducing dry eye symptoms in patients with higher severity (moderate to severe) of key signs and symptoms of dry eye. Subsequent to the post hoc analysis and meeting with the U.S. FDA in early 2022 we are now focusing the development of NCX 4251 on dry eye disease. NCX 4251 is being developed for application to the eyelid margins via an applicator, minimizing potential steroid exposure through the cornea which can lead to damaging side effects such as intraocular pressure increase found with current topical steroids.

In July 2019, we entered into an exclusive license agreement with Ocumension for the development and commercialization of NCX 4251 for blepharitis in the Chinese market.

Dry eye disease

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

The dry eye market consists of both chronic and short-term use prescription products and a significant part of non-prescription products, principally artificial tears. The estimated worldwide market for dry eye disease treatment is over $5 billion. The U.S. prescription market for dry eye products in 2021 was estimated to be 8.4 million prescriptions for a value of $3.8 billion (Bloomberg).

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

Similar to ZERVIATE, we intend to seek regulatory approval for NCX 4251 using the FDA's Section 505(b)(2) regulatory pathway, which enables us to rely, in part, on the FDA's prior findings of safety and efficacy for fluticasone propionate, or published literature, in support of our NDA.

Top-line Results of the Danube Phase 2 Clinical Trial

In December 2019 we completed the U.S. multi-center, randomized, double-masked, placebo-controlled, first-in-man administration, dose-escalation, 14-day Phase 2 clinical trial, Danube, aimed to evaluate the safety and tolerability of NCX 4251 compared to vehicle in patients with acute exacerbations of blepharitis. The trial enrolled 36 patients in clinical sites in the U.S. The Danube Phase 2 trial met the primary objective of selecting the dose of NCX 4251 for further development.

NCX 4251 0.1% once daily (QD) treatment was selected to advance into a larger Phase 2 clinical trial.

The selected dose also demonstrated promising efficacy against exploratory endpoints in the study in reducing the signs and symptoms of dry eye disease.

Danube Phase 2 Clinical Trial Summary

All patients in the once daily (n=10 for NCX 4251 and n=5 for vehicle) and twice daily (n=10 for NCX 4251 and n=11 for vehicle) cohorts successfully completed the 14-day dosing period followed by a 14-day safety evaluation period.

Both once daily (QD) and twice daily (BID) NCX 4251 0.1% were well tolerated. There were no serious adverse events, no treatment related systemic adverse events, and no adverse events of IOP elevation, the most common side effect of topical ophthalmic steroids.

Although the study was not powered for efficacy, in the prospectively defined pooled analysis of QD and BID dosing of NCX 4251 0.1%, there was a statistically significant reduction in the composite score of eyelid redness, eyelid debris and eyelid discomfort at the Day 14 study endpoint (n = 20 for NCX 4251 0.1% and n = 16 for vehicle with p = 0.047 for study eyes and p = 0.025 for the combined study eyes and contralateral eyes). Twenty percent of patients on QD dosing of NCX 4251 achieved complete cure, compared to 0% in patients treated with placebo. Due to the small sample size, these results were not statistically significant. Complete cure was defined as a score of zero in eyelid redness, eyelid debris and eyelid discomfort, also referred to as a Composite Score of zero.

Exploratory analyses of signs and symptoms of dry eye disease, including symptom evaluation using visual analog scale and sign evaluation based on corneal and conjunctival fluorescein staining, revealed encouraging reduction from pre-study baselines.

Mississippi Phase 2b Clinical Trial

Top-line results of the Mississippi Phase 2b Clinical Trial

Nicox completed the Mississippi Phase 2b clinical trial which evaluated the QD dosed NCX 4251, fluticasone propionate ophthalmic suspension 0.1%, against vehicle in patients with acute exacerbations of blepharitis. 224 patients were recruited from 8 clinical sites in the U.S. Patients completed 2 weeks of treatment and two weeks of follow-up. The primary outcome measure was the proportion of patients achieving complete cure in all the three hallmark signs and symptoms of blepharitis, eyelid redness, eyelid debris and eyelid discomfort, at Day 15, with two secondary outcome measures focused on signs and symptoms of dry eye disease. The results were announced end of September 2021. The future development of NCX 4251 in the U.S. will require initial manufacturing scale-up followed by two additional efficacy clinical trials, both evaluating one sign and one symptom of dry eye disease, long term safety data, and certain additional clinical and non-clinical data to support an NDA submission in the U.S. The remaining pharmaceutical, non-clinical and clinical development of NCX 4251 is not yet financed and therefore the Company has not planned yet the start of this last phase of development

Mississippi Phase 2b Clinical Trial results in Blepharitis

The Mississippi clinical trial results were announced in September 2021. The Mississippi Phase 2b clinical trial did not meet the primary or secondary efficacy endpoints. However, a signal of NCX 4251's potential efficacy was seen in the trial with NCX 4251 0.1% showing a numerical improvement over vehicle in the primary outcome measure of complete cure in eyelid redness, eyelid debris and eyelid discomfort at Day 15. NCX 4251 also showed a statistically significant difference against placebo in the exploratory endpoint of change from baseline in the composite score of the same key signs and symptoms at Day 8 (p=0.03), Day 11 (p=0.01) and Day 15 (p=0.01). NCX 4251 was found to be safe and well-tolerated over 14 days' treatment, with no serious adverse events, and all of the adverse events for the NCX 4251 treatment arm were mild. There were no discontinuations in the study due to an adverse event.

Mississippi Phase 2bPost-Hoc Results in dry eye disease

Positive post hoc results from the Mississippi Phase 2b clinical trial suggest that QD dosed NCX 4251, fluticasone propionate ophthalmic suspension 0.1%, is effective in reducing dry eye symptoms in a

subgroup of patients. The post hoc analyses identified a subgroup of patients (123 of 224 patients) with baseline scores ≥2.0 on a scale of 0 (none) to 4 (severe) for inferior cornea fluorescein staining, a key sign of dry eye disease. In this patient group, the analysis demonstrated a statistically significant difference against vehicle for change from baseline in eye dryness scores as assessed on a Visual Analog Scale at Day 8 (p=0.0085), Day 11 (p=0.0020) and Day 15 (p<0.0016). Statistically significant differences against placebo were also observed in other symptoms of dry eye disease (photophobia, blurred vision, burning/stinging, foreign body sensation, ocular itching, pain) at all timepoints during treatment (Day 8, Day 11 and Day 15). In some symptoms the effects persisted up to two weeks after the end of treatment. At Day 15, the difference in reduction from baseline in inferior cornea fluorescein staining reached a p-value of 0.0524, which we believe could reach statistical significance with a larger patient population.

A path forward to develop NCX 4251 as a treatment for dry eye disease has been decided following a Q1 2022 meeting with the United States Food and Drug Administration.

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

We are focusing our research efforts on ocular disorders where NO is believed to play a major role in controlling IOP. Our research platform produced the NO-donating compounds, VYZULTA and NCX 470. VYZULTA demonstrated greater IOP lowering than the parent PGA compound in a randomized clinical trial. This effect is believed to be due to the additional lowering in IOP elicited by the NO-donating MOA. We are applying key learnings, based on Nicox stand-alone NO-donors, to NO-donating moieties attached to other non-PGA therapeutic classes of compounds with the goal of enhancing the NO-mediated effects. NCX 1728, an NO-donating PDE5 inhibitor, is the lead compound of this new class (non-PGA related) with NO-mediated IOP-lowering effects that are enhanced and prolonged by concomitant phosphodiesterase-5 (PDE5) inhibition activity within the same molecule. PDE5 inhibition has been shown to enhance the efficacy and the duration of NO-mediated effects. This class of compounds has the potential for development in IOP lowering and in certain retinal diseases. Optimization of ophthalmic formulations of NCX 1728 are underway prior to initiating nonclinical testing required for the filing of an IND application. In non-human primates, NCX 1741, an analog of Nicox's development candidate NCX 1728, demonstrated reduction of IOP to a similar extent to that of travoprost, with faster onset of activity. Travoprost is a PGA, a class of molecules which are considered standard of care for IOP lowering in humans.

Our Out-Licensed Commercial Products

VYZULTA

Overview

VYZULTA (latanoprostene bunod ophthalmic solution), 0.024% is a PGA with one of its metabolites being NO. At the time of its approval, VYZULTA was the first eye drop approved in twenty years with a novel approach to reduce IOP. VYZULTA was approved by the FDA in November 2017 for the reduction of IOP in patients with open angle- glaucoma or ocular hypertension. Bausch + Lomb, a leading eye health company, has exclusive worldwide rights to develop and market VYZULTA which is commercialized in the U.S., Canada, Argentina, Hong Kong, Mexico, Taiwan and Ukraine and has been also approved in Brazil, Colombia, Jordan, Qatar, Singapore, South Korea Thailand, Turkey and United Arab Emirates.

VYZULTA has demonstrated greater IOP lowering at many of the trial's timepoints and a comparable safety profile compared with two currently available medications for the lowering of IOP in open angle- glaucoma or ocular hypertension in one Phase 2 clinical trial (compared to latanoprost), and two Phase 3 clinical trials (compared to timolol), respectively.

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

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

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

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

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

ZERVIATE

Overview

ZERVIATE, the brand name for our cetirizine ophthalmic solution, 0.24%, is a novel formulation of cetirizine developed and approved for the first time for topical application in the eye. Cetirizine, the active ingredient in ZYRTEC, is a second generation antihistamine (H1 receptor antagonist) that binds competitively to histamine receptor sites. Cetirizine, in approved oral formulations, has a well characterized- systemic efficacy and safety profile with world-wide exposure resulting from 20 years of oral use. ZERVIATE is the first and only eye drop formulation of the antihistamine cetirizine. In May 2017, the U.S. FDA approved the NDA for ZERVIATE for the treatment of ocular itching associated with allergic conjunctivitis.

In September 2017, we entered into an exclusive licensing agreement with Eyevance for the commercialization of ZERVIATE in the U.S. which is commercialized there since March 2020.

In March 2019 we entered into an exclusive licensing agreement with Ocumension for the development and commercialization of ZERVIATE in the Chinese market. The exclusive rights were expanded to the majority of Southeast Asian markets in March 2020. Ocumension successfully completed a Phase 3 clinical trial of ZERVIATE in China in February 2022. ZERVIATE was found to be statistically non-

inferior to emedastine difumarate, an antihistamine marketed under the brand name EMADINE®. Subject to any additional data requested by the Chinese NMPA, this Phase 3 trial, in addition to the clinical data package used by the FDA for ZERVIATE in the United States, is expected to be sufficient to support a Chinese NDA.

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

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

In May 2021, we signed an exclusive license agreement with Laboratorios Grin for the registration and commercialization of ZERVIATE in Mexico.

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

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

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

Allergic Conjunctivitis Overview

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

It is estimated that more than 75 million people suffer from allergic conjunctivitis in the U.S. and the estimated prevalence of allergic conjunctivitis may be between 15% and 40%. The annual U.S. market for prescription treatment of allergic conjunctivitis totals approximately $400 million according to IQVIA Health Analytics, which does not include substantial sales of over-the--counter eye drops. Branded prescription products represent around 70% market share by value.

Non-core partnered program

Naproxcinod

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

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

5.2 Commercial, Industrial and financial contracts and Intellectual Property

5.2.1 Our Collaboration Agreements

Bausch + Lomb

In March 2010, we signed an exclusive worldwide licensing agreement with Bausch + Lomb, a leading eye health company and wholly owned subsidiary of Bausch Health Companies Inc., granting Bausch + Lomb exclusive worldwide rights to develop and market latanoprostene bunod. Latanoprostene bunod is commercialized by Bausch + Lomb under the brand name VYZULTA which is commercialized in the U.S., Canada, Argentina, Hong Kong, Mexico, Taiwan and Ukraine and has been also approved in Brazil, Colombia, Jordan, Qatar, Singapore, South Korea, Thailand, Turkey and United Arab Emirates.Bausch + Lomb is responsible for funding development and marketing activities, and we jointly manage the collaboration with them through a joint executive committee. The agreement also grants Bausch + Lomb the exclusive worldwide rights to develop and market other products containing latanoprostene bunod, such as fixed dose- combinations, for the reduction of IOP and/or the treatment of glaucoma.

Under the terms of the agreement signed in 2010, Bausch + Lomb made an initial license payment of $10 million to us upon execution of the agreement. Bausch + Lomb made an additional $10 million milestone payment to us in April 2012 following the decision to pursue further development of latanoprostene bunod after the Phase 2 clinical trial completion in late 2011.

As a result of the FDA's approval of VYZULTA in November 2017, we received a $17.5 million milestone payment from Bausch + Lomb and we made a $15 million milestone payment to Pfizer under the 2009 agreement. In March 2018, we and Bausch + Lomb amended the agreement signed in 2010. The amendment provides that, from January 1, 2019 the royalties due to us according to the original agreement will increase by 1% over the original royalty on net sales above $300 million per year. Royalties will now be 10% to 16% over four tiers, reaching the maximum tier if and when global net sales exceed $500 million annually. Taking into account our royalty payments to Pfizer, the net royalties to us will be 6% to 12%, compared to 6% to 11% originally. These royalties could continue to 2030 in the U.S., subject to a Patent Term Extension, and beyond 2030 in other countries, depending on the date of launch of VYZULTA. In addition, the potential milestones payable to us by Bausch + Lomb have been increased by $20 million, added to and split among three existing milestones at increasing annual net sales levels. The first additional amount payable will be added to the milestone on achievement of $300 million annual net sales and the last additional amount payable will be added to the milestone on achievement of $700 million annual net sales. The total potential milestones due to us have therefore been increased from $145 million to $165 million. We are eligible to receive a $5 million net ($20 million before deductions to Pfizer) milestone on VYZULTA net sales reaching $100 million and are receiving tiered net royalties from Bausch + Lomb of 6% to 12%, after deduction of payments due to Pfizer under the 2009 agreement whereby we regained the rights to latanoprostene bunod.

Pursuant to our agreement with Bausch + Lomb, we had an option to co-promote latanoprostene bunod products in the U.S. In August 2014, we informed Bausch + Lomb of our decision to exercise the option. However, we have since agreed with Bausch + Lomb that we will not co-promote latanoprostene bunod in the U.S.

Additionally, Bausch + Lomb had the option, pursuant to our agreement, to develop additional NO-donating compounds for the reduction of IOP and/or the treatment of glaucoma, including other NO-donating prostaglandin F2-alpha analogs from our research. During the third quarter of 2013, Bausch + Lomb decided to forego this option.

Our licensing agreement with Bausch + Lomb will remain in effect until all royalty payment obligations from Bausch + Lomb expire or unless terminated earlier by either us or Bausch + Lomb pursuant to the early termination provision in the agreement. The duration of royalty obligations under the agreement exists on a country-by-country and licensed product-by-licensed product basis, and commences on the date of first commercial sale for the particular country and the particular licensed product and terminates on the latest of (i) the date on which there exists no subsisting claim of an unexpired patent or collaborative patent covering latanoprostene bunod or a licensed product; (ii) the date of expiration of any period of marketing exclusivity, data protection or data exclusivity applicable to such licensed product in the relevant country; and (iii) ten years after the date of first commercial sale date. If there has been no launch date for a licensed product prior to the expiration of (i-) and (ii), the royalty obligation terminates on the later expiring of (i-) and (ii).

We may terminate the agreement on a country-by--country- basis if Bausch + Lomb fails to use commercially reasonable efforts to develop and commercialize the licensed products. We may also terminate the agreement in its entirety in the event that Bausch + Lomb challenges or causes a third party to challenge the validity or ownership of any of our licensed patents or fails or becomes unable to meet its payment obligations under the agreement. Bausch + Lomb may terminate this agreement without cause upon 90 days' notice. In the event of termination, except in the event of expiration of the payment obligations of Bausch + Lomb, licenses granted by us to Bausch + Lomb will terminate and any sublicenses granted by Bausch + Lomb will either be assigned to us or terminated.

Eyevance Pharmaceuticals

In September 2017, we entered into an exclusive license agreement with Eyevance,, a wholly-owned subsidiary of Santen Pharmaceutical Co., Ltd, for the commercialization of ZERVIATE in the U.S.

Under the agreement, Eyevance made a onetime nonrefundable upfront payment to us of $6.0 million in 2017 and a milestone payment $3.0 million in July 2019 resulting from the achievement by us of certain manufacturing and regulatory objectives. We are eligible to receive up to an additional $37.5 million in future milestones payable on -Eyevance achieving predefined sales targets, with $30 million of these milestones being triggered by annual sales targets of $100 million and above. In addition, we will also receive tiered royalties of 8% to 15% based on future net sales of ZERVIATE. We also are committed to paying -Eyevance- $469,000 related to manufacturing costs that resulted from a delay in the completion of certain manufacturing activities. This amount will be directly deducted from royalty payments.

Eyevance has the exclusive right to commercialize ZERVIATE in the U.S. where it has been marketed since March 2020. In February 2021, Eyevance entered into a partnership with Hikma Pharmaceuticals for promoting ZERVIATE to U.S. healthcare professionals working outside the eyecare specialty, with all sales continuing to be booked by Eyevance, on which Nicox will receive royalties.

The license agreement with Eyevance will remain in force until the later of the fifteenth anniversary of the commercial launch of ZERVIATE or until the expiry of the last licensed patent in the U.S. Eyevance has the right to renew the agreement for two additional five-year periods with three months' advance notice. Additionally, with 90 days' prior written notice, Eyevance can terminate the agreement for convenience and either party can terminate the agreement upon a material breach by the other party following a 90-day cure period. In the event of expiry or termination of the agreement, Eyevance and certain related parties may complete and sell any work-in--process and product inventory that exists as of the date of termination. Upon termination, all rights granted to Eyevance- terminate.

Fera Pharmaceuticals

In November 2015, we entered into an exclusive license agreement with Fera, granting Fera exclusive rights to develop and commercialize naproxcinod in the United States. The agreement was amended in September 2018 and in December 2020. Under the terms of the amended agreement, we may be eligible to receive up to $40 million in a single, onetime only, sales-based milestones if annual sales of

naproxcinod reach $1 billion (in any indication), plus 7% royalties based on net sales of naproxcinod in the U.S. Fera will be responsible for, and will fully finance, all clinical development, manufacturing and commercialization activities. The agreement covers all indications excluding ophthalmology- related conditions and Duchenne Muscular Dystrophy, or DMD, and we will retain all rights for naproxcinod outside of the U.S. Fera is eligible to receive an undisclosed royalty should we sell or license rights to sell naproxcinod or related products in any ex-U.S. territory to a third party if the third party uses any Fera intellectual property, regardless of the therapeutic indication and territory. A joint steering committee will be put in place with representation from both companies to ensure that development of naproxcinod- proceeds in accordance with the agreement.

The contract remains in force until the later of the tenth anniversary of the commercial launch or the expiration of the last patent included in the agreement. Upon termination of the agreement due to expiration of the term or our material breach, the licenses become fully paid and irrevocable and Fera will have all rights to the product in the U.S. In the case where Fera, despite having used commercially reasonable efforts, has not submitted an NDA for the product before December 31, 2027, Fera must present a plan for such submission, otherwise we may terminate the agreement. Fera may terminate the agreement at any time by giving one month's notice. In such case (or in the case of material breach by Fera), all the rights concerning regulatory authorizations, intellectual property rights concerning the product and all data (including clinical, preclinical, regulatory, formulation and commercial data) shall be assigned or licensed (if assignment is not possible) to us.

ITROM Pharmaceutical Group

In August 2020 we entered into an exclusive license agreement with ITROM Pharmaceutical Group for the registration and commercialization of ZERVIATE for the treatment of ocular itching associated with allergic conjunctivitis in Gulf and Arab markets including the Kingdom of Saudi Arabia, the United Arab Emirates and Qatar. ITROM is a regional, Dubai-based, internationally recognized pharmaceutical marketing and distribution group of companies specializing in the introduction and representation of breakthrough ophthalmology products since 1999.

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

Laboratorios Grin

In May 2021 we entered into an exclusive license agreement with Laboratorios Grin, for the registration and commercialization of ZERVIATE™ (cetirizine ophthalmic solution), 0.24% for the treatment of ocular itching associated with allergic conjunctivitis in Mexico. Grin, a wholly-owned subsidiary of Lupin Limited, is a Mexican specialty pharmaceutical company engaged in the development, manufacturing and commercialization of branded ophthalmic products.

Grin is granted rights to develop and commercialize cetirizine ophthalmic solution, 0.24% in Mexico. Nicox will receive an undisclosed license fee and potential milestone payments linked to regulatory approval and sales, and is eligible to receive double digit royalties on net sales of ZERVIATE. Grin will be responsible, at its own cost, for the development, manufacturing and the commercialization of ZERVIATE in Mexico.

Ocumension Therapeutics

In December 2018 we entered into an exclusive license agreement with Ocumension Therapeutics for the development and commercialization of Nicox's product candidate, NCX 470, targeting patients with glaucoma or ocular hypertension for a territory comprising mainland China, Hong Kong, Macau, and

Taiwan, or the Chinese market. NCX 470 is currently in two Phase 3 trials, Mont Blanc and Denali, designed to fulfill the regulatory requirements for Phase 3 safety and efficacy trials to support NDA submissions of NCX 470 in the U.S. and China and will also provide data for countries accepting the same clinical data package for approval. All development activities are overseen by a Joint Governance Committee comprising representatives of both companies, with Ocumension responsible for undertaking all the activities at its own cost. Ocumension received exclusive rights to develop and commercialize NCX 470, at its own cost, in the agreed territory. Under the terms of the agreement, we received a onetime upfront payment of €3 million from Ocumension and Nicox was eligible to receive a further €2.5 million when we initiate a Phase 3 clinical trial with NCX 470 outside the territory of this agreement. Nicox is also eligible to receive up to an additional €14.5 million in milestones associated with Ocumension's progress with NCX 470, up to and including regulatory approval, and up to €16.25 million split over three separate sales milestones associated with potential sales in the territory of up to € 200 million, as well as tiered royalties from 6% to 12% on sales. However, the agreement was amended in March 2020. Ocumension paid Nicox €15 million (in replacement of the totality of the milestones in the original agreement), gained additional exclusive rights to NCX 470 for Korea and Southeast Asia and will pay 50% of the costs of the second glaucoma Phase 3 clinical trial of NCX 470, Denali, or the Joint Trial. No future NCX 470 milestones will be due from Ocumension to Nicox. In the case that the Joint Trial would not take place, partial or limited refunds of this payment may be made and in certain situations the original milestones of the agreement would again apply. The tiered royalties of 6% to 12% of the original agreement remain unchanged and will apply to sales in the original and the additional territories.

In March 2019 we entered into an exclusive license agreement with Ocumension for the development and commercialization of Nicox's product ZERVIATE for the treatment of allergic conjunctivitis for the Chinese market. Ocumension received exclusive rights to develop and commercialize ZERVIATE, at its own cost, in the agreed territory. The agreement was amended in March 2020 granting Ocumension additional exclusive rights of ZERVIATE in the majority of the Southeast Asian region. Under a new amendment in July 2021, Ocumension paid Nicox $2 million in full advance payment of the future development and regulatory milestones for ZERVIATE. Nicox remains eligible to receive the same sales milestones of up US$17,2 million together with tiered royalties of between 5% and 9% on net sales of ZERVIATE by Ocumension. Other terms of the original agreement remain unchanged. All development activities will be overseen by a Joint Governance Committee comprising representatives of both companies, with Ocumension responsible for undertaking all the activities at its own cost. ZERVIATE has completed a confirmatory Phase 3 clinical trial in China to support a Chinese New Drug Application.

In June 2019, we entered into an exclusive license agreement with Ocumension for the development and commercialization of Nicox's product candidate, NCX 4251, for blepharitis in the Chinese market. Ocumension is responsible, at its own cost, for all development activities necessary for the approval of NCX 4251 in the territory, overseen by a Joint Governance Committee comprising representatives of both companies. Ocumension received exclusive rights for the agreed territory to develop and commercialize NCX 4251 in blepharitis. Under the terms of the agreement, Nicox received an upfront payment of US$ 2.3 million and may potentially receive development and sales milestones of up to US$ 11.3 million together with tiered royalties of between 5% and 10% on sales of NCX 4251.

Pfizer

In August 2009, we signed an agreement with Pfizer terminating our previous collaboration agreements dated August 2004 and March 2006. Under the terms of the 2009 agreement, we recovered all the development and marketing rights for latanoprostene bunod, and in particular the right to sublicense, as well as all the data and development information. This compound is currently outlicensed to Bausch + Lomb (see above). Moreover, we also have access to certain information regarding development of XALATAN (latanoprost ophthalmic solution) 0.005% belonging to Pfizer, in particular the regulatory files for XALATAN (latanoprost ophthalmic solution) 0.005%. In return, we are obligated to pay Pfizer two milestone payments of $15 million each linked to approval of VYZULTA in the U.S. (or a lower amount if approved only in Europe or Japan) and $15 million linked to reaching

predefined sales levels. The first milestone payment was made in December 2017. Pfizer is also entitled to receive royalties on potential future sales. Pfizer's royalties are in the low single digit percentages for sales in the U.S. and sales made directly by us outside the U.S. For sales made by our licensees outside the U.S., Pfizer's royalty is the greater of our royalty rate for sales outside the U.S. or a low double--digit- percentage of the income that we receive from such licensee. We also recovered the rights to a certain number of new NO donors at the research stage for the potential treatment of diabetic retinopathy and glaucoma.

Samil Pharmaceutical

In December 2019 we entered into an exclusive license agreement with Samil Pharmaceutical Co., Ltd, or Samil, for the development and commercialization of ZERVIATE (cetirizine ophthalmic solution), 0.24% for the treatment of ocular itching associated with allergic conjunctivitis in South Korea. Samil received exclusive rights to develop and commercialize ZERVIATE in South Korea and the agreement was expanded in February 2022 to include Vietnam. Samil is considered as one of the leading Korean companies specialized in the field of ophthalmic medicines including the research and development of drugs in the field of ophthalmology.

Nicox is eligible to receive 10% royalties on net sales on ZERVIATE in South Korea and a milestone payment of 5% of net sales for each calendar year in which net sales exceed approximately US $900,000 (at current exchange rates). Nicox will also receive a license fee, and may receive approval and launch milestone payments which, together with the license fee, may total almost US $250,000. Samil will be responsible, at its cost, for development and commercialization of ZERVIATE in South Korea and in Vietnam. ZERVIATE is expected to require only manufacturing transfer and associated pharmaceutical development to support approval in South Korea, in addition to the existing approved U.S. NDA package.

5.2.2 Other Partnerships

We have other partnerships that are not active at this time. For instance, under our collaboration with Portola Pharmaceuticals, Inc., we have exclusive rights to jointly develop certain of their preclinical small molecules for topical ophthalmic indications, but no compound has been selected for development under this agreement. Under our collaboration with Merck, Merck can elect to develop certain of our NO-donating- compounds in the cardiovascular field. We do not expect these partnerships to impact our future financial status at this time.

5.2.3 Manufacturing and Supply

We do not have any in-house manufacturing facilities or logistics platforms. Therefore, we need to secure agreements with third parties for the manufacturing and supply of our product candidates under development. These third parties either manufacture and assemble in-house or outsource one or more processes to other external service providers.

Our business is subject to risks associated with our reliance on third-party suppliers. These risks are discussed more fully in the section of this prospectus titled "Risk Factors."

5.3 Patents

5.3.1 Intellectual property protection policy

Intellectual property is of vital importance to the Company's businesses. Nicox takes all possible measures to protect intellectual property, including by obtaining and maintaining patent protection in different territories (particularly in the United States) for its products under development and other inventions important for its business. The Group must also use of trade secrets to protect and ensure the confidentiality of proprietary information to protect those aspects of its business operations that do not lend themselves to patent protection or considered by Nicox as not appropriate for patent protection. The Company must also have recourse to the filing of trademarks, copyrights and contractual obligations to establish and protect its intellectual property rights.

Nicox's activities are dependent on its intellectual property and as such are subject to risks linked to the uncertain protection offered by patents and other intellectual property rights. The position of pharmaceutical companies like Nicox with respect to patents is highly uncertain and involves extremely complex legal, scientific and factual circumstances. In addition, the protections sought in patent applications may be significantly reduced before the patent is issued and its scope may be reinterpreted after it is issued. For that reason, the possibility cannot be excluded that Nicox might not be successful in obtaining or maintaining a patent protection for one of its products under development. The Company cannot anticipate if the patent applications currently pending will result in the issuance of patents in all the targeted territories, or if the claims of the patents issued will offer sufficient protection against the competition. Any patent held by the Company may be challenged, circumvented or invalidated by third parties. The reader is invited to refer to section 3 “risk factors” of the universal registration document that describes the risk factors related to the uncertain protection provided by patents and other intellectual property rights.

The Group has a patent department within its Italian subsidiary Nicox Research Institute Srl. The Group’s patent department regularly uses intellectual property law firms in several countries around the world.

Nicox also relies on trade secret protection for its confidential and proprietary information. Even though the Group takes measures to protect its proprietary information and trade secrets, including through contractual provisions with its employees and consultants, third parties may develop independently information and proprietary techniques substantially equivalent or gain access to its trade secrets or disclose its technology. For those reasons, Nicox might not be able to effectively protect its trade secrets. The company's policy requires staff, consultants, external scientific staff and other consultants to sign confidentiality agreements at the start of their employment or relations as consultants with Nicox. The agreements thus concluded with employees also provide that all inventions designed by an employee in the course of his or her term of employment within the Company or based on the use of confidential information of the Company remain the exclusive property of Nicox.

5.3.2 Nature and coverage of patent families owned by the company

As of December 31, 2021, our patent portfolio included 358 issued patents and 96 pending patent applications and 8 patent applications under the Patent Cooperation Treaty, or PCT. In the U.S., our patent portfolio includes 46 issued patents and 9 pending patent applications. We also have 18 patents granted by the European Patent Office, which have been validated in the principal European countries, and 8 pending European patent applications.

Latanoprostene bunod (the active ingredient of VYZULTA) is protected in the United States by four granted patents which expire in 2025. A patent term extension (PTE) application was filed in December 2017. In March 2021 the United States Patent and Trademark Office (USPTO) issued a communication confirming that the patent covering VYZULTA is eligible for PTE. The USPTO will take about two years to make the final determination and issue of a PTE certificate. The PTE could provide additional protection until 2030.

In Europe, a patent covering latanoprostene bunod (the active ingredient of VYZULTA) was issued in February 2016 and validated in 36 countries of the EPC (European Patent Convention) and will provide protection until 2024. An application could be made for a Supplementary Protection Certificate (SPC) to extend the term of the patent to a maximum of 5 years.

On November 23, 2016, Teva Pharmaceutical Industries Ltd. filed a notice of opposition against the grant of the European patent covering latanoprostene bunod. On July 13, 2018, the Opposition Division rejected the opposition and decided to maintain the patent as granted. On September 12, 2018, Teva Pharmaceutical Industries Ltd. filed an appeal against the decision of the Opposition Division. In March 2019, Nicox filed its statement of appeal. The Appeal oral proceedings before the Board of Appeal are scheduled on July 5, 2022

In Japan, latanoprostene bunod (the active ingredient of VYZULTA) is protected by a patent which expires in 2024.

ZERVIATE is protected in the United States by four patents expiring in 2030 and 2032. On January 5, 2022, The European Patent Office (EPO) publishes the grant of the European patent covering Zerviate. This patent will offer protection until 2030.

In Japan, ZERVIATE is covered by three patents expiring in March 2030.

NCX 4251 is protected in the United States and in Europe by patents which expire in 2033.

In July 2020, Nicox filed a PCT application and national patent applications in the U.S., Europe (EPC), China, Japan, Taiwan and Argentina covering the process for the preparation of the NCX 4251 formulation under development and the NCX 4251 formulation as product. The European and the Japanese patents were granted, these patents provide protection until 2040 as well as the other members of this patent family which, if granted, will provide worldwide patent coverage until 2040.

NCX 4240 is protected in the United States, Japan and Mexico by granted patents covering the NCX 4240 eyedrop formulation and its therapeutic use for treating specific viral infections of the eye. In Canada the patent application is under review. These patents will provide protection until 2035.

NCX 470 is covered by a patents family which includes the granted patent US 8,101,658 expiring in 2029 and the European patent EP 2 274 279 which was validated in France, Germany, Italy, Spain and the United Kingdom. The product patent family also includes patents granted in Canada, Japan, China, Hong Kong, Argentina and India which are in force until 2029. Patent US 8,101,658 is eligible for a patent term extension which, if granted, may extend the expiration date for a period of up to five years.,

In July 2019, Nicox filed a PCT application and national patent applications in USA, Europe (EPC), China, Japan, Taiwan and Argentina covering the NCX 470 formulation under development. The U.S., the European, the Japanese and the Chinese patents were granted extending patent coverage of the NCX 470 formulation to 2039.

In February 2018 Nicox filed an European patent application and, in February 2019, a correspondent PCT application covering an industrial process of synthesis of NCX 470. In Europe the patent was granted in September 30, 2020 and it was validated in 16 member States of the European Patent Convention (EPC); this patent provides protection for the process and the product prepared by the process until 2038. The national patent applications deriving from the PCT application, if granted, will provide worldwide patent coverage for NCX 470 until 2039. In 2021 Nicox filed a new PCT application covering a process improvement in the synthesis of NCX 470, the patent family deriving from this PCT application, if granted, will provide additional protection for NCX 470 until 2041.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional patent application.

In the United States, the patent term of a patent that covers an FDA-approved drug may also be eligible for patent term extension, which permits patent term restoration as compensation for the patent term

lost during the FDA regulatory review process. The Hatch--Waxman- Act permits a patent term extension of up to five years beyond the expiration of the patent.

The length of the patent term extension is related to the length of time the drug is under regulatory review. Patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only one patent applicable to an approved drug may be extended. Similar provisions are available in Europe and other foreign jurisdictions. In the future, if our products receive FDA approval or other regulatory authorities, we expect to apply for patent term extensions on patents covering one or more of those products. However, there is no guarantee that the applicable authorities will agree with our assessment of whether such extensions should be granted and, if granted, the length of such extensions.

The following tables summarize the status of our current patent portfolio for Nicox products and key product candidates as of December 31, 2021. For each family of patents, a table shows the different members of the family in force, by country, with the maximum possible expiration date subject to regular payment of maintenance fees and the absence of questioning of the validity of the patent concerned.

VYZULTA (latanoprostene bunod)

Patent title: PROSTAGLANDIN DERIVATIVES

This patent family covers nitrooxy-derivatives of prostaglandin F2α analogues having improved pharmacological activity and enhanced tolerability and their use for the treatment of glaucoma and ocular hypertension.

Latanoprostene bunod, its use for the treatment of glaucoma and ocular hypertension and its pharmaceutical formulations are specifically disclosed and claimed.

Patent owner: Nicox SA

Patent status	Territory		Filing Date	Issue Date	Expiry date*
Granted	Europe#	EP 1 704 141	27-Dec-2004	24-Feb-2016	27-Dec-2024
	United States	US 7,273,946^	05-Jan-2005	25-Sep-2007	03-Oct-2025
		US 7,629,345^	05-Jan-2005	08-Dec-2009	05-Jan-2025
		US 7,910,767^	05-Jan-2005	22-Mar-2011	05-Jan-2025
		US 8,058,467^	05-Jan-2005	15-Nov-2011	05-Jan-2025
	Japan	JP 3 984 283	27-Dec-2004	13-July-2007	27-Dec-2024
	39 other countries		Dec-2004 - Jan-2005	Aug-2006 - Feb-2016	Dec-2024 - 5-Jan-2025
Pending	Europe	EP3643702 A1	9-sep-2019	—	27-Dec-2024
	7 other countries		27-Dec-2004	—	27-Dec-2024

(*) Expiry dates given prior to any potential extensions in accordance with local patent regulations.

(#) EP 1 704 141 was validated in 36 member States of the European Patent Convention (EPC). On November 23, 2016, TEVA Pharmaceutical Industries Ltd, or TEVA, filed a Notice of Opposition at the EPO. On July 13, 2018, the Opposition Division decided to reject the Opposition and to maintain the patent as granted. A notice of appeal against the decision of the Opposition Division was filed by TEVA Pharmaceutical Industries Ltd on September 12, 2018. On March 2019, Nicox filed a reply to the grounds of appeal. The Appeal oral proceedings before the Board of Appeal are scheduled on July 5th, 2022.

(^) U.S. 7,273,946, U.S. 7,629,345, U.S. 7,910,767 and U.S. 8,058,467 are listed in the Orange Book for VYZULTA.

In December 2017, Nicox filed requests for PTE for U.S. 7,273,946, U.S. 8,058,467 and U.S.7,629,345 at the USPTO.

In April 2021 the United States Patent and Trademark Office (USPTO) issued a communication confirming that the patents covering VYZULTA are eligible for PTE.

ZERVIATE (cetirizine)

Patent title: OPHTHALMIC FORMULATIONS OF CETIRIZINE AND METHOD OF USE

This patent family covers topical ophthalmic formulations comprising cetirizine and its salts wherein cetirizine is present in an amount of 0.1% to 0.25% (w/v), and method for alleviating signs and symptoms of allergic conjunctivitis by topical administration of the ophthalmic formulations.

ZERVIATE, 0.24% cetirizine hydrochloride formulation and its use in the treatment of ocular itching associated with allergic conjunctivitis are specifically claimed.

Patent owner: Nicox Ophthalmics Inc.

Patent status	Territory		Filing Date	Issue Date	Expiry date*
Granted	United States	US 9,254,286^	15-March-2010	9-Feb-2016	09-July-2032
		US 8,829,005^	21-May-2013	9-Sep-2014	15-March-2030
		US 9,750,684^	29-Dec-2015	05-Sept-2017	15-March-2030
		US 9,993,471^	10-Mar-2017	12-June-2018	15-March-2030
	Japan	JP 6033677	15-March-2010	04-Nov-2016	15-March-2030
		JP 6144393	12-Aug-2016	19-May-2017	15-March-2030
	Japan	JP 6893573	13-May-2020	3-June-2021	15-March-2030
	Europe	EP 2408453	15-March-2010	5-Jan-2022	15-March-2030
		CA 2,755,679	15-March-2010	12-Sept-2017	15-March-2030
Pending	United States	US2020/0405711	11-Sept-2020	—	15-March-2030

(*) Expiry dates given prior to any potential extensions in accordance with local patent regulations.

(^) U.S. 9,254,286, U.S. 8,829,005, U.S. 9,750,684 and U.S. 9,993,471 are listed in the Orange Book for ZERVIATE.

NCX 470 (NO-donating bimatoprost)

Patent title: NITRIC OXIDE DONATING PROSTAMIDES

This patent family covers nitrooxyderivatives of bimatoprost and their use for treating glaucoma and ocular hypertension.

NCX 470 is specifically disclosed and claimed.

Patent owner: Nicox SA

Patent status	Territory		Filing Date	Issue Date	Expiry date*
Granted	Europe#	EP 2 274 279	11-May-2009	31-July-2013	11-May-2029
	United States	US 8,101,658	11-May-2009	24-Jan-2012	11-May-2029
	Japan	JP 5 401 540	11-May-2009	01-Nov-2013	11-May-2029
	China	CN102099330	11-May-2009	30-Apr-2014	11-May-2029
	4 other countries		11-May-2009	2015 - 2019	11-May-2029

(*) Expiry dates given prior to any potential extensions in accordance with local patent regulations.

(#) EP 2 274 279 was validated in the five main European countries.

NCX 470 eye drop formulation

Patent title: OPHTHALMIC COMPOSITIONS CONTAINING A NITRIC OXIDE RELEASING PROSTAMIDE

This patent family covers aqueous ophthalmic compositions in the form of solution containing NCX470 and macrogol 15 hydroxystearate as the only solubilizing agent, and a method for their preparation.

Patent owner: Nicox SA

Patent status	Territory		Filing Date	Issue Date	Expiry date*
Granted	Europe#	EP 3 583 788[#]	10-July-2019	28-Oct-2020	10-July-2039
	United States	US 10,688,073	10-July-2019	23-June-2020	10-July-2039
	United States	US 11,020,368	11-Mar-2020	01-June-2021	10-July-2030
	Japan	JP 6672512	10-July-2019	6-March-2020	10-July-2039
	China	CN 110237031	10-July-2019	11-Feb-2022	10-July-2039
Pending	Europe	EP 3718535	29-Apr-2020	-	10-July-2039
	United States	US 2021-0128458	11-Jan-2021	-	10-July-2039

China	CN 111249228A	4-Mar-2020		10-July-2039
Japan	JP 2020-105201 A	4-Mar-2020	-	10-July-2039
18 other countries		10-July-2019	-	10-July-2039

(*) Expiry dates given prior to any potential extensions in accordance with local patent regulations.

(#) EP 3 583 788 was validated in 38 States of the European Patent Convention (EPC) and in Bosnia-Herzegovina, Montenegro, Cambodia, Moldova, Morocco, Tunisia and Hong Kong

In February 2019, Nicox filed a PCT application and national patent applications in Taiwan and Argentina covering an industrial process of synthesis of NCX 470. This patent family, if granted, will provide worldwide patent coverage until 2039. In Europe a patent was granted in September 30, 2020 and it was validated in 16 contracting States of the European Patent Convention (EPC).

In 2021 Nicox filed a new PCT application covering process improvement in the synthesis of NCX 470, the patent family deriving from this PCT application, if granted, will provide additional protection for NCX470 until 2041.

NCX 4251 (Fluticasone propionate nanocrystals)

Patent title: PREPARATION OF HYDROPHOBIC THERAPEUTIC AGENTS, METHOD OF MANUFACTURE AND USE THEREOF

This patent family covers nanocrystals of fluticasone propionate (Form A) wherein the nanocrystals have the c-axis crystallographic direction substantially normal to the surfaces that define the thickness of the nanocrystals and an average particle size of 100 nm to 1000 nm.

This patent family also covers: nanosuspensions containing nanocrystals of fluticasone propionate (Form A), methods for treating or alleviating symptoms of blepharitis, postoperative ocular inflammation, dry eye or eye allergy and the sono-crystallization- process for preparing the fluticasone propionate nanocrystals.

Patent owner: Nicox Ophthalmics Inc.

Patent status	Territory		Filing Date	Issue Date	Expiry date*
Granted	United States	US 8,765,725	07-Jan-2013	01-July-2014	7-Jan-2033
	United States	US 10,174,071	26-July-2018	8-Jan-2019	6-May-2033
	United States	US 10,954,263	29-Nov-2018	23-Mar-2021	6-May-2033
	Japan	JP 6285419	06-May-2013	09-Feb-2018	6-May-2033
	Japan	JP 6564891	01-Feb-2018	2-Aug-2019	6-May-2033
	Japan	JP 6752940	17-June-2019	21-Aug-2020	6-May-2033
	Europe	EP 2 847 207^	06-May-2013	27-March-2019	6-May-2033

	Europe	EP 3517541[#]	11-Feb-2019	15-July-2020	6-May-2033
	China	CN 107880091	23-Nov-2017	18-Dec-2020	6-May-2033
	8 other countries		06-May-2013	2018-2020	6-May-2033
Pending	Europe	EP 3741772A1	29-May-2020	—	6-May-2033
	United States	US 2021/300963	17-Feb-2021	__	6-May-2033
	4 other countries				

(*) Expiry dates given prior to any potential extensions in accordance with local patent regulations.

(^) EP 2 847 207 was validated in 12 member States of the European Patent Convention (EPC)

(#) EP 3 517 541 was validated in 24 member States of the European Patent Convention (EPC)

NCX 4251 (Fluticasone propionate nanocrystals)

Patent title: PROCESS FOR THE PREPARATION OF STERILE OPHTHALMIC AQUEOUS FLUTICASONE PROPIONATE FORM A NANOCRYSTALS SUSPENSIONS

This patent family covers the preparation of aqueous suspensions containing nanocrystals of fluticasone propionate (Form A) having an average particle size of 100 nm to 1000 nm.

This patent family also discloses the nanosuspension containing nanocrystals of Fluticasone propionate under development and method for treating blepharitis, posterior blepharitis, Meibomian gland dysfunction or dry eye disease wherein the method comprises topically applying to eyelids, eyelashes or eyelid margin the ophthalmic aqueous nanosuspension.

Patent Owner: Nicox Ophthalmics Inc.

Patent status	Territory		Filing Date	Issue Date	Expiry date*
Active	PCT[§]	WO2021/014348	21-July-2020	NA	
Granted	Europe	EP3769753[#]	21-July-2020	17-Nov-2021	21-July-2040
	Japan	JP7021301	21-July-2020	16-Feb-2022	21-July-2040
Pending	United States	US2021/023001	21-July-2020	__	21-July-2040
	China	CN111821261A	21-July-2020	__	21-July-2040
	3 other countries			__	21-July-2040

(*) Expiry dates given prior to any potential extensions in accordance with local patent regulations.

(§) PCT WO2021/014348 will enters the national/ regional phases in January 2022

(#) EP 3 769 753 will be validated in all the States of the European Patent Convention (EPC) and in Bosnia-Herzegovina, Montenegro, Cambodia, Moldova, Morocco and Tunisia.

NCX 4280 (formerly AC-120)

Patent title: METHOD FOR THE TREATMENT AND PREVENTION OF EYELID SWELLING

This patent family covers the use of a composition comprising oxymetazoline and glycerine for treating eyelid swelling.

This patent family also discloses topical pharmaceutical compositions comprising an osmotically active agent and a vasoconstrictor agent. The preferred osmotically active agent is glycerin and the vasoconstrictor agent is selected from oxymetazoline or naphazoline.

Patent owner: Nicox Ophthalmics Inc.

Patent status	Territory		Filing Date	Issue Date	Expiry date*
Granted	United States	US 8,685,439	26-Apr-2007	01-Apr-2014	09-July-2030
Pending	United States	US 2021/0177807	07-Dec-2020	___	26-Apr-2027

(*) Expiry dates given prior to any potential extensions in accordance with local patent regulations.

Protection for other NO-donating compounds

Our novel NO-donating PDE5 inhibitors have potential patent protection in the United States, Europe and other main countries until 2039. Additional novel molecules combining NO-donation and other non-PGA MOAs compounds are protected in the United States, Europe and other main countries by patents and patent applications that provide patent protection until 2034.

5.4 Important events

5.4.1 Important events since January 1st, 2021

January 5, 2021 **Nicox Highlights Successful 2020 Development Progress and Clinical Milestones for 2021**

https://www.nicox.com/assets/files/EN_Update-PR_20200105_F.pdf

January 6, 2021 **Nicox's Licensee Bausch + Lomb Launches VYZULTA® in Mexico**

https://www.nicox.com/assets/files/EN_VYZULTA-Launch-Mexico-PR_20210206_F.pdf

January 20, 2021 **Nicox Provides Fourth Quarter 2020 Business Update and Financial Highlights**

https://www.nicox.com/assets/files/EN_Q4-2020-Results-PR_20210120_F1.pdf

January 22, 2021 **Nicox Analyst Coverage Initiated by Edison Investment Research**

https://www.nicox.com/assets/files/EN_Edison-Nicox-Initiation-PR_20210122_F1.pdf

January 29, 2021 **Nicox Amends Bond Financing Agreement with Kreos to Provide Financial Flexibility in 2021**

https://www.nicox.com/wp-content/uploads/EN_Kreos-Amendment-PR_20210129_F.pdf

February 9, 2021 BAUSCH HEALTH ANNOUNCES VYZULTA® (LATANOPROSTENE BUNOD OPHTHALMIC SOLUTION), 0.024%, IS NOW APPROVED IN SOUTH KOREA

https://www.nicox.com/wp-content/uploads/EN_-Joint-PR_VYZULTA-approval-South-Korea_20210209_-F2.pdf

February 15, 2021 Nicox's U.S. Licensee Eyevance Expands U.S. Promotion of ZERVIATE® In Agreement with Hikma

https://www.nicox.com/wp-content/uploads/Nicoxs-U.S.-Licensee-Eyevance-Expands-U.S.-Promotion-of-ZERVIATE%C2%AE-In-Agreement-with-Hikma-Nicox.pdf

February 23, 2021 Nicox Announces the Publication in Leading Scientific Journal of Pre-Clinical Efficacy Results on a New Class of Non-PGA NO-donating IOP-Lowering Compounds

https://www.nicox.com/wp-content/uploads/EN_NCX1741-JOPT-PR_20210223_F.pdf

March 1, 2021 Nicox Announces 2020 Financial Results and 2021 Key Milestones

https://www.nicox.com/wp-content/uploads/EN_FY2020Results_PR_20210301_F-3.pdf

March 4, 2021 Nicox's NCX 470 Receives Approval by Chinese Authorities for Local Start of Denali Phase 3 Trial

https://www.nicox.com/assets/files/EN_NCX470DenaliChineseINDApproval_PR_20210304_F.pdf

March 23, 2021 Nicox's NCX 470 Mont Blanc Phase 3 Glaucoma Trial Reaches 50% Enrollment Milestone

https://www.nicox.com/assets/files/EN_NCX470MontBlanc50PercentEnrollment_PR_20210323_F.pdf

April 16, 2021 BAUSCH HEALTH ANNOUNCES VYZULTA® (LATANOPROSTENE BUNOD OPHTHALMIC SOLUTION), 0.024%, IS NOW APPROVED IN BRAZIL

https://www.nicox.com/wp-content/uploads/EN_VYZULTA-approved-Brazil-PR_20210416_F.pdf

April 19, 2021 Nicox Provides First Quarter 2021 Business Update and Financial Highlights

https://www.nicox.com/wp-content/uploads/EN_Q1-2021-Results-PR_20210419_F.pdf

April 22, 2021 U.S. Patents for Nicox's Latanoprostene Bunod, Commercialized as VYZULTA®, Eligible for Patent Term Extension

https://www.nicox.com/wp-content/uploads/EN_LBN-USPTO-InitialDecision_PR_20210422_F.pdf

April 23, 2021 — Nicox's NCX 4251 Mississippi Phase 2b Blepharitis Trial Reaches 50% Enrollment

https://www.nicox.com/wp-content/uploads/EN_NCX4251Mississippi50PercentPR_20210423_F.pdf

April 27, 2021 — U.S. Patent Office Issues Notice of Allowance for Nicox's Latanoprostene Bunod in Normal Tension Glaucoma

https://www.nicox.com/wp-content/uploads/EN_VYZULTANormotensivePatentGrant_PR_20210427_F.pdf

April 30, 2021 — Nicox Updates on Fera Pharmaceuticals' Continuing Evaluation of Naproxcinod

https://www.nicox.com/wp-content/uploads/EN_FeraUpdate_PR_20210430_F.pdf

May 4, 2021 — Nicox's Licensee Bausch + Lomb Launches VYZULTA® (latanoprostene bunod ophthalmic solution), 0.024% in Taiwan and Receives Approval in Qatar

https://www.nicox.com/wp-content/uploads/EN_VYZULTALaunchTaiwan_PR_20210504_F.pdf

May 5, 2021 — Nicox partners with Laboratorios Grin to bring ZERVIATE to Mexico

https://www.nicox.com/wp-content/uploads/EN_ZERVIATEGrinMexico-PR_-202105_F1.pdf

June 1, 2021 — Nicox's Completes Pre-Defined Enrollment of NCX 4251 Mississippi Phase 2b Blepharitis Trial

https://www.nicox.com/wp-content/uploads/EN_NCX4251Mississippi100PercentPR_20210601_F.pdf

June 25, 2021 — Nicox's Licensee Bausch + Lomb Receives Approval for VYZULTA® (latanoprostene bunod ophthalmic solution), 0.024% in the United Arab Emirates

https://www.nicox.com/wp-content/uploads/EN_VYZULTAUnitedArabEmiratesApprovalJune2021PR_20210625_F.pdf

July 1, 2021 — Nicox's NCX 470 Demonstrates Significant Intraocular Pressure Lowering in Dolomites Phase 2 Glaucoma Trial

https://www.nicox.com/wp-content/uploads/EN_NCX-470-Dolomites-WGC-June-2021PR_20210701_F1.pdf

July 2, 2021 — Nicox Announces Last Patient Completed NCX 4251 Mississippi Phase 2b Blepharitis Trial

https://www.nicox.com/wp-content/uploads/EN_NCX-4251-Mississippi-LPLV-PR_20210702_F.pdf

July 5, 2021 — Nicox to Receive $2 Million from Ocumension Therapeutics as Advance Milestone Payment under ZERVIATE® Agreement

https://www.nicox.com/wp-content/uploads/EN_OCUMENSIONAmendment3_PR_20210705_F.pdf

July 13, 2021 Nicox Appoints Robert N. Weinreb, M.D. and Sanjay G. Asrani, M.D. to its Glaucoma Clinical Advisory Board

https://www.nicox.com/wp-content/uploads/EN_CABUpdateJuly2021PR_210713F.pdf

July 16, 2021 Nicox Provides Second Quarter 2021 Business and Financial Highlights and Strategic Update

https://www.nicox.com/wp-content/uploads/EN_Q2-2021-Results-PR_20210716_F.pdf

September 24, 2021 Nicox Announces Results from the NCX 4251 Phase 2b Mississippi Blepharitis Trial

https://www.nicox.com/wp-content/uploads/EN_NCX-4251-Mississippi-results-PR_F_20210923.pdf

September 27, 2021 Nicox First Half 2021 Financial Results and Business Update

https://www.nicox.com/wp-content/uploads/EN_H1_2021Results-PR_20210927_F.pdf

September 29, 2021 Nicox's NCX 470 Shows Retinal Cell Protection in a Nonclinical Model

https://www.nicox.com/wp-content/uploads/EN_NCX-470RetinalCellProtection-PR_20210929_F.pdf

October 4, 2021 Nicox Launches New Corporate & Investor Website

https://www.nicox.com/wp-content/uploads/EN_Website-launch_20211004_F.pdf

October 19, 2021 Nicox Provides Third Quarter 2021 Business and Financial Highlights

https://www.nicox.com/wp-content/uploads/EN_Q3_2021-Results-PR_20211019_F.pdf

November 17, 2021 Nicox is Granted Patent for Blepharitis Product Candidate NCX 4251 in Europe

https://www.nicox.com/wp-content/uploads/EN_NCX-4251-EU-patent-grant-2040_PR_20211117_F.pdf

November 24, 2021 Nicox's Positive Post Hoc Results from NCX 4251 Phase 2b Mississippi Trial Suggest Path Forward in Dry Eye Disease

https://www.nicox.com/wp-content/uploads/EN_MississippiDry-Eye PR_20211130_F.pdf

December 13, 2021 Nicox Appoints Doug Hubatsch as new Chief Scientific Officer to lead Clinical and Nonclinical Development

https://www.nicox.com/wp-content/uploads/EN_AppointmentDHubatsch PR_20211213_F.pdf

December 16, 2021 Nicox Announces First Patient in China screened in the ongoing NCX 470 Denali Phase 3 Trial in Glaucoma

https://www.nicox.com/wp-content/uploads/EN_NCX-470Denali-FPFV ChinaPR_20211216_F2.pdf

5.4.2 Important events since January 1st, 2022

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

January 16, 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

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

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

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

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

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

March 1, 2022 Niccox'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

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

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

5.5 Competition

5.5.1 Overview

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. We believe that our internally-developed NO-donating- research platform, knowledge, experience and scientific resources provide us with competitive advantages. However, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions and governmental agencies and public and private research institutions. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future.

Our potential competitors include large pharmaceutical and biotechnology companies, and specialty pharmaceutical and generic drug companies. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization. Many of our potential competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient recruitment for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

The key competitive factors affecting the success of each of our product candidates, if approved for marketing, are likely to be its efficacy, safety, method of administration, convenience, price, the level of generic competition and the availability of coverage and adequate reimbursement from government and other third-party- payors.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. In addition, our ability to compete may be affected in many cases by insurers or other third party payors seeking to encourage the use of generic products.

Our product candidates target markets that are already served by a variety of competing products based on a number of active pharmaceutical ingredients. Many of these existing products have achieved widespread acceptance among physicians, patients and payors for the treatment of ophthalmic diseases and conditions. In addition, many of these products are available on a generic basis, and our product candidates may not demonstrate sufficient additional clinical benefits to physicians, patients or payors to justify a higher price compared to generic products. In many cases, insurers or other third-party- payors, particularly Medicare, seek to encourage the use of generic products. Given that we are developing products based on FDA approved therapeutic agents, our product candidates, if approved, will face competition from generic and branded versions of existing drugs based on the same active pharmaceutical ingredients that are administered in a different manner, such as biodegradable drug product formulations.

Because the active pharmaceutical ingredients in some of our product candidates are available on a generic basis, or are soon to be available on a generic basis, competitors may be able to offer and sell

products with the same active pharmaceutical ingredient as our products so long as these competitors do not infringe our patents. For example, our patents covering our NO-donating- compounds largely claim new composition of matter. However, intellectual property covering certain other products such as ZERVIATE and NCX 4251 relate to the formulation and method of use of these compounds. As such, if a third party were able to design around the formulation and process patents that we hold and to create a different formulation using a different production process not covered by our patents or patent applications, we would likely be unable to prevent that third party from manufacturing and marketing its product.

5.5.2 Reduction of IOP in patients with glaucoma and ocular hypertension

Prostaglandin analogs are used as first line IOP lowering therapy and account for more than 50% of prescriptions for IOP lowering drugs in the U.S., where the leading branded product by sales is LUMIGAN (bimatoprost ophthalmic solution) 0.03% from Allergan, the other leading branded product is TRAVATAN Z (travoprost ophthalmic solution) 0.004% from Novartis, and the leading generic product is latanoprost. Generic travoprost has also recently become available. ROCKLATAN (netarsudil and latanoprost ophthalmic solution) 0.02%/0.005%, a fixed dose combination of netarsudil and latanoprost, was also approved by FDA and subsequently launched in the U.S. by Aerie Pharmaceuticals, or Aerie, in 2019. It was also approved in Europe in January 2021, under the brand name ROCLANDA. XELPROS (latanoprost ophthalmic emulsion) 0.005% was recently approved for IOP lowering in patients with open-angle- glaucoma or ocular hypertension and was launched in the U.S. by a subsidiary of Sun Pharmaceutical Industries Ltd in 2019. Allergan, Inc., an Abbvie company, launched DURYSTA, a bimatoprost extended release biodegradable implant for IOP lowering, in the U.S.in 2020. The other products in the market, currently used mostly as adjunct therapies added on the top of PGAs, are alpha agonists, beta blockers and carbonic anhydrase inhibitors, most of which are available as generic as well as branded forms. Another adjunct therapy, Rhopressa (netarsudil ophthalmic solution) 0.02%, a rho kinase inhibitor, was approved by FDA and launched in the U.S.by Aerie in 2018, and was approved under the brand name Rhokiinsa in Europe in 2019.

Several competitors are developing new formulations, novel chemical compounds and other sustained drug release products for the same ophthalmic indications as our current NO-donating compounds for IOP lowering. The list below sets out the principal programs in Phase 3 (excluding generics of existing, approved products):

- *Glaukos* is conducting Phase 3 clinical development of the iDose implant, which is a nonbiodegradable metal insert that releases travoprost- and is placed in the eye during a surgical procedure.

- *Laboratorios Sophia S.A.de C.V.* is conducting Phase 3 clinical development of PRO-067, a cyclodextrin containing formulation of latanoprost that is aimed at improving the stability of currently available latanoprost formulations.

- *Ocular Therapeutix, Inc.* has conducted Phase 3 clinical development of OTXTP, a sustained release travoprost punctal- plug formulation that is aimed at lowering IOP, which did not meet its primary endpoint. Other clinical studies are ongoing.

- *Santen* is developing DE117, an EP2 agonist for the lowering of IOP. It has been launched in Japan under the brand name EYBELIS and the U.S. FDA accepted the NDA for review in February 2021. A Complete Response letter was received in November 2021.

5.5.3 Competitors to our other pipeline product candidates

We may also be exposed to potentially competitive products which may be under development for our other indications.

Allergic conjunctivitis

The allergic conjunctivitis market is dominated by Alcon Laboratories, Inc.'s PAZEO, PATANOL and PATADAY, three products based on olopatadine at different concentrations, together with generic olopatadine products. Olopatadine is now also available as a non-prescription drug in the U.S. The supplemental NDA for Ocular Therapeutix' DEXTENZA, a dexamethasone insert, for the treatment of ocular itching associated with allergic conjunctivitis, was approved in October 2021.The list below sets out the principal programs in Phase 3 (excluding generics of existing, approved products):

- *Aldeyra Therapeutics, Inc.,* is in Phase 3 clinical trials with reproxalap (ADX102) for allergic conjunctivitis.

- *Faes Pharma,* has completed a Phase 3 clinical trial in the U.S. with bilastine for allergic conjunctivitis.

Dry Eye Disease

The principal prescription treatments for dry eye disease are RESTASIS (cyclosporine ophthalmic emulsion), 0.5%, from Allergan for which a generic has recently become available, XIIDRA (lifitegrast ophthalmic solution), 5%, from Novartis and CEQUA (cyclosporine ophthalmic solution), 0.09%, from Sun Pharmaceutical Industries. Products recently launched include EYSUVIS (loteprednol etabonate ophthalmic suspension), 0.25%, from Kala Pharmaceuticals and TYRVAYA (varenicline solution) nasal spray from Oyster Point Pharmaceuticals. The condition is also treated with non-prescription products, principally artificial tears

The list below sets out the principal programs in Phase 3 (excluding generics of existing, approved products):

- *Palatin Technologies* is developing PL9643 ophthalmic solution, currently in a Phase 3 clinical trial for dry eye disease.

- *RegenTree* is developing RGN-259 ophthalmic solution, containing Thymosin beta 4, currently in a Phase 3 clinical trial for dry eye disease.

- *Hanal BioPharma Co., Ltd.* and *Daewoong Pharmaceutical Co. Ltd* are developing tanfanercept (HL036) ophthalmic solution 0.25%, currently in a Phase 3 clinical trial for dry eye disease.

- *Aldeyra Therapeutics* is developing Reproxalap Ophthalmic Solution (0.25%), a RASP inhibitor, currently in multiple clinical trials including Phase 3 for dry eye disease.

- *Novaliq GmbH* is developing both CyclASol Ophthalmic Solution (cyclosporine) and NOV03 for dry eye disease and both are in Phase 3.

- *Mitotech* has completed a Phase 3 trial on SkQ1 ophthalmic solution for dry eye disease.

5.5.4 Other NO-delivery and NO--donating- technologies

As far as we are aware, there are at nine pharmaceutical companies working in the field of NO-donating- drugs:

- *AntiRadical Technologies* is developing caged NO molecules for the treatment of life threatening disruption of blood flow.

- *Bellerophon Therapeutics, Inc.* is currently developing the INOpulse, an NO device system product in the U.S. for the treatment of various conditions related to pulmonary hypertension.

- *Edixomed* is developing *in--situ* generation of NO for application in wound care, dermatology, critical care, respiratory and transdermal drug delivery

- *Kowa Pharmaceutical Europe Co. Ltd.* markets HYPADIL Kowa Ophthalmic Solution 0.25% in Japan for the treatment of glaucoma and intraocular hypertension. The active ingredient of this drug is nipradilol, an alpha and beta--adrenergic blocker with NO--releasing- action.

- *Mallinckrodt PLC* markets INOmax in the United States, a gaseous NO product for the treatment of persistent pulmonary hypertension of the newborn.

- *Novan Therapeutics* is developing NO donors for the treatment of acne, viral infections, onychomycosis and inflammatory skin disease. Their most advanced program is in Phase 3.

- *Topadur* is developing an NO-releasing PDE5 inhibitor to accelerate chronic wound closure.

- *Vast Therapeutics* is developing controlled and local delivery of NO via macromolecules for treatment of severe respiratory infections in patients with cystic fibrosis.

- *Zylo Therapeutics* is developing transdermal drug delivery systems including NO.

It is important to note that once marketed (subject to obtaining marketing approvals on an ad hoc- basis), the products developed by us will be competing with a number of products that are already commercially available. In addition, research conducted by the pharmaceutical industry and by public and private institutions will continue to generate new products that could compete with our existing or future commercial products.

5.6 Investments

The Company has not made any investments since January 1st,2021.

5.6.1 Historical investments

The Company subcontracts its research, development and production activities for the active ingredient of its drugs and therefore the tangible fixed assets are not significant compared to the overall research and development expenses of the Company. The gross value of property, plant and equipment amounts to € 3 755 000 as of December 31, 2021.

The Company's intangible assets mainly break down as follows:

- A portfolio of unlicensed patents acquired in April 2009 from the Nitromed Company, covering nitric oxide donor compounds with a gross value of €2,000,000.
- The late-stage drug pipeline targeting major segments of the ophthalmology market of Nicox Ophthalmics Inc. (formerly Aciex Therapeutics Inc.) for a gross amount of €66,580,000.

5.6.2 Ongoing investments

The Company has no significant investments in progress

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

In accordance with the MiddleNext corporate governance code updated in September 2020 to which the company refers and the internal regulations of the Board of Directors, the Corporate Governance Committee and then the Board of Directors examined the social, societal and environmental consequences. of the Company's activities and strategy. The Board of Directors considered that the activities and strategy of the Company do not have significant consequences which would require specific action.

The Group only has offices with limited environmental impact. In addition, the Group's subcontracted activities are, for the most part, intellectual activities with a moderate impact on the environment, the other subcontracted activities (in particular research and development activities) being limited in terms of their impact on the environment. terms of financial flows at the date of publication of this report.

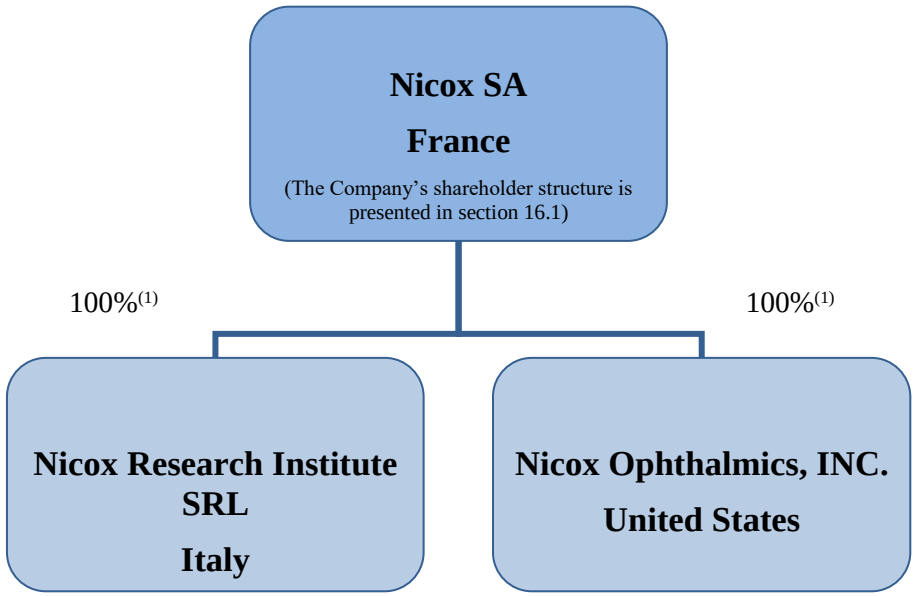
The Group is not subject to specific environmental certification procedures.

There are no provisions and guarantees for environmental risks.

The Group did not pay any compensation during the financial year in execution of a court decision in environmental matters.

6 ORGANIZATIONAL STRUCTURE

6.1 Description Group and its place within the Company



(1) Percentage of capital and voting rights

Nicox SA

Drakkar 2 – Bât D

2405 route des Dolines - CS 10313

Sophia Antipolis – 06560 Valbonne – France

Nicox SA is the parent company of Nicox Group. Incorporated on February 27, 1996, this company ensures the Group's managerial, financial, IT (through consulting firms) and legal functions. It also spearheads the development of certain drug candidates, assisted by a team based in France working in collaboration with outside service providers and employees of subsidiaries based in the United States and Italy; Certain regulatory compliance and quality control functions are directly managed by Nicox S.A.

Nicox S.A. is the parent company of the Group and its subsidiaries are consolidated.

6.2 List of the Company's subsidiaries

6.2.1 Nicox Ophthalmics Inc.

4721 Emperor Blvd
Suite 260, Durham
NC 27703 – United States

Nicox Ophthalmics Inc. was created on September 25, 2007 and is devoted to the development of ophthalmic drugs. From this company are managed the development teams in France and the United

States, the research teams located in Italy as well as a group of external service providers also located mainly in the United States.

6.2.2 Nicox Research Institute Srl

Via Ludovico Ariosto, 21
20091 Bresso – Milan – Italy

Nicox Research Institute Srl, incorporated on September 21, 1999, is responsible for the Nicox Group's research and preclinical development. It includes a team of scientists with a high level of expertise in synthesis and biological testing of NO-donating molecules. This team works in collaboration with staff of other Group entities and also manages the Group's patent portfolio.

6.3 Information on holdings

See note 28 "consolidated companies" of the consolidated financial statements and note 2.22 "Subsidiaries and associates" of the annual financial statements included in section 18 "Financial information concerning the Company's assets and liabilities, financial position and profits and losses" of this universal registration document.

7 REVIEW OF FINANCIAL POSITION AND REVENUES

The 2021 consolidated financial statements, as adopted by the Board of Directors on April 27, 2022, were certified by the Statutory Auditors.

Changes in the Group's consolidation scope are described in note 27 of the consolidated accounts.

7.1 Consolidated statement of comprehensive income

7.1.1 Operating loss

Revenue recognized in 2021 amounted to €3.8 million in royalties on VYZULTA sales in the United States, Canada, Argentina, Mexico, Hong Kong, Taiwan, Ukraine and ZERVIATE sales in the United States licensed to respectively Bausch + Lomb for VYZULTA and Eyevance for ZERVIATE from which were deducted €1.4 million reserved for Pfizer as consideration for the purchase of latanoprostene bunod rights carried out in 2009 and settled in the form of a percentage of royalties paid on VYZULTA sales. In addition to these royalties, the Company received €4.8 million in milestone payments in 2021, mainly from its partner Ocumension under the NCX 470 license agreement described below (€3.0 million recognized in 2021 previously recorded as deferred revenue and €1.7 million in prepayments under an amendment executed in July 2021 to the license agreement for ZERVIATE)

Revenue recognized in fiscal 2020 amounted to €14.4 million and originated mainly from the amendment to the license agreement concluded with the partner Ocumension for the product candidate NCX 470 for China. Under the amended agreement, Ocumension paid Nicox €15.0 million (€14.0 million of which is repayable under certain conditions), replacing in full the milestone payments under the original agreement. Under the amended agreement, Ocumension gained additional exclusive rights to NCX 470 for Korea and South East Asia and undertakes to pay 50% of the costs of the second glaucoma Phase 3 clinical trial of NCX 470 ("Denali"). No future NCX 470 milestones will be due from Ocumension to Nicox. In the unlikely case that the Joint Trial would not take place, partial refunds may be made and in certain situations the original milestones of the agreement would again apply. The tiered royalties of 6% to 12% of the original agreement remain unchanged and will apply to sales in the original and the additional territories. In addition to a non-reimbursable amount of €1 million immediately recognized under revenue, Nicox recognized €9.5 million in revenue in 2020 (out of €14.0 million reimbursable under certain conditions), after uncertainties regarding the possible repayment of this amount were lifted.2020 revenue also included €3.8 million in royalties on VYZULTA sales in the United States and Canada and ZERVIATE sales in the United States licensed to respectively Bausch + Lomb for VYZULTA and Eyevance for ZERVIATE from which were deducted €1.5 million reserved for Pfizer as consideration for the purchase of latanoprostene bunod rights carried out in 2009 and settled in the form of a percentage of royalties paid on VYZULTA sales.

General, administrative and research and development costs amounted to €24.9 million in 2021 compared to €19.4 million in 2020.

Development expenditures in 2021 include mainly two Phase 3 clinical studies for NCX 470 (Mont Blanc and Denali) and one Phase 2b clinical study for NCX 4251 (Mississippi).

Development expenditures in 2020 included mainly clinical activities for Mont Blanc phase 3 for NCX 470 and phase 2b for NCX 4251 (Mississippi).

Nicox recorded a net operating loss before the amortization and impairment of intangible assets of €17.0 million in 2021, compared to €5.5 million in 2020. The significant increase in the operating loss in 2021 compared to 2020 mainly reflected three concurrent clinical studies in 2021 which increased research and development expenses. In addition, the operating loss for 2020 had been reduced by non-recurring revenue items.

7.1.2 Tax

Nicox recorded a tax benefit of €3.6 million in 2021 representing deferred tax liabilities from the impairment of the book value of the NCX 4251 asset compared to €0.0 in 2020.

7.1.3 Total net loss for the period

Nicox recorded a net loss of €43.7 million in 2021, compared to a loss of €18.1 million in 2020. The increase of the loss in 2021 is mainly attributable to (i) a €12.7 million impairment of ZERVIATE in response to a shift in the U.S. for ocular antihistamines from a brand-based prescription market to an OTC market, (ii) €15. 1 million linked to the change in therapeutic indication from blepharitis to dry eye disease following a meeting with the U.S. Food and Drug Administration (FDA) on the further development of this product based on the results of the Mississippi phase 2b clinical study. This change in indication will have an impact on development expenditures and timelines.

Consolidated statement of financial position

Intangible assets totaled €40.0 million at the end of 2021 compared to €64.8 million at the end of 2020 and included mainly the intellectual property of the NCX 4251 program under development and ZERVIATE for which the NDA was approved by the USA FDA in 2017. The decrease in the value of intangible assets in 2021 compared to 2020 reflects mainly an impairment charge for the full value of the ZERVIATE asset allocated to the U.S. territory (€13.2 million) and a partial impairment of the NCX 4251 development program (€15.7 million).

At December 31, 2021, cash and cash equivalents amounted to €42.0 million compared to €47.2 million at December 31, 2020.

Current and non-current financial liabilities amounted to €21.5 million at the end of 2021 compared to €19.1 million one year earlier. In 2021 they included a bond loan from Kreos Capital in the amount of €18.5 million, a €2.0 million French State guaranteed loan obtained within the context of the Covid-19 pandemic and €1.0 million in connection with leases recognized as financial liabilities. The increase in debt in 2021 reflects mainly the restructuring of the loan agreement with Kreos Capital. In 2020 financial liabilities consisted of a bond issued by Kreos Capital for an amount of €16.0 million, a €2.0 million government backed COVID-19 relief loan (PGE) and leases recognized as financial liabilities for €1.1 million.

Deferred tax liabilities amounted to €9.2 million at December 31, 2021 compared to €11.9 million in 2020 and correspond exclusively to the deferred taxes on intangible assets recognized in connection with the allocation of the purchase price paid for Aciex in 2014.

7.2 Principal consolidated financial data

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		As of December 31:	
	Notes	**2021**	**2020**
Revenue from collaborations	**5.2**	**8,583**	**14,423**
Royalty payments	**5.3**	(1,350)	(1,516)
Net profit	**5.4**	**7,233**	**12,907**
Research and development expenditures	**5.5**	(17,910)	(12,728)
Administrative expenses	**5.6**	(7,000)	(6,677)
Other income	**5.7**	843	1,083
Other expenses	**5.8**	(211)	(93)
Operating loss before amortization and impairment of intangible assets		**(17,045)**	**(5,508)**
Amortization of intangible assets	**9.1**	(1,205)	(1,252)
Impairment of intangible assets		(27,760)	-
Operating loss		**(46,010)**	**(6,760)**
Financial income	**5.9.2.**	3,456	1,168
Finance expenses	**5.9.2.**	(4,851)	(12,478)
Net financial income/(expense)	**5.9.2.**	**(1,395)**	**(11,310)**
Loss before tax		**(47,405)**	**(18,070)**
Income tax (expense) / benefit	**6 / 21**	3,644	(28)
Loss for the period		**(43,761)**	**(18,098)**
Loss per share (in €)	**7**	**(1.17)**	**(0.54)**
Basic/diluted loss per share (in €)	**7**	(1.17)	(0.54)

7.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As of December 31:	
ASSETS	**Notes**	**2021**	**2020**
Non-current assets			
Goodwill	**10**	25,637	23,663
Intangible assets	**9**	39,974	64,848
Property, plant and equipment	**8**	1,023	1,166
Non-current financial assets	**13**	237	68
Total non-current assets		**66,871**	**89,745**
Current assets			
Trade receivables		1,086	1,723
Government grants receivable	**11**	1,452	736
Other current assets	**12**	377	237
Prepayments	**12**	2,853	2,630
Cash and cash equivalents	**14**	41,970	47,195
Total current assets		**47,738**	**52,521**
TOTAL ASSETS		**114,609**	**142,266**
LIABILITIES			
Shareholders' equity			
Issued capital	**15**	43,138	37,030
Share premium		536,200	528,595
Translation reserve		5,953	2,959
Purchase of treasury shares		(847)	(605)
Accumulated deficit		(508,892)	(467,144)
Total equity		**75,552**	**100,835**
Non-current liabilities			
Non-current financial liabilities	**20**	21,160	13,429
Deferred tax liabilities	**21**	9,236	11,868
Provisions	**17 ; 18**	661	730
Total non-current liabilities		**31,057**	**26,027**
Current liabilities			
Current financial liabilities	**20**	346	5,646
Trade payables		3,649	2,421
Deferred income	19	1,970	5,174
Other current liabilities	22	2,035	2,163
Total current liabilities		**8,000**	**15,404**
TOTAL LIABILITIES		**114,609**	**142,266**

7.4 Key financial data for Nicox S.A.:

ASSETS	Notes	Gross value	Depreciation (See Note 2.2) & provisions	Net FY 2021 [12 months]	Net FY 2020 [12 months]
Start-up costs	2.1	58,278	58,278		
Development expenditures	2.1	50,000	50,000		
Concessions, patents and similar rights	2.1	2,819,315	2,818,181	1,134	3,212
Intangible assets	**2.1**	**2,927,593**	**2,926,459**	**1,134**	**3,212**
Other intangible assets	2.2	727,989	717,588	10,401	39,353
Property, plant and equipment	**2.2**	**727,989**	**717,588**	**10,401**	**39,353**
Equity interests	2.3	55,631,552	40,200,037	15,431,515	55,631,553
Other financial assets	2.3	1,373,526		1,373,526	1,461,491
Financial assets	**2.3**	**57,005,078**	**40,200,037**	**16,805,041**	**57,093,044**
TOTAL NON-CURRENT ASSETS		**60,660,660**	**43,844,084**	**16,816,576**	**57,135,609**
Trade receivables and related accounts	2.4	1,058,855		1,058,855	1,696,818
Other receivables	2.4	32,607,211	0	32,607,211	24,750,158
Cash	2.5	41,231,739		41,231,739	46,798,038
Prepayments	2.6	2,730,742		2,730,742	2,349,055
TOTAL CURRENT ASSETS		**77,628,547**	**0**	**77,628,547**	**75,594,070**
Unrealized foreign exchange losses	2.10	0		0	2,242,524
TOTAL ADJUSTMENT ACCOUNTS		**0**		**0**	**2,242,524**
TOTAL ASSETS		**138,289,207**	**43,844,084**	**94,445,123**	**134,972,203**

LIABILITIES	Notes	FY 2021 [12 months]	FY 2020 [12 months]
Issued capital	2.7	43,138,185	37,030,335
Share premium	2.7	527,545,675	519,940,192
Retained earnings	2.7	(455,731,717)	(443,643,501)
Profit/loss for the year	2.7	(50,337,492)	(12,088,216)
TOTAL EQUITY	**2.7**	**64,614,651**	**101,238,810**
Provision for contingencies	2.8	3,030	2,242,524
Provision for charges	2.8	660,703	754,184
PROVISIONS FOR CONTINGENCIES & CHARGES	2.8	**663,733**	**2,996,708**
TOTAL OTHER EQUITY		**-**	**-**
Bank borrowings and overdrafts	2.9	18,957,822	18,957,822
Miscellaneous borrowings	2.9	3,943,511	3,924,972
Trade payables and equivalent	2.9	3,190,399	1,388,016
Tax and social security liabilities	2.9	1,086,390	1,290,407
Deferred revenue	2.11	1,970,354	5,173,529
TOTAL LIABILITIES		**29,148,476**	**30,734,746**
Unrealized foreign exchange gains	2.10	**18,263**	**1,939**
TOTAL LIABILITIES		**94,445,123**	**134,972,203**

Balance Sheet (continued)

PROFIT AND LOSS STATEMENT	Notes	FY 2021 [12 months]	FY 2020 [12 months]
Sales of services - misc. amounts charged back	2.14	215,093	288,765
Patent royalties	2.14	6,504,239	14,299,990
REVENUE	**2.14**	**6,719,332**	**544,237**
Reversals of depreciation, amortization and provisions, expense transfers	2.13	149,963	12,794
Other income from ordinary activities	2.14	335	4
TOTAL OPERATING INCOME		**6,869,630**	**14,601,553**
Other purchases and external expenses	2.12	(14,573,643)	(11,686,215)
Taxes, duties and similar payments (other than on income)		(100,687)	(74,522)
Salaries and wages		(2,091,591)	(2,219,207)
Social charges		(1,044,282)	(1,170,468)
Allowances for the depreciation of fixed assets		(31,029)	(32,737)
Provisions for contingencies and charges		(44,690)	(204,839)
Other expenses	2.15	(1,652,304)	(1,816,055)
OPERATING EXPENSES		**(19,538,226)**	**(17,204,043)**
OPERATING LOSS		**(12,668,596)**	**(2,602,490)**
Other interest and similar income	2.16	489,670	1,386,717
Net proceeds from the disposal of marketable securities	2.16	73,324	109,060
Reversals of provisions, expense reclassifications	2.16	2,242,524	7,733,801
Foreign exchange gains	2.16	1,073,509	387,729
Proceeds from the sale of the bond loan and minority interests		0	5,000,000
FINANCIAL INCOME		**3,879,027**	**14,617,307**
Allowances for amortization and reserves	2.8	(40,203,069)	(2,242,524)
Interest and similar expenses	2.16	(1,515,894)	(1,668,416)
Foreign exchange losses	2.16	(90,186)	(1,270,323)
Charge on the disposal of the bond loan and minority interests	2.16	(48,121)	(19,573,035)
Losses from the disposal of marketable securities	2.16	(406,977)	(80,482)
FINANCE EXPENSE		**(42,264,247)**	**(24 834,780)**
NET FINANCE EXPENSE)		**(38,385,220)**	**(10,217,473)**
OPERATING INCOME BEFORE TAX		**(51,053,816)**	**(12,819,963)**

PROFIT AND LOSS STATEMENT (continued)	Notes	FY 2021 [12 months]	FY 2020 [12 months]
NON-RECURRING INCOME		**0**	**0**
Non-recurring expenses on non-capital transactions		0	(3,926)
NON-RECURRING EXPENSES		**0**	**(3,926)**
NET EXCEPTIONAL ITEMS		**0**	**(3,926)**
Research tax credit - (Corporate income tax)	2.21	(716,324)	(735,673)
TOTAL INCOME		10,748,657	29,218,860
TOTAL EXPENSES		(61,086,148)	(41,307,076)
LOSS		**(50,337,492)**	**(12,088,216)**

7.5 Statutory disclosures on the AR/AP aged trial balance (As the Company does not have direct sales, the disclosure of this information is not pertinent).

Statutory disclosures on the accounts payable aged trial balance at December 31, 2021 are presented below by due date:

Invoices received and not settled on the closing date and past due						Invoices issued and not settled on the closing date and past due					
0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)
(A) Late payment date ranges											
Number of invoices concerned	109				**8**	2					**2**
Total amount of concerned invoices incl. VAT	2,026,395	120,821	-	1,184	-	**122,005**	204,265	-	-	-	-	-
Percentage of total purchases of the period incl. VAT		99.03%	0.00%	0.97%	0.00%	**122,005**						
Percentage of revenue of the period incl. VAT												
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables											
Number of invoices					6	**6**					1	
Amount of invoices					5,364	**5,364**					20,110	

7.6 Research and development

The Group's research and development programs are described in section 5.1.5 “Company portfolio” of the Registration Document.

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

The outsourced share of research and development work at December 31, 2021 accounted for 76.1% of total spending on research and development by the Company.

Intellectual property related activities (patents) are managed by Nicox Research Institute Srl.

A summary of the Company's research and development expenses for the last three years is presented below:

(€ 000s)	**R&D**	**Percentage of R&D expenses out of total administrative and R&D expenses**

2021	17,910	72%
2020	12,728	65%
2019	17,747	69%

7.7 Research and development expenditures by project

The following table summarizes research and development expenditures incurred by the Company by project or patent family, before taking into account contingent consideration for the last two financial periods. On the other

	For the year ended December 31	
	2021	**2020**
	(€ 000s)	
Internal expenditures	4,031	4,375
External expenditures	13,619	8,226
ZERVIATE	*100*	*(9)*
NCX 4251	*3,918*	*673*
*NCX 470**	*8,804*	*6,715*
Other expenses not allocated by project	*797*	*847*
Other expenditures	260	127
Total R&D expenditures	**17,910**	**12,728**

* Deduction of expenses charged back to Ocumension relating to the Denali study

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

(€ 000s)	**FY**	
	2021	**2020**
Expenses linked to the patent portfolio	558	445

8 CAPITAL RESOURCES

8.1 Information concerning the Company's capital resources (short and long-term)

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

Accordingly, in March 2010, Bausch + Lomb (an affiliate of the Valeant group) entered into a worldwide licensing agreement with Nicox for latanoprostene bunod and has made to date three milestone payments to Nicox totaling $22.5 million, after deducting amounts paid to Pfizer under the terms of the agreement executed in 2009 by which Nicox recovered the rights to latanoprostene bunod previously licensed to the former. Following the commercial launch of VYZULTA (latanoprostene bunod ophthalmic solution), 0.024% in December 2017, the Company receives royalties on net sales after deducting payments to Pfizer. Net royalties may reach 12% net in the future; The Company will also receive contingent consideration for regulatory milestones and commercial objectives for a total of US$150 million after deducting amounts payable to Pfizer.

In 2017, Nicox also entered into a license agreement with Eyevance for the marketing of ZERVIATE in the United States. On that basis, it received an initial payment of US$6 million in 2017 and a milestone payment of €3 million dollars in 2019. In the future, Nicox may receive up to US$37.5 million in contingent consideration based on regulatory and business objectives as well as royalties of 8% to 15% based on ZERVIATE's future net sales. The Group has also undertaken to pay Eyevance US$502,000, linked to the manufacturing costs resulting from delays in completing certain activities. This amount became payable after achieving royalty payments from Eyevance and is directly deducted from these royalties. The outstanding balance at December 31, 2021 was €367,000.

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

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

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

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

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

Milestone payments and royalties to be recognized in 2020 under agreements described above will not be sufficient to cover the Company's operating expenses.

At December 31, 2021, Nicox's consolidated cash and cash equivalents amounted to €42.0 million compared to €47.2 million at December 31, 2020. In January 2019, the Company obtained financing from Kreos Capital for up to €20 million structured as bonds and consisting of 3 tranches. These tranches were all subscribed for in 2019, while the funds of the last tranche were however not received until January 2, 2020. After being restructured in November 2021 this loan agreement now includes a bond component convertible into shares amounting to €3.3 million. Nicox also obtained and 2020, a €2.0 million French State guaranteed loan in connection with measures made in response to the Covid-19 pandemic. In addition, the Company carried out a capital increase reserved for private institutional investors for a gross amount of €15.0 million in December 2021 providing it with financing capacities beyond a twelve-month period.

In the future, Nicox may be led to seek out new sources of financing either through a capital increase or through other forms of financial debt for multiple reasons, including in particular the costs of development, acquisitions, and the registration of products under development.

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

TYPE OF TRANSACTION	1996	1997	1999	2001	2004	2006	2007	2009	2015	2016	2017	2019	2020	2021	Total
Venture Capital	2	6.3													8.3
Initial public offering (Paris)			33.2												33.2
Offer				59.3			130	69.9							258.9
Private investment in a public entity (PIPE)					26	45.5		30.5	27	18	26.3	12.5	15	15	215.8
Private investment in a public entity (PIPE) – Pfizer							15								15
TOTAL	**2**	**6.3**	**33.2**	**59.3**	**26**	**45.5**	**145**	**100**	**27**	**18**	**26.3**	**12.5**	**15**	**15**	**531.2**

8.2 Sources and amount of cash flows of the Company and description of its cash flows

Historically, the company financing capital has been derived from capital increases for a specific category of investors or public offerings, payments received from partners in connection with license agreements and research tax credits. In addition, the Company entered into a loan agreement in January 2019 that was amended in 2021. In 2020 the Company also obtained out a French State-guaranteed loan. The corresponding terms and conditions are described below in the section "Borrowing requirements and funding structure".

8.2.1 Cash flows from operating activities.

In 2021, net cash flow used in operating activities represented outflows of €18.5 million compared to €5.4 million in 2020. The increase in cash burn from operating activities in 2021 reflects the sustained research and development efforts in 2021, resulting in an increase of €5.2 million in additional research and development expenses in 2021 compared to 2020 in response to three concurrent clinical trials during the year (Mont Blanc, Denali and Mississippi). In addition, non-recurring payments in 2020 linked to the amended license agreement with the partner Ocumension for the drug candidate NCX 470 for China recognized in revenues for €9.5 million led to a decrease in net cash burn.

- **Cash flows from investing activities.**

Cash flows from investing activities amounted to €0.0 million in 2021 compared to €4.9 million in 2020. Cash flows of €4.9 million in 2020 originated from the disposal in July of the majority shareholding of the Company in Iris TopCo and its bond loan to VISUfarma sold to the main shareholder of these GHO Capital companies.

- **Cash flows from financing activities.**

Cash flows from financing activities amounted to €13.4 million in 2021 compared to €19.6 million in 2020 and resulted from a capital increase through the issuance of new shares to institutional investors in 2021 generating net proceeds of €13.7 million. In 2020, net cash flows from financing activities reflected (i) a bond loan providing net inflows of €4.1 million, (ii) a €2 million French State guaranteed loan (iii) funds raised by the issue of new shares to institutional investors for a net amount of €13.9 million and (iv) finance lease payments of €(0.4) million.

- **Information on the financing needs and funding structure of the Company**

In the 2020 third quarter, the Group obtained loan agreements guaranteed by the French State (up to 90%) from Société Générale and LCL for an amount totaling €2 million in the context of the COVID-19 pandemic. These loans, unsecured by Group assets, with an initial maturity of 12 months, were extended by a further 12 months. The period for repayment is five years beginning in August 2022. The bond financing agreement with Kreos Capital VI (UK) Limited executed on January 29, 2019 for €20 million and amended in January 2021 with respect to the repayment period of the principal was subject to a new amendment dated November 30, 2021 (the Amendment). Prior to the signature of this Amendment, the nominal amount of the debt with Kreos Capital amounted to €16.9 million; The amendment executed on November 20, 2021 introduced the following changes (with the other terms of the original contract remaining unchanged): (i) the maturity period of the loan was extended by 18 months, i.e. until January 1, 2026, with the Company benefiting from an option to extend this period by 6 months (i.e. until July 1, 2026) if the clinical trial of the Mont-Blanc study meets the primary endpoint of non-inferiority compared to latanoprost before June 2023 and (ii) the Company will also benefit from an extension of the interest-only payment period to August 1, 2023, which may be extended by an additional 6 months (to February 1, 2024) at the Company's option and subject to the same condition relating to the Mont Blanc study. The Amendment also provides for prepayment, without penalty, of 30% of the bond principal, i.e., €5,087,347, on its date of effect. This amount was transferred by Kreos Capital VI (UK) Limited to Kreos Capital VI (Expert Fund) L.P., to subscribe by way of offset to an issue of bonds convertible into new shares (the "Convertible Bonds"), reserved for subscription by Kreos Capital VI (UK) Limited (the "Convertible Bond Issue "). The convertible bond issue consisted of 3,300,000 bonds with a nominal value of 1 euro each, conferring entitlement to a maximum of 900,000 new shares with a nominal value of 1 euro each if converted into shares (able to be converted at any time, subject to a non-conversion period of 60 days from the date of issue). The conversion ratio for the Convertible Bonds into shares corresponds to a price of €3.67 or a 25% premium over the VWAP calculated on the 3-days trading preceding the date of the Board of Directors' meeting determining the final terms of the Convertible Bond Issue. The Convertible Bond Issue is secured by the collateral in place forth Bond Issue Agreement. The interest rate (9.25% per annum) and maturity are identical to those of the pre-existing debt issue. Should Kreos Capital VI (Expert Fund) L.P. fail to convert the bonds on maturity of the Convertible Bond Issue, the entire amount of the Convertible Loan remaining is due as a single payment at that time.. The remaining €1,787,347 under the Kreos Capital VI (Expert Fund) L.P.'s bond financing agreement were used to subscribe for the issue of new non-convertible bonds bearing an interest of 9.25%, with the same maturity as the Convertible Bond Issue and with an additional premium payable upon redemption, so that the total return to Kreos Capital VI (Expert Fund) L.P. is 1.75 times the initial amount of capital. The Amendment also provided for the payment to Kreos by the Company of a restructuring commission of €339,156.44.
French State-guaranteed loans, the Kreos bond financing agreement and net proceeds in the amount of €13.7 million completed in December 2021 from private placements with specialized institutional investors have extended the Company’s cash runway to Q4 2023.

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

The pledges given for the bond issue described above could limit the use of the Company's capital resources in the event of a default in the payment of this debt. In such case, this restriction would adversely affect the good conduct of the Company's business (see section 3.1.1 “Risks relating to cash burn”).

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

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

9 REGULATORY ENVIRONMENT

The activities of developing, obtaining approvals, manufacturing and marketing pharmaceutical products are highly regulated. For additional information, refer to section 3.2.8 ”Risks associated with regulatory constraints” of this universal registration document.

10 TREND INFORMATION

Significant events since January 1, 2022 are described in section 5.4.2 of the Universal Registration Document.

The uncertainties surrounding the company's prospects and operations are described in section 3 of the Universal Registration Document.

There have been no material changes with respect to the group’s financial performance since the closing of fiscal year 2021.

11 PROFIT FORECASTS OR ESTIMATES

The Company does not publish profit forecasts or estimates.

12 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

12.1 Members and operation of the administrative, management and supervisory bodies

The management of Nicox SA is entrusted to a Board of Directors currently comprising six members, of which five are independent.

The Company is committed to the principle of equal representation of men and women pursuant to Article L. 225-17 of the French Commercial Code. The Board of Directors currently has two female members. The difference between the number of men (4) and women (2) is in consequence not greater than two, in accordance with the provisions of Article L. 22-10-3 and L. 225-18-1 of the French Commercial Code for companies with Boards a maximum of eight members.

Information relating to corporate governance and management bodies of the Company and notably the negative statement included in 12.2 “Conflicts of interest, appointment commitments, restrictions on the sale of the Company’s shares” of the universal registration document.

12.1.1 Board of Directors

The following table provides a summary of all the current offices and positions held in any company by each of the directors in 2021 as well as any other offices held during the last five years.

Corporate offices	Offices within the company			Offices and positions held outside the group on the universal registration document filing date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/2021**
Garufi Michele 02/03/1954	02/15/1996	Shareholders' meeting called to approve the financial statements for the year ending 12/31/2024	Chairman-CEO	Director	LaMed Pharma	Srl	Italy	Director of Eagleye Biosciences (Switzerland)	577,051
				Director	NanoRetinal	Inc.	United States	Sirector of Novaera (Italy)	
								Director of Iris TopCo (VISUFARMA) (United Kingdom)	
								Director of OncoBiotek SA (France)	

Corporate offices	Offices within the company			Offices and positions held outside the group on the universal registration document filing date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/2021**
Labbé Jean-François 03/15/1950	06/16/2010	Shareholders' meeting called to approve the financial statements for the year ending 12/31/2023	Independent director	Director*	Deinove	SA	France	Director of Transgène SA France until June 2018	0
			Chairman of the Audit Committee	Managing Director	SpePharm Holding	BV	Netherlands	Director of Algotherapeutix (France) until September 2020	
			Compensation Committee member						

* * until February 2022

Corporate offices	Offices within the company			Offices and positions held outside the group on the universal registration document filing date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/2021**
von Bidder Luzi Andreas 04/09/1953	08/11/2014	Shareholders' meeting called to approve the financial statements for the year ending 12/31/2024	Independent director	Chairman of the Board of Directors	EyeSense	AG	Switzerland		10,000
			Audit Committee member	Director	Ferring	SA	Switzerland	Solvias AG Switzerland)	
			Corporate Governance Committee member	Director	Ixodes	AG	Switzerland	Oculare AG (Switzerland)	
				Director	Orasis	Limited	Israel		
			Corporate Social Responsibility Committee member						

Corporate offices	Offices within the company			Offices and positions held outside the group on the universal registration document filing date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/2021**
Kaplan Les 08/06/1950	10/22/2014	Shareholders' meeting called to approve the financial statements for the year ending 12/31/2021	Independent Director					Director of Acadia Pharmaceuticals, Inc. (USA)	82,034
			Chair of the Science and Technology Committee.					Chair of the Board of Directors of Aciex Therapeutics, Inc. (United States)	
			Corporate Governance Committee member					Director of Neurotech, Inc. (USA)	
			Corporate Social Responsibility Committee member						

Corporate offices	Offices within the company			Offices and positions held outside the group on the universal registration document filing date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/2021**
Graves Adrienne 12/14/1953	08/08/2014	Shareholders' meeting called to approve the financial statements for the year ending 12/31/2024	Independent director	Director	Retina Global	Foundation	United States	Director of Envisia Inc. (United States)	0
			Chair of the Compensation Committee	Director	Qlaris Bio	Inc.	United States	Director of Aerpio Therapeutics Inc. (United States)	
			Science and Technology Committee member	Director	TherOptix	Inc.	United States	TearLab Inc (United States)	
				Director	Foundation Fighting Blindness	Foundation	United States	Director of Encore Vision Inc. (United States)	
				Director	Surface Ophthalmics	Inc.	United States	Director of Akorn Inc. (United States) until September 2020	
				Director	Oxurion	NV	Belgium		
				Director	Greenbrook TMS		Canada		
				Chairman of the Board of Directors	Iveric Bio		United States		
				Director	Glaucoma Research Foundation	Foundation	United States		
				Director	ASCRS Foundation	Foundation	United States		
				Director	Himalayan Cataract Project	Foundation	United States		
				Director Emérite	American Academy of Ophthalmology Foundation	Foundation	United States		

Corporate offices	Offices within the company			Offices and positions held outside the group on the universal registration document filing date					
Last name, first name and date of birth	**Date of first appointment**	**Expiration date of current term**	**Principal position held in the Company**	**Positions held**	**Name or corporate name**	**Legal form**	**Country of registered office**	**Offices and positions outside the group held during the last five years having expired**	**Nicox shares held in treasury at 12/31/2021**
Silvernail Lauren 09/07/1958	05/16/2017	Shareholders' meeting called to approve the financial statements for the year ending 12/31/2024	Independent director	Chief Financial Officer	Evolus	Inc.	United States	Revance Therapeutics, CFO and Chief Business Officer	0
			Compensation Committee member						
			Audit Committee member						
			Chair of the Corporate Governance Committee						
			Chair of the Corporate Social Responsibility Committee						

Management Committee : As of the date of this document, Nicox's Management Committee is composed of five persons:

Name (age)	Hiring or first appointment date	Positions held in the Nicox group
Michele Garufi (68)	1996	Chairman and Chief Executive Officer
Gavin Spencer (53)	2005	Executive Vice President & Chief Business Officer
Sandrine Gestin (55)	1999	Vice President, Finances
Doug Hubatsch (55)	2021	Executive Vice President & Chief Scientific Officer
Emmanuelle Pierry (54)	2002	General Counsel, Head of Legal Affairs

Michele Garufi – Chairman-CEO – Prior to founding Nicox, Dr. Garufi served as Vice President of the International Division and Director of Licensing Activity at Recordati Group and as Managing Director of the Spanish subsidiary of Recordati Italie. Prior to those positions, he was the Director of the International Division of Italfarmaco (1988-1992), Assistant to the Chief Executive Officer of Poli Chimica (1984-1988), Assistant to the President of Medea Research (1983) and Technical Director for one of the Italian subsidiaries of the French group, Lipha (1978-1982). Michele Garufi is the co-founder and Board member of LaMed, a private Italian company providing services to the pharmaceutical industry and co-founder and Board member of NanoRetinal Inc, an R&D company focused on rare eye diseases and co-founder of ALDA Srl, an Italian oncology research company. He has previously served on the Boards of directors of Novuspharma SpA, Switzerland, Novexel SA, France, Lica SA, Sweden, Scharper SpA, Italy, Delife Srl, Italy, and Relivia Srl, Italy, VISUfarma (Iris TopCo), UK, and OncoBioTek Srl, Italy. Dr. Garufi graduated with honors in pharmaceutical chemistry from the University of Milan and earned a pharmacist's degree in 1989. He was a member of the National Italian Swimming Team.

Gavin Spencer – Executive Vice President and Chief Business Officer – Dr. Spencer has been the Chief Business Officer since 2017. Prior to that he served as Executive Vice President in Charge of Corporate Development since 2012. He joined Nicox in 2005. Prior to joining Nicox, Dr. Spencer served as senior manager, new technology and product innovation at Novartis Consumer Health, where he had responsibilities in the identification, evaluation and development of new technologies. Dr. Spencer began his career in the development and evaluation of new products at Boots Healthcare International. Dr. Spencer has more than 24 years of management and operational experience in the life sciences industry across many strategic roles and has been key in building and managing the partnerships, including closing the 2006 Pfizer deal, the 2010 Bausch + Lomb deal, the VISUfarma deal in 2016 and the Ocumension collaboration. Dr. Gavin Spencer holds a B.Sc. in chemistry with first class honors and a Ph.D. in chemistry from the University of Aberdeen.

Sandrine Gestin – Vice President, Finance –Ms. Gestin joined Nicox in 1999 and has held several positions at the company, including chief financial officer, director of accounting and financial controller and more recently Vice President for Finance and CFO. Before joining Nicox, Ms. Gestin spent 10 years at IBM France where she had responsibilities for the consolidation of overseas subsidiaries. Ms. Gestin holds a master's degree in accounting and finance (*maîtrise des sciences et techniques comptables et financières*) from the Institut d'Administration des Entreprises (IAE) of Nice, France.

Doug Hubatsch – Executive Vice President and Chief Scientific Officer

Doug Hubatsch joined Nicox in December 2021. Prior to joining Nicox he was Global Medical Head for Ocular Surface Disease and Digital Medicines within Global Medical Affairs at Novartis Pharmaceuticals. Doug Hubatsch has more than 25 years' experience in Discovery Research, Development and Medical Affairs in Novartis, Alcon, Roche and AstraZeneca and has been involved with the launch of more than 10 products through his career including Simbrinza (Alcon) for glaucoma and Xiidra (Novartis) for dry eye disease.

Emmanuelle Pierry – General Counsel, Head of Legal – Ms. Pierry has been in charge of legal affairs at Nicox since 2002. Before joining Nicox, Ms. Pierry was a member of the Paris Bar (*Avocat au Barreau de Paris*) for 10 years and practiced business counseling and litigation at international law firms. Mrs. Pierry holds the French Bar diploma (*Certificat d'Aptitude à la Profession d'Avocat*) and degrees in specialized studies in business law from Paris I, Panthéon Sorbonne University (DESS—Master 2 - Paris I) and the Business Law Institute of Paris II, Panthéon - Assas University.

José Boyer was a member of the Management Committee and interim Vice President and Head of R&D from October 16, 2020 to January 31, 2021. Dr. Boyer has more than 30 years of experience in academic research and drug development in the pharmaceutical industry including senior leadership roles in ophthalmology development at Parion Biosciences and Inspire Pharmaceuticals.

12.1.2 The Glaucoma Clinical Advisory Board

In 2021, two formal meetings of the Glaucoma Clinical Advisory Board were held, as well as a number of one-on-one discussions with Advisory Board members and other experts, both by phone and in person at ophthalmology conferences in the United States. Subjects discussed included primarily the glaucoma environment, the ongoing NCX 470 Mont Blanc and Denali Phase 3 clinical studies (NCX-470-02 and NCX-470-03). Several virtual meetings were also held with dry eye and blepharitis experts to review results from the Phase 2b Mississippi clinical trial of NCX 4251 in blepharitis (NCX-4251-02).

12.2 Conflicts of interest, appointment commitments, restrictions on the sale of the Company's shares

In accordance with the updated Middlenext corporate governance code and the Board of Directors' internal rules of procedure, the Board of Directors examined in December 2021 the existence of potential conflicts of interest and duly noted that the directors confirmed in writing the absence of conflict of interest as company directors of Nicox SA.

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

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

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

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

The restrictions on holding certain Nicox shares owned by Michele Garufi are described in section "Directors' compensation policy as from January 1, 2022" of the universal registration document.

There is no arrangement or agreement signed with the major shareholders or co-contracting parties of the Company under which any of the persons referred to in section 12.1 "Members and operation of the administrative, management and supervisory bodies" of this universal registration document have been selected as a member of an administrative, management or supervisory body or as Chief Executive Officer. However, it is specified that Mr. Jean-François Labbé was appointed in 2010 at the request of a shareholder, Banque Publique d'Investissement (BPI, formerly Fonds Stratégique d'Investissement).

13 COMPENSATION AND BENEFITS

13.1 The executive compensation policy as from January 1, 2022

The compensation policy takes into account the corporate interest of the Company and its subsidiaries and contributes to the commercial strategy and sustainability of the Company by allocating a variable portion of compensation linked to attendance by directors at Board meetings and Board committee meetings, and for the Chairman-CEO on the achievement of operating objectives linked to development phases of certain of the Company's products and objectives linked to the financial position and in particular, the level of cash of the Company. The compensation policy for corporate officers in this manner provides incentives to the latter and contributes to the effective management of the Company and promotes an alignment of their interests with those of the company and the different shareholders.

The compensation policy for corporate officers is adopted by the Board of Directors pursuant to the recommendation of the Compensation Committee. The compensation policy designed to provide incentives and promote loyalty must be revised when it no longer is able to offer a coherent compensation structure in line with market practices by comparable French and foreign companies and also in terms of market capitalization trends. The conditions of the compensation and employment of the Company's employees represent an integral part of the process for determining and updating the compensation policy based on an analysis of the coherence of the compensation structure implemented by the Company.

This compensation policy is established by respecting the measures adopted by the Company to prevent conflicts of interest. On that basis, the Chief Executive Officer is not a member of the Compensation Committee.

The compensation policy for corporate officers described in this section applies to newly appointed or reappointed officers, and pending, as applicable, approval by the general meeting of the shareholders.

The General Meeting of April 28, 2021 set the maximum annual amount of compensation for the Board of Directors at €450,000 to be allocated among its members for the current and subsequent fiscal years until such time as a new resolution is adopted by the General Meeting. In 2022, this maximum amount will thus remain unchanged.

The criteria for allocating directors' compensation for 2022 are meeting attendance and work on committees.

The Chairman-CEO does not receive compensation for serving on the Board.

Directors are appointed for terms of four years and, as applicable, may be freely revoked by the Company's ordinary general meeting.

The fixed, variable or exceptional components of total compensation and benefits of all kinds that may be granted to the Chairman-CEO (*Président Directeur Général*) on the basis of his office as from January 1, 2022 were adopted by the Board of Directors, on the recommendation of the Compensation Committee of December 16, 2021.

The Board of Directors undertook to verify the compensation structure of the Chairman-Chief Executive Officer, its components and amounts, taking into account the company's overall interests, market practices and the level of performance expected.

The Board of Directors adopted the compensation policy for the Chairman-CEO of the Company effective as of January 1, 2022, as follows:

- fixed annual compensation of €350,000;
- variable annual compensation of up to 50% of fixed annual compensation, based on achievement of company objectives set for 2022. These include notably operational objectives related to the clinical development of certain of the Company's products as well as objectives linked to the Company's financial position. Achievement of these objectives must be evaluated by the Board of Directors by applying different financial and non-financial criteria.
- a benefit in kind consisting of use of a company car ;
- absence of multi-annual variable compensation;
- absence of compensation resulting from a non-compete clause;
- absence of a supplementary pension plan ;
- absence of compensation as a director;
- a severance payment in the event of the removal of the Chief Executive Officer or Chairman of the Board of Directors, except for reasons of gross negligence. The payment shall be contingent on the Board of Directors' determination that at least one pharmaceutical product having been approved generates, directly or indirectly revenue for a Group entity at the time of this removal.
- The amount of the severance payment would correspond to two years of compensation (both fixed and variable compensation), calculated on the basis of the compensation paid during the last fiscal year ended before the dismissal date;
- Provisions for terminating this undertaking by the Company have not been provided for.

The Chairman-CEO is affiliated with the mandatory pension scheme (tranches A to C). He is not affiliated with a supplementary retirement plan.

The Chairman-CEO may also be granted stock options within the limits of the authorizations granted by the shareholders and subject to compliance with certain conditions of performance and presence.

The Board of Directors will determine between now and the annual ordinary general meeting called to approve the financial statements for the period ending December 31, 2022 if, in light of the authorizations given by the shareholders, it is appropriate to grant the Chairman-CEO an additional award of restricted share units and/or stock options in addition to those already awarded.

For information, the Chairman-CEO is appointed for a term of four years. His term as director may be freely revoked at any time by the Company’s ordinary general meeting and his office of CEO (*Directeur Général*) is also freely revocable at any time by the Board of Directors.

In application of Article L. 22-10-8, II of the French Commercial Code, the officers’ compensation policy described herein in section 13.1 will be submitted to the vote of the ordinary annual general meeting called to approve the financial statements for the financial year ended December 31, 2022.

13.2 Compensation of officers for the period ended December 31, 2021

13.2.1 Compensation of the Chairman-CEO for the period ended December 31, 2021

In accordance with Article L. 22-10-34 of the French Commercial Code, components of fixed, variable and exceptional compensation making up the total compensation and benefits of any nature paid or granted to Michele Garufi, Chairman-CEO, for the period ended December 31, 2021 will be submitted to the vote of ordinary general meeting called to approve the financial statements for the period ended December 31, 2021. Payment of components of variable or exceptional compensation is contingent on the shareholders' approval.

The following tables show compensation and benefits of any kind owed or paid to Michele Garufi , Chairman-CEO, for the periods ended December 31, 2021 and December 31, 2020 by (i) the Company, (ii) companies controlled by the Company within the meaning of Article L. 233-16 of the French Commercial Code in which the office is exercised, (iii) companies controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the company or companies that control the Company in which the office is exercised and (iv) the company or companies controlling, within the meaning of said Article, the company in which the office is exercised. Since the Company belongs to a Group on the date of the Universal Registration Document, this information includes amounts paid by any company in the Group's control structure, whether or not this compensation is related to the office exercised in the Company.

13.2.1.1 Summary of compensation of the Company's Chairman-CEO

Michele Garufi's fixed compensation for fiscal 2021 amounted to €350,000, representing 70% of his total compensation for this year. Subject to a favorable vote by the ordinary general meeting called to approve the financial statements for the 2021, Michele Garufi will be paid variable compensation in the amount of €122,500. Michele Garufi also received €10,000 in compensation for the discharge of his duties as a corporate officer of Nicox Research Institute Srl.

Benefits in kind for the use of a company car amounted to €2,950 for fiscal 2021.

The Company's Chairman-CEO's total compensation is in line with the compensation policy adopted by the ordinary general meeting of April 28, 2021 and contributes to the Company's long-term performances, achieving the company objectives linked to the Group strategy resulting in the payment of variable compensation and the grant of stock options.

The following table provides a summary of compensation paid and the value of options and shares granted to the Chairman-CEO, the sole executive officer of the Company for the financial periods ended December 31, 2020 and December 31, 2021.

Michele Garufi Chairman and Chief Executive Officer	**FY 2020**	**FY 2021**
Compensation due for the year (Itemized in table below)	€513,224	€475,450
Value of multi-yearly variable compensation granted	-	-
Value of options granted during the year	€258,100	€294,300
Value of restricted stock units granted during the year	€71,400	-
Value of other long-term compensation plans	-	-
TOTAL	**€842,724**	**€769,750**

13.2.1.2 Breakdown of compensation of the Company's Chairman-CEO

The following table provides a breakdown of fixed and variable compensation and other benefits granted to the Chairman-CEO, the sole executive officer of the Company for the financial periods ended December 31, 2020 and December 31, 2021.

Michele Garufi Chairman and Chief Executive Officer	**FY 2020**		**FY 2021**	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed compensation	€350,000 (1)	€350,000 (1)	€350,000 (1)	€350,000 (1)
Annual variable compensation(2)	€160,000	€148,750	€122,500	€175,000
Multi-yearly variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' compensation	None	None	None	None
Benefits in kind(3)	€3,224	€3,224	€2,950	€2,950
TOTAL	**€513,224**	**€501,974**	**€475,450**	**€527,950**

(1) The Chairman-CEO also received €10,000 in compensation for the discharge of his duties as a corporate officer of Nicox Research Institute, Srl.

(2) The variable compensation payable to the Chairman-CEO is calculated at the end of each fiscal year on the basis of the achievement of the Company's objectives, set each year by the Board of Directors. The variable compensation for 2020 and 2021 could be as high as 50% of the fixed compensation for 2020 and 2021. For 2020, the Board of Directors estimated that the company achieved 100% of its objectives. For 2021, the Board of Directors estimated that the company achieved 70% of its objectives. Variable compensation is paid only after the corresponding resolution has been voted by the annual general meeting.

(3) Use of a company car.

Changes in compensation from one year to the next reflect the percentage of the achievement of objectives for the year in question, where the variable portion of the Chairman-CEO's compensation is calculated

using this percentage. It is specified that these company objectives include notably operational objectives linked to the clinical development of some of the Company's products as well as objectives linked to the Company's financial position and in particular its cash position.

13.2.1.3 Options to subscribe for or purchase shares and founders' warrants granted by the Company or by any Group entity.

The following table provides a summary of stock options awarded by the Board of Directors in 2021 to the Chairman-CEO.

	Plan 5
Shareholders' meeting date	June 30, 2020
Board of Directors' meeting date	January 14, 2021
Total number of shares that may be subscribed	135,000
Breakdown of shares by corporate officer	
Michele Garufi	135,000
First day on which options may be exercised	January 14, 2023 (1)
Expiration date	January 14, 2029
Exercise price per option (in euros)	3.5181
Exercise procedures (when the plan has several tranches)	(1)
Number of ordinary shares	-
Total number of stock options canceled or void	None
Stock options remaining at year end	135,000
Valuation of the options using the method used for consolidated financ statement (total cost of the award in euros)	294,300

(1) The exercise of these stock options is subject to the Board of Directors of the Company determining that at least 70% of the Company's objectives had been reached for 2021, which was the case. 10% of the shares obtained through the exercise of the stock options awarded to Michele Garufi must be registered shares until the end of his duties as Chairman-CEO of the Company.

On February 15, 2022, the Board of Directors, on the Compensation Committee's recommendation, decided to award 135,000 options to the Chairman-CEO.

- These 135,000 options will be exercisable at the price of €2.3716 from February 15, 2024 to February 15, 2030, subject to the Board of Directors' determination that at least 50% of the company objectives for 2022 were achieved;
- in the event that these performance conditions are not met, half of the rights granted (i.e. 50% of the 135,000 stock options plus one) will be canceled, with the other half of the rights (or 49,999 shares) remaining vested for the beneficiary and immediately exercisable subject to the condition of presence in the Group;

- 10% of these shares originating from the 135,000 options must be held by the Chairman and Chief Executive Officer in registered form until termination of his service.

13.2.1.4 Restricted share units awarded to the Chairman-CEO

No restricted stock units were granted to the Chairman and Chief Executive Officer in fiscal 2021.

Corporate Officer	Plan No. and date	Number of shares granted during the year	Measurement of shares according to the method adopted for the consolidated financial statements (total cost of the award)	Vesting date	End of restrictions	Performance conditions
-	-	-	-	-	-	-
Total		-				

13.2.1.5 Restricted share units awarded to the Chairman-CEO becoming available

The following table summarizes restricted stock units (RSUs) granted to the Chairman-CEO becoming available in 2021

RSUs becoming available for each corporate officer	Plan No. and date	Number of shares becoming available in the year	Performance conditions
Michele Garufi **Chairman and Chief Executive Officer**	Plan 19 of February 12, 2019	10,000	(2)
Total	-	10,000	-

These shares were subject to a 2-year vesting period with their vesting contingent on the Company's Board of Directors' determination, at the end of 2019, that the Company achieved at least 70% of its objectives for 2019, which was the case. It is specified that 90% of the shares became transferable on February 12, 2021, and 10% of the shares remain subject to lock- up restrictions by Michele Garufi until he no longer occupies the office of Chairman-CEO.

13.2.1.6 Summary of grants to the Chairman-CEO of options to subscribe for or purchase shares, founders' warrants and share subscription warrants and restricted stock units

	Plan 2	Plan 3	Plan 4	Plan 5
Shareholders' meeting date	October 22, 2014	May 24, 2018	May 24, 2018	June 30, 2020
Board of Directors' meeting date	January 30, 2015	February 12, 2019	January 27, 2020	January 14, 2021
Total number of shares that may be subscribed	40,000(1)	30,000	145,000	135,000
Breakdown of shares by corporate officer				
Michele Garufi	40,000(1)	30,000	145,000	135,000
First day on which options may be exercised	January 30, 2019 (2)	February 12, 2021 (5)	January 27, 2022(6)	January 14, 2023(7)
Expiration date	January 30, 2021	February 12, 2027	January 27, 2028	January 14, 2029
Exercise price per option (in euros)	1.87(3)	6.0546	4.7910	3.5181
Exercise procedures (when the plan has several tranches)	(4)	(4)	(4)	
Number of ordinary shares	-	-	-	-
Total number of stock options canceled or void	200,000	None	None	None
Stock options remaining at year end	-	30,000	145,000	135,000

(1) This figure takes into account the 5-for-1 reverse stock split of December 3, 2015.

(2) The exercise of these stock options was subject to the Board of Directors of the Company determining that at least 70% of the Company's objectives had been reached for 2015, which was the case.

(3) This represents the subscription price per option, it being recalled that five options will be necessary to subscribe for one new share pursuant to the 5-for-1 reverse stock split of December 3, 2015.

(4) 10% of the shares obtained through the exercise of the stock options awarded to Michele Garufi must be registered shares until the end of his duties as Chairman-CEO of the Company.

(5) The exercise of these stock options is subject to the Board of Directors of the Company determining that at least 70% of the Company's objectives had been reached for 2019, which was the case.

(6) The exercise of these stock options is subject to the Board of Directors of the Company determining that at least 70% of the Company's objectives had been reached for 2020, which was the case.

(7) The exercise of these stock options is subject to the Board of Directors of the Company determining that at least 70% of the Company's objectives had been reached for 2021, which was the case.

13.2.1.7 Summary of grants to the Chairman-CEO of restricted stock units

The following table shows the history of restricted stock unit (RSU) grants to the Company's Chairman-CEO, it being specified that RSUs were granted to the Chairman-CEO during in 2021.

	Plan 15	**Plan 16**
Shareholders' meeting date	May 24 2018	May 24 2018
Board of Directors' meeting date	February 12, 2019	January 27, 2020
Total number of RSUs granted	10,000	15,000
Breakdown of shares by corporate officer		
Michele Garufi	10,000	15,000
Final vesting date of RSUs	(1)	(2)
End of restrictions	February 12, 2021 for 90% of shares and the remaining 10% on the date when he stepped down as Chairman and Chief Executive Officer	January 27, 2022 for 90% of shares and the remaining 10% on the date when he stepped down as Chairman and Chief Executive Officer
Number of RSUs finally vested at December 31, 2021	10,000	-
Aggregate number of RSUs canceled	-	-
RSUs remaining at year-end	-	15,000

(1) These shares were subject to a 2-year vesting period (i.e. until February 12, 2021) with their vesting conditional on the Company's Board of Directors' determination, at the end of 2019, that the Company achieved at least 70% of its objectives for 2019, which was the case.

(2) These shares were subject to a 2-year vesting period (i.e. until January 27, 2022) with their vesting conditional on the Company's Board of Directors' determination, at the end of 2020, that the Company achieved at least 70% of its objectives for 2020, which was the case.

13.2.1.8Employment contracts, retirement benefits and severance benefits

The following table provides a summary, as applicable, of contracts, supplementary retirement plans, compensation or benefits payable or which might be payable upon the termination or change of duties relating to a non-compete clause for the Chairman-CEO for the financial periods ending on December 31, 2020 and December 31, 2021.

Executive Directors	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due upon termination or change of duties		Compensation under a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Michele Garufi **Chairman and Chief Executive Officer** Date of first appointment: April 28, 2021 End of appointment: Ordinary general meeting called for the purpose of approving the financial statements for the period ending December 31, 2024		X		X	X (See 13.1)			X

13.2.1.8.1 Pay ratio and the annual change in compensation for the performances of the Company, in the average compensation of the company's employees other than senior managers and the ratios mentioned above over the last 5 years

13.2.1.9 Pay ratio between the level of compensation of the Chairman-CEO and average and median compensation of the Company's employees

	Year ended 12/31/2021	Year ended 12/31/2020	Year ended 12/31/2019	Year ended 12/31/2018	Year ended 12/31/2017	Year ended 12/31/2016
Ratio with average compensation	6.6	6	4.1	9.8	4.5	6.4
Ratio with median compensation	10.3	9.2	5.6	11.9	4.5	9.1

The components of the compensation of the Chairman and CEO are the gross annual salary of Nicox SA and Nicox SRL (including bonuses), benefits in kind, the value of stock options and restricted stock units (*actions gratuites* or RSUs) granted during the year.

Compensation applied is the gross compensation before charges date each year with all bonuses and benefits included on a full-time equivalent basis.

The number of personnel is the headcount of Nicox SA present for a full year over a period of 5 years.

Stock options and restricted stock units are measured at fair value in accordance with IFRS 2.

13.2.1.10 Change in annual compensation, in the performances of the Company, the average compensation of the company's employees other than senior managers over the last 5 years

	Year ended 12/31/2021	Year ended 12/31/2020	Year ended 12/31/2019	Year ended 12/31/2018	Year ended 12/31/2017	Year ended 12/31/2016
Compensation of the Chairman-Chief Executive Officer (in euros)	1,012,915	833,704	666,345	1,608,642	679,151	1,060,713
Ratio with average compensation	6.6	6	4.1	9.8	4.5	6.4
Ratio with median compensation	10.3	9.2	5.6	11.9	4.5	9.1
Company performance (share price and/or net earnings per share)	(59%)	(6.95)	(19.43)%	(50.00)%	14.84%	(6.59)%
Average compensation on a full-time equivalent basis for employees of the company other than executive officers	154,342	138,475	160,653	164,123	149,264	138,475

13.2.1.11 Compensation of non-executive officers for the period ended December 31, 2021

The following tables show compensation and benefits of any kind owed and/or paid to non-executive officers for the periods ended December 31, 2021 and December 31, 2020 by (i) the Company, (ii) companies controlled by the Company within the meaning of Article L. 233-16 of the French Commercial Code in which the office is exercised, (iii) companies controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the company or companies that control the Company in which the office is exercised and (iv) the company or companies controlling, within the meaning of said Article, the company in which the office is exercised. Since the Company belongs to a Group on the date of the Universal Registration Document, this information includes amounts paid by any company in the Group's control structure, whether or not this compensation is related to the office exercised in the Company.

13.2.1.12 Directors' compensation and other compensation received by non-executive corporate officers

The following table presents compensation and other remuneration paid to non-executive directors for the fiscal years ended December 31, 2021 and December 31, 2020 (the Chairman-CEO, as the only executive director, does not receive compensation for serving on the board).

Non-executive directors	Amounts for fiscal year 2020		Amounts for fiscal year 2021	
	Compensation due in 2020	Compensation paid in 2020	Compensation due in 2021	Compensation paid in 2021
Jean-François Labbé				
Directors' compensation	€60,000	€50,000	€60,000	€60,000
Other compensation	-	-	-	-
Adrienne Graves				
Directors' compensation	€60,000	€50,000	€60,000	€60,000
Other compensation	-	-	-	-
Luzi von Bidder				
Directors' compensation	€60,000	€50,000	€60,000	€60,000
Other compensation	-	-	-	-
Les Kaplan				
Directors' compensation	€60,000	€50,000	€60,000	€60,000
Other compensation	-	-	-	-
Lauren Silvernail				
Directors' compensation	€60,000	€50,000	€60,000	€60,000
Other compensation	-	-	-	-
TOTAL	**€300,000**	**€250,000**	**€300,000**	**€300,000**

Nicox reimburses the directors for travel expenses incurred in attending the meetings of the Board of Directors, namely a total of approximately €3,000 in 2021.

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

The Company has purchased civil liability insurance covering its directors. This policy is described in section 3.7.1 “Insurance” of this universal registration document.

In addition, within Nicox Group (See the organization chart in section 6.1 of this universal registration document), the corporate officers of Nicox Research Institute Srl alone receive compensation for holding corporate office. Compensation paid for 2021 was:

- Elizabeth Robinson: €15,000
- Michele Garufi: €10,000

13.2.1.13 Summary of past stock option awards to each non-executive officer

The following table provides a summary of past stock option awards to each non-executive officer;

	Plan 7	**Plan 8**
Shareholders' meeting date	May 2017	May 2018
Board of Directors' meeting date	June 08, 2017	May 25, 2018
Total number of shares that may be subscribed	144,000	144,000
Breakdown of shares by corporate officer		
Birgit Stattin Norinder (3)	24,000	24,000
Jean-François Labbé	24,000	24,000
Adrienne Graves	24,000	24,000
Luzi von Bidder	24,000	24,000
Les Kaplan	24,000	24,000
Lauren Silvernail	24,000	24,000
Exercise date of the warrants	(3)	(4)
Expiration date	June 07, 2022	May 24, 2023
Warrant exercise price (€)	11.8841	8.8803
Exercise procedures (when the plan has several tranches)	(1)	(2)
Number of shares subscribed at December 31, 2020	-	-
Aggregate number of equity warrants canceled or expired	-	-
Equity warrants remaining at end of year	144,000	144,000

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

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

(3) Ms. Birgit Stattin Norinder resigned from her position as director in June 2018.

The Company, having consulted its advisors, considers that the issuance of equity warrants to the directors is legally valid and is not equivalent to a stock option grant for the following reasons:

- Unlike an option grant, which is decided by the Board of Directors, the issuance of warrants to the directors is a matter for the general meeting, which alone has powers to make such a decision. In particular, the general meeting designates the beneficiaries by name.

- The features of the warrants differ from those of options. The warrants do not enjoy the favorable tax treatment afforded to options, and are subject to securities regulations.

On September 27, 2018, the Board of Directors undertook, in connection with issues subsequent to the stock warrants for the benefit of non-executive directors of the Company to issue them under market conditions.

13.2.1.14 Compensation, option grants, equity warrants, and restricted stock units to members of the Executive Committee

The aggregate compensation and benefits of all kinds relating to the 2021 fiscal year awarded to members of the Executive Committee was €2,378,000 over the 2021 fiscal year, including restricted stock units (*actions gratuites*) and stock options valued at €487,000.

At December 31, 2021, the 5 incumbent members of the Executive Committee held 430,000 stock options to purchase a total of 430,000 shares.

At December 31, 2021, a total of 45,000 restricted stock units was held by the 5 members currently serving on the Management Committee.

With respect to the Chairman and Chief Executive Officer, the Board of Directors decided that 10% of the restricted stock units granted to him must be held in registered form until he ceases to exercise his functions, it being specified, however, that no restricted stock units were granted to the Chairman of the Board of Directors in 2021.

No equity warrants have been granted to members of the Executive Committee.

13.3 Dealings in securities by the Company's directors and officers

13.3.1 Dealings in securities by the Chairman-CEO

None

13.3.2 Dealings in securities by the Company's directors

None

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

Pension contributions paid for Michele Garufi in the financial year amounted to €93,000.

14 REPORT ON CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

This report was prepared by the Chairman of the Board of Directors and approved by the Board of Directors on April 27, 2022 in accordance with the provisions of Article L.225-37 of the French Commercial Code. The aim of this report is notably to provide an account of the Board's membership, the conditions governing the preparation and organization of its work adopted by the Company, any restrictions on the powers exercised by the Chief Executive Officer, the compensation policy for corporate officers and information covered by articles L. 22-10-9 and L. 22-10-11 of the French Commercial Code. This report is presented in addition to the management report contained in the 2021 universal registration document.

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

I. LIST OF ALL OFFICES AND POSITION EXERCISED IN ANY COMPANY BY EACH CORPORATE OFFICER

A summary of all current offices and positions held in any company by each director in 2021 as well as any other offices held during the last five years is provided in section 12.1.1 of the Universal Registration Document.

II. AGREEMENTS COVERED BY ARTICLE L. 225-4 OF THE FRENCH COMMERCIAL CODE

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

III. TABLE SUMMARIZING THE DELEGATIONS OF AUTHORITY IN FORCE

The summary of financial authorizations in progress is presented in section 19.4 "Currently valid capital increase authorizations" of the universal registration document

IV. CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

IV.1. Membership of the Board of Directors

The governance of Nicox SA is assured by a Board of Directors currently with six members, five of which are considered independent according to the criteria of the Middlenext Code. Those directors considered

to be independent are Adrienne Graves, Lauren Silvernail, Jean-François Labbé, Luzi von Bidder and Les Kaplan. The director not considered to be independent is Michele Garufi, Chairman-CEO.

The following directors are members of special committees:
Audit Committee: Jean-François Labbé (Chair), Luzi Von Bidder, Lauren Silvernail
Compensation Committee: Adrienne Graves (Chair), Jean-François Labbé, Lauren Silvernail.
Corporate Governance Committee: Lauren Silvernail (Chair), Luzi von Bidder, Les Kaplan
Science and Technology Committee: Les Kaplan (Chair), Adrienne Graves
Corporate Social Responsibility Committee: Lauren Silvernail (Chair), Luzi von Bidder, Les Kaplan

The Company is committed to the principle of equal representation of men and women pursuant to Article L. 225-17 of the French Commercial Code. The Board of Directors currently has two female members. The difference between the number of men (4) and women (2) is in consequence not greater than two, in accordance with the provisions of article L. 225-18-1 and L. 22-10-3 of the French Commercial Code for companies with Boards a maximum of eight members.

Biographies of the Directors

Michele Garufi has been the Chairman-CEO since February 15, 1996. His term as director will expire at the end of the annual general meeting called to approve the financial statements for the year ended December 31, 2020. Michele Garufi was born in Milan, Italy in 1954 and earned a degree with honors in pharmaceutical chemistry from the University of Milan in 1977. He also earned a pharmacist's degree in 1989. Michele Garufi has extensive experience in partnerships management, licensing agreements and international marketing in the European pharmaceutical industry. Before 1996, he served as Vice President of the International Division and Director of Licensing Activity at Recordati Italy and as CEO of the Spanish subsidiary of Recordati Italy. Prior to those positions, he was the Director of the International Division of Italfarmaco (1988-1992), assistant to the Chief Executive Officer of Poli Chimica (1984-1988), assistant to the President of Medea Research (1983) and Technical Director for one of the Italian subsidiaries of the French group Lipha (1978-1982). Michele Garufi is currently the co-founder and Board member of LaMed Pharma Srl, a private Italian company providing services to the pharmaceutical industry and co-founder and Board member of NanoRetinal Inc, an R&D company focused on rare eye diseases. He has previously served on the boards of directors of Novuspharma SpA, Italy, Novexel SA, France, Lica SA, Sweden, Scharper SpA, Italy, OncoBiotek Srl, Italy, Delife Srl, Italy, Relivia Srl, Italy, and VISUfarma (Iris TopCo), United Kingdom. M. Garufi is 68. In his youth, he was a member of the National Italian Swimming Team. He may be contacted at the following address: Drakkar D, 2405 route des Dolines 06560 Valbonne Sophia Antipolis (France). On the date of this document, he held 577,051 shares.

Jean-François Labbé has served as a director of Nicox since June 2010, Chair of the Audit Committee since July 2013 and a member of the Compensation Committee. His term will expire at the end of the annual general meeting called to approve the financial statements for the year ended December 31, 2023. He had been proposed for the Board by the Banque Publique d'Investissement. Mr. Labbé is the founder and Managing Director of SpePharm Holding BV, a specialized pan-European pharmaceutical company. Prior to founding SpePharm, M. Labbé served as Chief Executive Officer of OTL Pharma SA from 2001 to 2004 and as chief operating officer of ProStrakan UK from 2004 to 2005. He has spent his career in the pharmaceutical industry first at Roussel-Uclaf in 1974, then Hoechst Roussel and finally HMR where he served in various management positions in Europe and the United States, and was a member of the company's executive committee until its merger with Aventis in 1999. Mr. Labbé received an MBA from

the Ecole des Hautes Études Commerciales (HEC), Paris (France). Mr. Labbé is 72. He can be contacted at 27 allée des Bocages, 78110 Le Vésinet (France). He does not hold any Nicox shares.

Adrienne L. Graves, Ph.D. was coopted to the Board of Directors of Nicox in August 2014. She is Chair of the Science and Technology Committee. His term will expire at the end of the annual general meeting called to approve the financial statements for the year ended December 31, 2024. Dr. Graves is a visual scientist by training and a global industry leader in ophthalmology. She served as president and chief executive officer of Santen Inc., the U.S. subsidiary of Santen Pharmaceutical Co., Ltd., from 1995 to 2010, where she successfully established a strong global presence and led global teams through successful acquisitions and partnerships. Prior to her fifteen years at Santen, she spent nine years at Alcon Laboratories, Inc., where she joined as Sr. Scientist to establish Alcon's first Visual Function Laboratory and progressed through roles of increasing responsibility in R&D, including directing clinical development in multiple therapeutic areas and serving as Director of International Ophthalmology. Dr. Graves currently is Chair of IVERIC bio, an American corporation, and serves as an independent director on the boards of Oxurion NV, a Belgian corporation, Greenbook TMS, a Canadian corporation, Qlaris Bio, TherOptix and Surface Pharmaceuticals (U.S private companies). Dr. Graves also serves on the boards of directors of the American Society of Cataract and Refractive Surgery (ASCRS) Foundation, the Glaucoma Research Foundation, Retina Global, the Himalayan Cataract Project, Foundation Fighting Blindness in the United States and as a director emeritus of the American Academy of Ophthalmology Foundation. She has previously served on the board of directors of Encore Vision (2011 to 2017; acquired by Novartis), Envisia Therapeutics (2014 to 2017; assets acquired by Aerie Pharmaceuticals), TearLab Corporation (2005 to 2018), Akorn (2012 to 2020) and Aerpio Therapeutics (2012 to 2017). She co-founded OWL (Ophthalmic World Leaders) and Glaucoma 360. Dr. Graves received her AB with honors in psychology from Brown University and her Ph.D. in psychobiology from the University of Michigan. She completed a postdoctoral fellowship in visual neuroscience at the University of Paris, France. She is 68. Ms. Graves may be contacted at 110 N. Corcoran Street #2401, 27701 Durham, North Carolina, USA. She does not hold any Nicox shares.

Luzi A. von Bidder was coopted to the Board of Directors of Nicox in August 2014. He is a member of the Audit Committee, the Corporate Governance Committee and the Corporate Social Responsibility Committee. His term will expire at the end of the annual general meeting called to approve the financial statements for the year ended December 31, 2024. He was the Chair of Acino Holding AG until 2013. Mr. Von Bidder was the Chair and Chief Executive Officer of Novartis Ophthalmics AG. He has also served as a member of the Novartis Pharma Executive Committee and served in various positions at Ciba Geigy Corp. Mr. von Bidder is a member of the board of directors of Ferring Pharmaceuticals, Ferring Ventures, Ixodes AG, Oculocare, Orasis and EyeSense GmbH, where is also the Chairman of the Board of Directors. Mr. von Bidder graduated in Economics from HSG University of St. Gallen (Switzerland). He is 69. He may be contacted at Kirchenweg 5, 8008, Zürich, Switzerland. He holds 10,000 Nicox shares.

Les Kaplan has been a Nicox director since October 2014. He is Chair of the Science and Technology Committee, and a member of the Corporate Governance Committee and the Corporate Social Responsibility Committee. His term will expire at the end of the annual general meeting called to approve the financial statements for the year ended December 31, 2021. A proposal has been submitted to the Ordinary General Meeting to be held on June 14, 2022 for the renewal of his term for four years. He was the Executive Chairman of Aciex Therapeutics, Inc., a pharmaceutical development company acquired by Nicox in October 2014. Dr. Kaplan began his career at Allergan Inc., where he served as president, research and development and led approvals of over 20 major pharmaceutical products and indications. Prior to joining Allergan, Dr. Kaplan held research positions at the Upjohn Company and at the University of California, Los Angeles, and instructed in chemistry at both Temple University (Philadelphia) and

UCLA. He previously has served on the boards of Allergan, Altheos (USA), Acadia Pharmaceuticals, Inc (USA) and Neurotech, Inc (USA). Dr. Kaplan received a B.S. in chemistry from the University of Illinois (USA), and a Ph.D. in organic chemistry from the University of California, Los Angeles (USA). He is 71. He can be contacted at 1710 Anglers Dr, Steamboat Springs, CO81487, United States. He holds 82,034 Nicox shares.

Lauren Silvernail was appointed director of Nicox in May 2017. She is the Chair of the Corporate Governance Committee and the Corporate Social Responsibility Committee and a member of the Audit Committee. Her term will expire at the end of the annual general meeting called to approve the financial statements for the year ended December 31, 2024. Ms. Silvernail is currently Chief Financial Officer and Executive Vice President of Corporate Development of Evolus Inc. She will leave Evolus on May 31, 2022 following her retirement. Before joining Evolus, Ms. Silvernail was Chief Financial Officer and Chief Business Officer of Revance Therapeutics Inc. Before joining Revance, Ms. Silvernail was Chief Financial Officer and Vice President, Corporate Development of ISTA Pharmaceuticals, Inc. from 2003 to 2012. Between 1995 and 2003, Ms. Silvernail served in different operational and corporate development roles for Allergan Inc., including Vice President of Business Development. From 1990 to 1994, she was a general partner of Glenwood Ventures and a member of the boards of directors of several Glenwood portfolio companies. Ms. Silvernail began her career at Varian and Bio Rad Laboratories. Ms. Silvernail received a B.A. in biophysics from the University of California, Berkeley, and an M.B.A. from the University of California, Los Angeles. She is 63. She may be contacted at 10 Hertford, CA 92657 Newport Coast, United States She does not hold any Nicox shares.

Independence of directors

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

The internal rules of the Board of Directors, which were updated in 2021 following the decision to refer to the MiddleNext Corporate Governance Code, stipulate that the Board must have, to the extent possible, two directors considered to be independent, and that it must reevaluate the independence of its members under the criteria set by the Board every year.

The Board, which refers to the MiddleNext Code, decided that the criteria for evaluating the independence of Board members would be the criteria defined in the MiddleNext Code as updated in September 2021, i.e.:

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

COMPLIANCE OF EACH DIRECTOR WITH THE INDEPENDENCE CRITERIA OF THE MIDDLENEXT CODE[(1) (2)]		
Director	**In compliance**	**Not in compliance**
Michele Garufi [(1)]		X
Jean-François Labbé [(2)]	X	
Adrienne Graves	X	
Luzi von Bidder	X	
Les Kaplan	X	
Lauren Silvernail	X	

(1) At its meeting held on December 16, 2021, the Board concluded that the only non-independent director, based on the independence criteria set out in the updated version of the Middlenext Code, is Michele Garufi in his capacity as Chairman and Chief Executive Officer.

(2) It should be noted that Mr. Labbé's candidacy had been proposed by the Banque Publique d'Investissement (Bank for Public Investment, formerly Strategic Investment Fund) when appointed in 2010.

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

According to statements made in late 2021, five directors, namely Adrienne Graves, Lauren Silvernail, Jean-François Labbé, Luzi von Bidder and Les Kaplan, declared that they had no direct or indirect relationship with any Group companies, their directors or Chief Executive Officers.

One director declared the following link with a Group company, its directors or Chief Executive Officers. Michele Garufi as a corporate officer of Nicox SA, Nicox Research Institute Srl, Nicox Ophthalmics, Inc.

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

Directors

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

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

Their terms of office as directors is for four years.

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

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

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

The Board of Directors carries out the inspections and verifications it deems necessary. The Chairman or the Chief Executive Officer of the company must communicate to each director all the documents and information necessary to perform his mission.

Non-voting Advisors

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

There are presently no Non-voting Advisors with the Company.

Service contracts

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

IV.2. Operation of the Board of Directors

Internal rules of the Board of Directors

The operation of the Company's Board of Directors and its working committees is governed by rules of procedure that were updated in 2021, primarily to establish a new working committee, namely the Science and Technology Committee.

These internal rules contain provisions on the following:

- The powers of the Board of Directors. The internal rules stipulate that the Board defines the strategies of the Company's activities and ensures that they are implemented. Subject to the powers expressly granted to shareholders' meetings, and within the limits of the corporate purpose, the Board considers any question that is relevant to the proper operation of the Company and decides the Company's affairs through its resolutions. In particular, the Board rules on the budget, the business plan and, in general, any major transaction. In the event of a difference between a decision of the Board and a MiddleNext recommendation, the Board shall provide an explanation for this difference (according to the "*comply or explain* " principle).

  The composition of the Board of Directors, in order to ensure and monitor its independence. Thus, the internal rules stipulate that the Company's Board must have, to the extent possible, at least two independent members. The independence of the directors must be reevaluated annually by the Board on the basis of the criteria set forth in the revised MiddleNext code of September 2021.

  The procedures and conditions for meetings of the Board of Directors. The Internal Rules of Procedure stipulate that, subject to the limits and exceptions provided by law, directors who participate in the meeting via videoconferencing or electronic methods that allow identification and guarantee effective participation, the nature and conditions of which shall be defined by the regulations in force and subject to reservations stipulated by said regulations, shall be deemed present for calculating the quorum and majority. In this respect, it is specified that participation via videoconferencing or electronic methods is not open for Board meetings called for the purpose

of establishing the annual financial statements, the consolidated financial statements and the management report.

- The procedures for information to the members of the Board of Directors. In particular, the Internal Rules of Procedure provide for an obligation to regularly inform the directors of the Company's financial position, about the cash it holds and its financial commitments. It also provides that the Chairman of the Board of Directors must provide Board members with all significant information concerning the company. The internal rules stipulate, for each member of the Board, the right to obtain any information or document the member believes he needs to perform his duties and/or to meet with any of the senior executives of the company outside the presence of the Chair of the Board. The rules also provide that directors must receive, prior to meetings, all documents and information required for them to perform their mission. These documents and information shall be transmitted to them by email to the extent possible, approximately one week before the meeting.

- The list of the decisions for which the Chief Executive Officer must obtain prior approval from the Board.. This list includes: decisions to establish operations in international markets or withdraw from foreign sites; significant transactions that could impact the Group's strategy or modify its financial structure or scope of activity; the acquisition or sale of stakes in other companies; all transactions covering assets, securities or stocks; the acquisition or sale of real estate; the granting of sureties on corporate assets, or obtaining loans in excess of €150,000.

- The conditions for appointment and the role of the Working Committees. The internal rules stipulate that the Board may form committees to prepare its work. The Board defines the role assigned to each committee; it is specified that these committees operate under the exclusive and collective responsibility of the Board members. The mission of the committees is to clarify the Board's decisions through their analyses, and they formulate proposals, recommendations and opinions for this purpose. The members of the committees must personally participate in the meetings and may not be represented by another member. The committees may not deliberate with fewer than half the members. The committees can consider any question falling within their area of expertise. They may also be petitioned by the Board of Directors or the Chair.

- Audit Committee responsibilities.. The mission of the Audit Committee is to ensure the quality of the Internal Audit and the reliability of the information provided to shareholders and the financial markets. In particular, it is responsible for monitoring the process to prepare the financial information, evaluating procedures, monitoring the control of the parent company and consolidated financial statements by the Statutory Auditors (review of the assumptions used to close the financial statements, review of the annual, half-yearly and quarterly financial statements, if applicable, before they are reviewed by the Board of Directors, a review, in consultation with the Statutory Auditors, of the accounting principles and methods used, examination of the major transactions that might generate a conflict of interest), monitoring the independence of the Statutory Auditors, the procedure for selecting them, their fees, and the use of the Statutory Auditors for work other than auditing the financial statements.

- Audit Committee members. The Audit Committee is comprised of three members, all independent directors appointed for the duration of their term as board members that includes at least one member with specific expertise in finance or accounting. The Chairman-CEO is not a member of the Audit Committee. The Audit Committee meets whenever it deems necessary and

at least twice a year before the Board meetings that review the annual and half-yearly financial statements. The Audit Committee may conduct visits or audition managers of operating or functional entities that are useful for performing its mission. It may also meet with the statutory auditors, including outside the presence of the senior executives. It may be assisted by outside experts subject to the Board of Directors' authorization.

- Compensation Committee responsibilities. The mission of the Compensation Committee is to make recommendations on the general compensation policy for executive corporate officers (fixed and performance-based, in-kind benefits, retirement, severance packages), and the award of restricted stock units (*actions gratuites*), stock options or equity warrants; to make recommendations concerning all elements of compensation for each executive officer (including in-kind benefits); to make proposals concerning the total allocation for directors' compensation and its allocation, on all elements of compensation (including the award of stock options or restricted stock units) and for the principal executives (Senior Managers, Vice Presidents, Vice President for Finance); to review the annual increase in the payroll; to review plans to grant shares and stock options, and the criteria and conditions applicable to these grants; to collect information about the compensation and benefits paid to the corporate officers of the Company and the companies that it controls.

- Compensation Committee members. The Compensation Committee has three to five members, half of whom should be considered independent, if possible. The Chief Executive Officer is not, in principle, a member of the Compensation Committee. The Compensation Committee meets whenever it deems necessary, and at least once a year. The Compensation Committee may ask the Chair to provide any document or interview any person.

- The responsibilities of the Corporate Governance Committee. The mission of the Corporate Governance Committee is to propose criteria to evaluate the independence of Board members, assess the effectiveness, relevance and implementation of the corporate government procedures, and to make recommendations to improve them, submit proposals on the composition and responsibilities of the committees, and examine candidates for director and strategic management positions.

- The members of the Corporate Governance Committee. The Corporate Governance Committee has three to five members, half of whom are considered independent, if possible. The Chief Executive Officer is not, in principle a member of the Corporate Governance Committee, but he participates in the work of the Committee to select directors and corporate executive officers. The Corporate Governance Committee meets whenever it deems necessary, and at least once a year. The Corporate Governance Committee may ask the Chair to provide it with any document or interview any person.

- Science and Technology Committee responsibilities. The mission of the Science and Technology Committee is to assist the Board in supervising the scientific and technical aspects of the company's activities and periodically provide the Board with information. Its mission consists mainly in assisting the Board in supervising the objectives of the R&D programs by examining progress and performances of management in meeting the objectives and by limiting the associated risks, examining the Company's research pipeline, examining recommendations of the Board on the scientific, technical and medical aspects of operations which must be submitted to the Board for approval, identifying new trends and significant developments in the area of science

and R&D and their potential impact on the Company, reviewing the Company's intellectual property portfolio and its strategy in this area, performing all activities that the Committee shall deem necessary or appropriate to exercise its responsibilities to assist the Board in supervising the Company's R&D activities. The Committee may, in connection with its missions, request the Chairman to provide it with any document or allow it to meet with any person, and notably the Chief Scientific Officer, the Head of Development, the Chief Business Officer, the Chief Financial Officer and external advisors.

- Composition of the Science and Technology Committee. The Committee is comprised of at least two and not more than five directors. To the possible, the members shall be considered as independent. In principle, the Chairman of the Board of Directors, the Chief Executive Officer and the Executive Vice President are not members of the Science and Technology Committee. However, the Chairman of the Board of Directors is associated with the work of the Committee at the request of its members. The Committee meets whenever it deems necessary, and at least three times a year. It sets the calendar of its meetings. It may also meet at the request of two of its members, its Chair or the Chairman of the Board of Directors.

  Corporate Social Responsibility Committee responsibilities. The Committee assists the Board in overseeing the social, societal and environmental aspects of the Company's activities and regularly provides information to the Board. Its mission is to examine employment, social and environmental issues and to consider areas for improvement to be proposed to the Board, in particular to help the Board consider how to share value and achieve a balance between the level of employee compensation, compensation for shareholder risk-taking and the investments needed to ensure the company's long-term sustainability. The CSR Committee works in coordination with other committees, according to the issues involved.

  Corporate Social Responsibility Committee members. The Committee is comprised of at least two and not more than five directors. As far as possible, it is composed of members considered to be independent, and is chaired by an independent member. In principle, the Chairman of the Board of Directors, the Chief Executive Officer and the Executive Vice President are not members of the CSR Committee. However, the Chairman of the Board of Directors is associated with the work of the Committee at the request of its members. The Committee meets whenever it deems necessary, and at least once a year. It sets the calendar of its meetings. It may also meet at the request of two of its members, its Chair or the Chairman of the Board of Directors. The Committee may, as part of its mission, ask the Chairman to provide it with all documentation or allow it to consult with any person, including external advisors. It may be assisted by qualified persons, as needed.

- Principles for allocating directors' compensation. For the distribution of directors' compensation, the Board may take into consideration the activity of the directors, attendance of members at Board meetings, and any participation in the work of the Committees.

- A restatement of the confidentiality obligations;

- A restatement of the legal obligation for members of the Board of Directors to hold their shares in registered form;

- The declaration procedures for transactions executed by the directors and their relatives in securities of the Company, which stipulates an obligation for Board members and chief executive officers to declare in writing each of the transactions they, or their families, have executed in securities of the Company to the French *Autorité des Marchés Financiers*, within five trading days, in accordance with the procedures and force;

- Recommendations to prevent insider trading.

In addition, the Board of Directors adopted, for its employees and officers, recommendations to prevent insider trading in the Company. These recommendations contain a list of precautions to take to preserve the confidentiality of sensitive information; a general obligation to abstain if privileged information is held, and a specific obligation to refrain from executing any transaction in Nicox financial instruments (or financial instruments related to Nicox securities) for thirty calendar days before, and one day after, the publication of the annual and interim results and fifteen calendar days before, and one day after, the publication of quarterly financial information.

Meetings of the Board of Directors

During 2021, the Company's Board of Directors met eleven times.

Board meeting dates	**Number of directors attending**	**Total number of directors**
January 14, 2021	6	6
January 28, 2021	6	6
February 26, 2021	6	6
April 28, 2021	5	6
May 5, 2021	5	6
July 19, 2021	6	6
September 24, 2021	5	6
October 13, 2021	6	6
November 29, 2021	3	6
December 08, 2021	4	6
December 16, 2021	6	6
Percentage	**88%**	-

In 2021 the Company's Board of Directors considered the following issues:

- Update of the Company's articles of association following the delivery of RSUs;
- Grant of stock warrants;
- Issuance of restricted stock units;
- Approval of the amendments to the terms and conditions of the bond financing agreement with Kreos;
- Issuance of share warrants to Kreos;
- Issuance of convertible bonds to Kreos;
- The company’s objectives for 2021;
- Adoption of the parent company annual and consolidated financial statements for the period;
- Proposed net income (loss) appropriation;
- Annual operating highlights and key figures
- Report on corporate governance

- The 2020 universal registration document constituting the annual financial report and management report;
- Review of related-party agreements;
- Review of related-party agreements concerning current operations entered into under normal conditions;
- Consideration of the terms of office of directors and statutory auditors;
- Special report on stock options or stock purchase options
- Special report on restricted stock units (*actions gratuites*);
- Achievement of 2020 objectives;
- Compensation of the Chairman-Chief Executive Officer
- The business plan;
- Budget;
- Convening an ordinary and extraordinary general meeting;
- Appointment of the Chairman of the Board of Directors and the Executive Management of the Company;
- Payments owed or that may be owed to the Chairman and Chief Executive Officer;
- Share buyback program;
- Update of the stock option plan rules;
- Update of the regulations of the restricted stock plan;
- Approval of the 2021 interim consolidated financial statements;
- Reporting at June 30, 2021, comparison with the budget;
- Approval of the consolidated interim financial report
- Approval of the updated IFRS budget;
- Issuance of new shares with warrants ;
- Convening the meeting of the holders of stock options and share warrants;
- Review of the risks to which the Company may be exposed;
- Discussion on the operations of the Board of Directors
- Annual review of the independence of directors, links between directors and with the Company; potential conflicts of interest;
- Management succession planning for the Chief Executive Officer and key managers, plan in the event of a temporary unavailability of the Chief Executive Officer and key managers;
- The social, employment-related and environmental consequences of the Company's businesses and strategy;
- Directors' compensation;
- Review of the Company's wage policy;
- Discussion of the "recommendations" and "points to be watched" of the MiddleNext corporate governance code ;
- Amendments to the internal rules of procedure for the purpose of complying with the revised MiddleNext governance code;
- Annual operating highlights and key figures.

It should be noted that in accordance with Article 15 of the articles of association, the members of the Board of Directors were convened verbally and/or by e-mail to meetings of the Board. Approximately one week before each meeting, they received in electronic format the documents and information submitted for the review by Board, with explanatory summaries.

In accordance with Article L. 823-17 of the French Commercial Code, the statutory auditors were convened to meetings of the Board held to approve the yearly and half-yearly consolidated financial statements.

Provisions of the By-laws

The Company is administered by a Board of Directors currently composed of six members.

Their terms of office as directors are for four years. The term of office of directors ends at the end of the ordinary general meeting called to approve the financial statements for the past year, which is held in the year in which the term expires.

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

The Board of Directors carries out the inspections and verifications it deems necessary. The Chair or the Chief Executive Officer of the Company must communicate to each director all the documents and information necessary to perform his mission.

The Board elects a chairman from among the members, who must be an individual, under penalty of nullification of the election. The Board determines his compensation and the term of office, which may not exceed his term as a director. The Chair of the Board must be less than 70 years old. If this age limit is reached during his term, the Chair of the Board shall be deemed to have automatically resigned from office. His term is extended, however, until the next meeting of the Board of Directors, which will then elect a new Chair.

The Chair organizes and directs the work of the Board and reports on that work to the general meeting of the shareholders. He ensures the correct operation of the corporate bodies and ensures that directors are able to perform their mission.

The Board of Directors meets as often as required by the Company's interest, on a notice from the Chair. In addition, if the Board has not met for more than two months, directors representing at least one-third of the members of the Board may ask the Chair to call a Board meeting on a specific agenda. When the positions of Chair and Chief Executive Officer are held by two persons, the Chief Executive Officer may ask the Chair to call a Board meeting on a specific agenda. The notices of meeting are issued by all methods, even verbally. Board meetings are held at the registered office, or at any other location indicated in the notice of meeting. The Board may validly deliberate only if at least half of the members are present. Decisions are made by a majority vote of the members present or represented.

Directors who participate in Board meetings via videoconferencing or electronic methods that allow their identification and effective participation are deemed present for counting the quorum and majority. The nature and conditions of such methods are determined by the regulations in force and subject to the reservations stipulated by said regulations.

The Chair does not have the deciding vote in the event of a tie vote. One or more advisors may assist in an advisory capacity at meetings of the Board of Directors.

Assessment of the operations of the Board of Directors

The Internal Rules of Procedure of the Board of Directors provide that the Board must devote one item on its agenda, at least once a year, to a discussion of its operations.

The annual discussion of the operations of the Board of Directors for 2021 took place in December 2021. In particular, this discussion covered the conditions for preparing Board meetings, the frequency and duration of the meetings, the composition of the Board (diversification of expertise and balance of powers), and the use of an outside expert for technical questions. The Board considered that its operating practices were satisfactory.

Number of shares to be held by the directors

The by-laws stipulate no obligation for directors to own shares.

Members and operation of the committees

The Board of Directors has four Committees, whose functions are governed by the internal rules of the Board (see section I.2, Internal Rules).

Audit Committee

The Audit Committee comprises three directors: Jean-François Labbé, Luzi von Bidder, Lauren Silvernail. It is chaired by Jean-François Labbé. The Chief Executive Officer attends the Audit Committee meetings.

It should be noted that during the annual discussion at the Board of Directors' meeting held on December 16, 2021, the directors comprising the Audit Committee on that date were considered independent by the Board of Directors in application of the recommendations of the MiddleNext code.

During the 2021 fiscal year, the Audit Committee met six times. The attendance rate at these meetings was 100% for five meetings and 66.7% for one meeting. The Audit Committee's work included the review of the budget and revised budget, comparative analysis of the budget and updated data, key closing issues and certain tax issues..

Compensation Committee

The Compensation Committee comprises three directors: Adrienne Graves, Jean-François Labbé, Lauren Silvernail. It is chaired by Adrienne Graves.

It should be noted that during the annual discussion at the Board of Directors' meeting held on December 16, 2021, the directors comprising the Compensation Committee on that date were considered independent by the Board of Directors in application of the recommendations of the MiddleNext code.

The recommendations of the Compensation Committee regarding the stock option allocation or share purchase policy, which were adopted by the Board, consist in systematically awarding stock options or restricted stock units to the Group's new employees. The number of options or restricted stock units awarded to beneficiaries is based on their responsibilities. The Compensation Committee also recommended the award of options or restricted stock units to the Group's employees and corporate officers after their appointment to promote employee retention. The Board adopted these recommendations too.

During the 2022 fiscal year, the Compensation Committee met four times. The attendance rate at these meetings was 100%. The work of the Compensation Committee focused in particular on the following subjects: the rules for calculating employee bonuses, the allocation of restricted stock units (*actions gratuites*) and stock options, compensation for the Chief Scientific Officer, the recruitment plan, the proposed overall increase in the payroll for 2022, and compensation for the Chief Executive Officer for 2022.

Corporate Governance Committee

The Corporate Governance Committee comprises three directors: Lauren Silvernail, Luzi von Bidder and Les Kaplan. It is chaired by Ms. Lauren Silvernail..

It should be noted that during the annual discussion at the Board of Directors' meeting held on December 16, 2021, the directors comprising the Corporate Governance Committee on that date were considered independent by the Board of Directors in application of the recommendations of the MiddleNext code.

During the 2021 fiscal year, the Corporate Governance Committee met once. The attendance rate at this meeting was 100%. The Corporate Governance Committee’s work focused in particular on the changes to the MiddleNext corporate governance code, the "recommendations" and " points to watch" of the revised MiddleNext corporate governance code, the risks faced by the Company; Board operations; the status of Board members' relationships with the Company, with the members of its Board of Directors and with its Chief Executive Officer; the annual assessment of directors' independence; the annual discussion of conflicts of interest; the succession plan for the Chief Executive Officer and key executives, and the plan in the event of temporary unavailability of the Chief Executive Officer and key executives.

Science and Technology Committee

The Science and Technology Committee is comprised of two directors: Adrienne Graves and Les Kaplan. The Committee is chaired by Les Kaplan.

It should be noted that during the annual discussion at the Board of Directors' meeting held on December 16, 2021, the directors comprising the Science and Technology Committee on that date were considered independent by the Board of Directors in application of the recommendations of the MiddleNext code.

During 2021, the Science and Technology Committee met twelve times with an attendance rate of 100%. During these meetings, the Committee discussed, among other subjects, precautions to be adopted in ongoing clinical studies in the context of the COVID 19 epidemic, the follow-up of patient enrollment after the start of the Phase 3 clinical studies on NCX 470, the results of the Phase 2b clinical study on NCX 4251, the preparation of the end-of-Phase 2 meeting with the U.S. FDA for NCX 4251, and its future development plan.

Changes to the articles of association

Changes to the articles of association are made under the conditions provided for by law.

V. COMPENSATION POLICY FOR CORPORATE OFFICERS

The compensation policy for corporate officers as from January 1, 2022 is described in section 13.1 of the universal registration document.

VI. ITEMS RELATING TO THE COMPENSATION OF CORPORATE OFFICERS COVERED BY ARTICLE L.22-10-9 OF THE FRENCH COMMERCIAL CODE

Refer to section 13 of the universal registration document.

VII. LIMITATION OF THE POWERS OF THE CHIEF EXECUTIVE OFFICER (*DIRECTEUR GÉNÉRAL*)

Chief Executive Officer

The ordinary general meeting of April 28, 2021 re-elected Michele Garufi to the Board for a term of four years that will expire at the end of the annual general meeting called to approve the financial statements for the year ended December 31, 2024.

At its meeting of April 28, 2021, the Board of Directors elected Michele Garufi as Chairman of the Board. Reporting back on the Management of the Company, the Board decided at this same meeting of April 28, 2021 that the position of Chief Executive Officer would be held by the Chairman of the Board, Michele Garufi, who would then have the title of "Chief Executive Officer. The Board decided to set the term of office of the Chairman-CEO at four years, expiring at the end of the general meeting called to approve the financial statements for the year ended December 31, 2024, which is his term of office on the Board as renewed by the Ordinary General Meeting of April 28, 2021.

The limitations placed by the Board of Directors on the powers of the Chairman-CEO are set forth in Article 4 of the Internal Rules of Procedure of the Board, presented below:

Article 4: Exercise of his powers by the Chief Executive Officer

"The following decisions of the Chief Executive Officer are subject to prior authorization by the Board of Directors:

a) Significant decisions to create sites abroad through the setting up of offices, a direct or indirect subsidiary, or through an acquisition of an equity interest, as well as the decisions to withdraw from these sites;
b) Significant transactions that could affect the strategy of the Group or change its financial structure or its scope of activity;
c) The acquisition or sale of all stakes in any and all companies created or to be formed, the participation in the formation of all companies, groups and organizations, the subscription to all issues of shares, units and bonds;
d) Any exchanges, with or without cash balance, of assets, securities or stocks;
e) The acquisition or sale of real estate;
f) Sureties granted on corporate assets;
g) Securing loans exceeding €150,000.

More generally, the Chairman will submit for prior Board approval any significant transaction outside the stated strategy of the company. The significant or non-significant nature of such transactions shall be assessed by the Chairman, under his responsibility. "

As of this date, the Company has no Chief Operating Officers.

VIII. STATEMENT RELATING TO CORPORATE GOVERNANCE AND COMPLIANCE WITH THE MIDDLENEXT CODE

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

Recommendations of the MiddleNext Code	Explanations for their non-application
(*Recommendation 1*) Each director should attend shareholders' general meetings.	The Company's general meetings are generally attended by fewer than five shareholders. In 2021, general meetings were held in closed session.
(Recommendation 21) Condition of performance applicable to stock options evaluated over a period of at least 3 years.	The exercise of stock options is contingent on achievement of the company's objectives for the year, a period considered relevant in relation to the company's objectives.

The following table furthermore summarizes those Middlenext[i] recommendations the Company is required to apply as a listed company on the regulated market of Euronext Paris.

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

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

(1) The directors do not participate in the general meetings due to the small number of shareholders attending (four at the general meetings of 2020, closed session meetings in 2021).).

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

IX. CONDITIONS FOR SHAREHOLDER PARTICIPATION IN SHAREHOLDERS' MEETINGS

The conditions for shareholder participation in general meetings are described in section 19.2.5 “General Meetings” of the universal registration document. They are stipulated in Article 19 of the Company's articles of association.

X. DESCRIPTION OF THE PROCEDURE IMPLEMENTED BY THE COMPANY IN APPLICATION OF ARTICLE L.22-10-12, PARAGRAPH 2 OF THE FRENCH COMMERCIAL CODE

On January 27, 2020, the Board of Directors adopted a Charter to define procedures for evaluating related party agreements concerning current operations entered unto normal conditions.

Under the terms of this charter, the CEO must be immediately informed prior to the signature of any agreement which may qualify as a related party agreement:

- by the person directly or indirectly concerned who is informed that an agreement under consideration likely to be qualified as a related party agreement within the meaning of article L. 225-38of the French Commercial Code; and
- More generally, by any person of the Company who is informed of an agreement under consideration likely to be qualified as a related party agreement within the meaning of article L. 225-38of the French Commercial Code.

The CEO, with the assistance of the Company’s Statutory Auditors and, as applicable, the Board of Directors, will review the agreements under consideration and determine if they must be qualified as related-party agreements or agreements made in the ordinary course of business.

The CEO will review on an annual basis the ordinary agreements whose terms and conditions may have evolved to determine if they continue to meet the requisite conditions.

In accordance with the provisions of article L 225-39, paragraph 2 of the French Commercial Code, persons directly or indirectly concerned by the agreement involved shall not participate in its evaluation.

The conclusions of the review will be submitted to the Board of Directors.

XI. INFORMATION REQUIRED UNDER ARTICLE L.22-10-11 OF THE FRENCH COMMERCIAL CODE

Consequences of a change in control of the company on the principal agreements

After a review of the Company's principal agreements, it appears that the following agreements may be affected by a change in control of the Company, under the conditions described below:

The bond financing agreement with Kreos Capital VI (UK) Limited dated January 29, 2019, as amended by successive amendments, was further modified by a new amendment dated November 30, 2021 (the Amendment). Prior to the signature of this Amendment, the nominal amount of the debt with Kreos Capital amounted to €16.9 million; The amendment executed on November 20, 2021 introduced the following changes (with the other terms of the original contract remaining unchanged): (i) the maturity period of the loan has been extended by 18 months, i.e. until January 1, 2026, it being specified that the Company benefits from an option to extend this period by 6 months (i.e. until July 1, 2026) if the clinical trial of the Mont-Blanc study meets the primary endpoint of non-inferiority compared to latanoprost and (ii) the Company will also benefit from an extension of the interest-only payment period to August 1, 2023, which may be extended by an additional 6 months (to February 1, 2024) at the Company's option and subject to the same condition relating to the Mont Blanc study. The Amendment also provides for prepayment, without penalty, of 30% of the bond principal, i.e., €5,087,347, on its date of effect. This amount was transferred by Kreos Capital VI (UK) Limited to Kreos Capital VI (Expert Fund) L.P., to subscribe by way of offset to an issue of bonds convertible into new shares (the "Convertible Bonds"), reserved for subscription by Kreos Capital VI (UK) Limited (the "Convertible Bond Issue "). The convertible bond issue consisted of 3,300,000 bonds with a nominal value of 1 euro each, conferring entitlement to a maximum of 900,000 new shares with a nominal value of 1 euro each if converted into shares (able to be converted at any time, subject to a non-conversion period of 60 days from the date of issue). The conversion ratio for the Convertible Bonds into shares corresponds to a price of €3.67 or a 25% premium over the VWAP calculated on the 3-days trading preceding the date of the Board of Directors' meeting determining the final terms of the Convertible Bond Issue. The Convertible Bond Issue is secured by the collateral in place for the Bond Issue Agreement. The interest rate (9.25% per annum) and maturity are identical to those of the pre-existing debt issue. Should Kreos Capital VI (Expert Fund) L.P. fail to convert the bonds on maturity of the Convertible Bond Issue, the entire amount of the Convertible Loan remaining is due as a single payment at that time.. The remaining €1,787,347 under the Kreos Capital VI (Expert Fund) L.P.'s debt financing agreement were used to subscribe for the issue of new non-convertible bonds bearing an interest of 9.25%, with the same maturity as the Convertible Bond Issue and with an additional premium payable upon redemption, so that the total return to Kreos Capital VI (Expert Fund) L.P. is 1.75 times the initial amount of capital. The Amendment also provided for the payment to Kreos by the Company of a restructuring commission of €339,156.44.

In the case of a change of control of the Company, Kreos Capital may request prepayment of amounts owed under the agreement.

The other information required under article L 22-10-1 of the French Commercial Code included in sections 13 “Compensation policy for corporate officers as from January 1, 2021 ”, 16 “Principal

shareholders", 19.1 "Share capital", 19.2 "Memorandum and articles of incorporation" and 19.1.7 "Currently valid capital increase authorizations" of the universal registration document;

Drawn up on April 27, 2022

The Board of Directors

15 EMPLOYEES

15.1 Report on employment information

In 2021, Nicox Management decided to maintain the strategic focus of its research and development activity

Nicox is comprised of Nicox SA and the subsidiaries mentioned below.

As of December 31, 2021, the Nicox Group was comprised of the following:

- Nicox S.A., the Group's headquarters, based in Sophia Antipolis, France.
- Nicox Research Institute Srl, in charge of the Group's pre-clinical development and based in Bresso, Italy.
- Nicox Ophthalmics Inc. based in Durham (North Carolina) in the United States.

15.1.1 Nicox Group workforce

A breakdown of the Nicox Group workforce is presented below:

Departments	December 2021	December 2020	December 2019	December 2018	December 2017	December 2016	December 2015	December 2014	December 2013
Research and development	20	22	22	19	16	18	24	19	13
Marketing/Commercial	0	0	0	0	0	0	88	87	70
Other	12	12	13	15	12	15	22	21	18
Total	**32**	**34**	**35**	**34**	**28**	**33**	**134**	**127**	**101**

At December 31, 2021, the Group had 32 employees with permanent contracts. The Group does not employ temporary personnel and employees with fixed-term contracts. 2 employees are part-time.

- 14 people are employed by Nicox SA (one of which is part-time).
- 9 people are employed by Nicox Research Institute Srl (one of which is part-time).
- Finally, nine people are employed by Nicox Ophthalmics Inc. in the United States.

In 2021 and at the Nicox Group level, 7 employees left the company, 5 employees were hired on permanent contracts.

At December 31, 2021, women made up 62% of the workforce (65% in 2020) and men 38% (35% in 2020).

The average age was 50 at December 31, 2021 (compared to 45 at December 31, 2020).

Finally, at December 31, 2021, the age of the youngest employee was 24 and the oldest, 64.

15.1.2 Organization of working hours

Nicox adheres to the local rules applicable to working time management. They differ according to each country.

***For France*:**

In the beginning of 2015, the Human Resources Management (HRM) and social partners of Nicox SA adopted two agreements to improve the organization of working hours.

- An agreement on the duration and organization of working time. It was validated by LEEM, the French Pharmaceutical Companies Association;
- An agreement concerning home working or telecommuting, amended and renewed in October 2019.

The aim of these two agreements, which were simultaneously negotiated and signed, is not only to bring greater convenience and flexibility to the organization of working time but also to expand the scope of employee autonomy.

In 2021, working time is monitored by IT tools proposed by the payroll service provider (a system for managing absences) and through a table for monitoring the hours for employees subject to fixed working hours.

Over time work is either paid or compensated by time off.

Employees can consult the French national industry collective bargaining agreement for the chemical sector (*Convention Collective Nationale de l'Industrie Pharmaceutique*).

For the United States:

An internal regulation (“Employee handbook”) was drafted and implemented in the United States

The management system for vacation days is monitored internally and in 2020 a PTO (paid off time) management policy was adopted.

For Italy:

The automated vacation and absenteeism management system adopted in 2015 in collaboration with our payroll service provider has proved effective and contributed to a reduction in administrative tasks resulting from manual processing.

From this system, employees have access to and can download personal documents such as pay slips and their annual declaration (*Certificazione Unica*).

In 2015, and internal document ("Employee Handbook") was drafted and made available to all employees and providing information on the different rules governing the management of working hours, paid vacation, etc.

Employees can consult the French national industry collective bargaining agreement for the chemical sector.

For the Group:

The human resources procedure was implemented in 2017 and last revised in 2021.

whose purpose is to describe each step of the general human resource process:

- The recruitment process;
- The payroll process;
- The process for employee layoff;
- The process for absenteeism;
- The travel expense process;
- The annual employee review process;
- The grant of restricted stock units and stock options.

This procedure is regularly reviewed by the Company.

A procedure that describes the process of creation, updates, approval and the distribution of organization charts was adopted in 2018 and revised in 2021.

15.1.3 Absenteeism

Absenteeism is regularly monitored for Nicox SA through automated tools proposed by the HR/Payroll service provider.

In general, for the entire Nicox Group, the monitoring of absenteeism did not indicate or identify any potential dysfunctions (disengagement, burnout, etc.) at the level of the teams. This indicator is not relevant from this point of view.

	Jan.	Feb.	Mar.	April	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total	**Average**
Absences	3	19	29	17	0	0	31	32	24	32	42	53	282	**23.5**
Number of days Theoretical working hours	20	20	23	21	19	22	21	22	22	21	20	23	254	**21.2**
Absenteeism rate	0.94%	5.59%	7.42%	4.76%	0.00%	0.00%	8.68%	8.56%	6.42%	8.96%	12.35%	13.55%		**6.44%**

15.1.4 Nicox S.A. in 2021

	Jan.	Feb.	Mar.	April	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total	Average
Absences	0	0	3	21	18	21	25	3	0	0	3	0	94	7.8
Number of days Theoretical working hours	22	20	22	21	18	21	22	21	22	22	20	22	253	21.1
Absenteeism rate	0%	0%	0.80 %	5.88 %	5.88 %	5.88 %	6.68 %	0.84 %	0%	0%	0.88 %	0%		**2.24%**

The absenteeism rate for 2021 increased to 6.44% for Nicox SA up from 2020 (2.24%). This increase is due to the absence of a person between July and for health reasons.
The absenteeism rate is the total number of days of paid absence (sickness, maternity or accident, family event) divided by the theoretical number of working days in the year.

The theoretical number of working days is calculated as follows: Number of employees on the payroll (not FTE) in the month* number of working days in month X (number of working days - weekends - holidays in the month).

Days of absenteeism break down as follows:

	2021 - NICOX SA		
	Women	Men	Total
UNAUTHORIZED ABSENCES	0	0	0
CHILD'S ILLNESS 1/2D	0	0	0
FAMILY EVENT	3	0	3
ILLNESS	279	0	279
MATERNITY LEAVE	0	0	0
MATERNITY-RELATED SICK LEAVE	0	0	0
Total	282	0	282

In 2021, maternity leave related absences represented 0% of the total. The number of days of absenteeism rose in 2021 in relation to 2020.

Days of absenteeism for Nicox Research Institute break down as follows:

	2021 - NICOX Research Institute		
	Women	Men	Total
ABS CHILD'S ILLNESS	0	0	0
FAMILY EVENT	0	0	0
PATHOL. PREGNANCIES	0	0	0
ILLNESS	15	0	15
MATERNITY/ADOPTION LEAVE	0	0	0
Total	15	0	15

Absenteeism for 2021 amounted to 97 days, up from the prior year with 15 days compared to 14 in 2020.

For Nicox Ophthalmics Inc., the total number of sick days was 16 in 2021.

15.1.5 Compensation

To attract and retain talent, Nicox has implemented an ambitious and comprehensive remuneration policy that takes into account the individual performance of the employee and the collective performance of the Group.

Individual employee performance is reviewed each year at the time of the annual appraisal meetings. According to the level of achievement of the individual objectives, the employee's base salary is revised (or not). The overall percentage of merit increases is reviewed and decided each year according to the company's situation. The compensation policy is based solely on merit, and the company does not apply general salary increases.

In 2021, wage increases representing for an average amount 3% were adopted.

In addition, employees also benefit from the company bonus program. All employees can receive a bonus regardless of their level in the company. The amount distributed to employees is based on achievement of the company objectives and the objectives of the employee.

Finally, the company has adopted a program for long-term remuneration designed to associate employees with the company's share capital and strengthen long-term loyalty and retention. Each year, Nicox grants restricted stock units (*actions gratuites*) and/or stock options to each employee according to the plans approved by the Board of Directors.

All information concerning compensation and. and restricted stock units and stock options is available in the documents of the consolidated financial statements.

15.1.6 Industrial relations

This section on industrial relations relates only to France as none of the other subsidiaries has social partners.

Since the election of the members of the Social and Economic Committee (*Comité Social et Economique* or CSE), meetings are organized every month according to a calendar defined with the Committee.

Working conditions, health and safety

As Nicox's operations are primarily in the tertiary sector, there are no particular risks to report in respect of its office activities.

No work-related accidents were recorded in 2021 in Group subsidiaries.

15.1.7 Training of employees

Training needs are defined either during individual annual appraisals or as part of the business decision-making process. In both cases, the training course aims to develop skills so that the efficiency and/or ability of each employee increases (change of software, etc.) as the organization and regulations evolves.

In general, Nicox is attentive to the development of its employees by facilitating access to training throughout the year and organizing meetings with each employee to better understand their needs and propose the appropriate training.

Across the Nicox Group (not only in France), our automated comprehensive performance management system (annual appraisal) gives all employees the opportunity to discuss their training and development needs with their manager so that their objectives align with those of the Company. This is because developing the professionalism and autonomy of employees is key to their success in their work and therefore to the success of the Company.

For the 2021 training plan, the Company decided to limit training to only those activities that were strictly necessary.

In 2021, for Nicox S.A., 21 hours of training were provided, including a computer course on Excel for one employee and scientific training sessions for another employee.

The center for research and pre-clinical development in Italy ran 108 hours of training in 2021. These involved computer training for 5 employees, which benefited from full funding. In addition, scientific courses were provided for 2 employees.

12 hours of training were provided in 2021 to employees covering the subject of security. Internships organized were mandatory.

Employees of the US subsidiary were provided with 104 hours of scientific training in 2021.

15.1.8 Employment and integration of disabled workers

In 2021, Nicox SA employed one employee with disabilities. Because it employs less than 20 people, Nicox is not required to contribute to AGEFIPH (Fund Management Organization for the Professional Integration of People with Disabilities).

Nicox S.A. promotes the employment of disabled workers by also enlisting the services of a CAT (Occupational Support Center) to clean the premises.

15.1.9 Social welfare

Even though the Works Committee has been eliminated, management continued to allocate a budget for social welfare measures in 2021 in connection with French social security regulations. The management of this budget is assured by the Social and Economic Committee.

15.1.10 Outsourcing of certain Human Resources activities

The main HR activities are centralized in Italy for all Group subsidiaries.

Nicox has established partnerships with a number of HR service providers for the sustainable development of its various HR activities.

To address local issues specific to the different Group entities (France, Italy and the United States) including labor laws, payroll and personnel administration, the HR manager relies on local service providers with the requisite skills and expertise.

From time to time, the HR manager enlists the services of specialist remuneration companies to help defined the Group's compensation and benefits policy.

15.1.11 Employee participation in the share capital

In 2021, 99,350 restricted stock units (*actions gratuites*) were awarded to Group employees (Nicox SA, Nicox Research Institute SRL and Nicox Ophthalmics Inc.) pursuant to decisions of the three Board of Directors' meetings.

In 2021, 382,850 stock options were awarded to Group employees (Nicox S.A., Nicox Research and Nicox Ophthalmics) pursuant to decisions at a meeting of the Board of Directors.

15.1.12 Discrimination and diversity

The size of the company and the closeness of the teams mean that the Company has encountered no problems of discrimination and diversity, either on hiring or in the day-to-day management of the teams.

However, in order to prevent all forms of discrimination, the HR manager clearly states in the internal rules (Handbook) introduced in countries where Nicox has employees, that fighting discrimination and promoting diversity are major priorities for its human resources management. The company has also established and equal opportunity and inclusion policy.

The introduction of these internal rules provides the Company with an opportunity to remind its employees of the importance of respect for fundamental principles and to impose sanctions if necessary.

15.1.13 Greenhouse gas emissions

As yet, the Company has no environmental charter in place but is committed daily through various initiatives to combating the emission of greenhouse gases, such as for example:

- The introduction of carpooling for business travel (travel between Sophia Antipolis in France and Bresso in Italy)
- Teleworking; An agreement was concluded with labor partners in 2018 (replacing the agreement of 2014)
- An eco-driving guide attached to the Car Policy;
- Restriction on the engine size of company cars.

The Company is keenly aware of the importance of social, societal and environmental issues.

We have procedures in place to govern the way we conduct our business which include gender equality, inclusion and anti-corruption measures. We reviewed our service providers' statements on gender equality, inclusion and combating corruption and the overwhelming majority of our service providers have implemented policies in these areas.

Nicox outsources the development of its compounds (synthesis, formulation and manufacturing of molecules and products, non-clinical studies and clinical studies). We have adopted sustainable development measures in our offices.

Although we have little influence on the environmental policies of our subcontractors because of the size of our company, we do review and consider these issues for our major suppliers, including in the selection process. Our key subcontractors declare that they have policies in place to reduce their environmental impact, and those that do not have such policies have undertaken to do so in the near future. Some have

been evaluated by environmental rating agencies, achieving high scores, and others provide reports in accordance with international sustainability assessment standards. Some service providers have given us detailed reports on their progress in certain key areas.

15.2 Shareholdings and stock option plans

15.2.1 Shareholdings

The equity interests held by corporate officers in the Company's capital are detailed below:

Name of Corporate Officer	Number of shares held at April 15, 2022
Michele Garufi	592,051
Adrienne Graves	-
Jean-François Labbé	-
Les Kaplan	82,034
Luzi von Bidder	10,000
Lauren Silvernail	-
TOTAL	**684,085**

At April 15, 2022, the Company's administrative and executive management bodies held, to the Company's knowledge, 684,085 shares, namely 1.59% of the share capital and voting rights based on the number of shares outstanding at March 31, 2022, the date of the most recent disclosure of voting rights (Article 223-16 of AMF General Regulations).

15.2.2 Options granted to and not exercised by the ten highest-paid employee beneficiaries (excluding directors and officers) and those exercised by the latter, including other financial instruments giving access to the capital (share warrants, stock options and founders' warrants, etc.).

The following table provides a summary of financial instruments giving access to the capital (restricted stock units and stock options) granted, subscribed and received in 2021 by the ten employee beneficiaries (excluding directors and officers) receiving the largest number:

Restricted stock units (RSUs) (1)							
RSUs awarded during the year to the ten employees having received the highest number thereof	**Number of RSUs granted/vested shares/transferable shares**	**02/12/19**	**04/19/19**	**04/19/21**	**09/16/19**	**01/14/21**	**05/05/20**
RSUs during the year to the ten employees (excluding directors and officers) of the Company and its subsidiaries who received the highest number thereof	57,500	-	-	-	-	43,700	13,800
RSUs of the Company finally vested during the year by the ten employees of the Company and its subsidiaries receiving the largest number	82,800	50,000	8,000	12,000	12,800	-	

(1) one right = one share

Stock options (1)			
Options to purchase or subscribe shares granted to and exercised by ten beneficiary employees who are not corporate officers	**Total number of shares granted / subscribed or purchased**	**Weighted average price**	**01/14/21**
Options granted during the year by the issuer, and by any company within the scope of the option grant, to the ten employees of the issuer and any company within that scope receiving the largest number of options	129,500	€3.52	129,500
Options to buy shares in the issuer and the foregoing companies exercised during the year by the ten employees of the issuer and those companies who bought or subscribed to the largest number of shares (aggregate figures)	-	-	

(1) one right = one share

15.2.3 Stock options

Based on the stock options outstanding at December 31, 2021, 1,041,550 shares may be issued (taking into account the 5-for-1 reverse stock split in 2015) representing 2.4% of the share capital on this date.

During fiscal 2021, 382,850 stock options were granted to Group employees (Nicox SA, Nicox Research Institute SRL et Nicox Ophthalmics Inc.) conferring rights to subscribe for an equivalent number of shares.

In addition, 271,600 options entitling the holder to 111,600 shares were canceled following employee departures or after these rights expired during fiscal 2021.

The Company has issued no share purchase options. Except subject to a decision to the contrary by the Board of Directors, options may only be exercised if the beneficiary holds employee or corporate officer status in a Group company on the date on which the options are exercised.

The following table summarizes the stock options outstanding at December 31, 2021

Options outstanding at December 31, 2021 (1) :

Board of Directors' meeting date	Options granted	Exercise date of the options	Expiry date	Subscription price per option in euros	Number of canceled or expired options	Options outstanding	Number of outstanding shares issuable upon exercise of the options
Plan authorized by the General Meeting of 10/22/2014							
01/30/2015	200,000	01/30/2019	01/30/2021	€1.87	200,000	0	0
	200,000				**200,000**	**0**	**0**
Plan authorized by the General Meeting of 05/24/2018							
02/12/2019	176,550	02/12/2021	02/12/2027	€6.05	41,400	135.150	135.150
01/27/2020	394,750	01/27/2022	01/27/2028	€4.79	44,100	350.650	350.650
	571,300				**85,500**	**485.800**	**485.800**
Plan authorized by the General Meeting of 06/30/2020							
10/15/2020	108,000	10/31/2021	10/15/2028	€2.92	12,000	96,000	96,000
10/15/2020	108,000	10/31/2022	10/15/2028	€2.92	12,000	96,000	96,000
01/14/2021	382,850	01/14/2023	01/14/2029	€3.52	19,100	363,750	363,750
	598,850				**43,100**	**555,750**	**555,750**
	1,370,150				**328,600**	**1,041,550**	**1,041,550**

(1) No option has been exercised
(2) 5 options = 1 share

The exercise of these stock options granted in 2015 was subject to the determination that at least 70% of the Company's objectives had been achieved for 2015, which was the case.

No stock options were awarded in 2016, 2017 and 2018.

With respect to stock options granted in 2019 and 2020, the exercise of rights granted to Michele Garufi, Gavin Spencer, Sandrine Gestin, Emmanuelle Pierry and Tomas Navratil was subject to the Board's finding that at least 70% of the company's objectives for 2019 and 2020 had been met, which was the case.

The exercise of the stock options granted in 2021 to Michele Garufi, Gavin Spencer, Sandrine Gestin and Emmanuelle Pierry was subject to the Board's finding that at least 70% of the company's objectives for 2021 had been met, which was the case.

Information relating to the ten employee beneficiaries (excluding directors and officers) receiving the greatest number in 2021 is provided in section 15.2.1 “Information on holdings” of the universal registration document

On February 15, 2022, the Board of Directors granted 457,500 options conferring a right to subscribe for 457,500 shares at an exercise price of €2.3716. These options shall be exercisable as from February 15, 2024 until the 8th anniversary of their grant date. Their exercise is subject to conditions of presence in the Group for all beneficiaries and performance in the case of the rights granted to beneficiaries who are members of the Executive Committee (determination by the Board of Directors that at least 50% of the company's 2022 objectives were achieved). Should these performance conditions not be achieved, one half of the rights (or 50% + 1 option) will be definitively canceled, and the other half will remain in force.

15.2.4 Restricted stock units (*actions gratuites*)

Restricted stock units (RSUs) outstanding at December 31, 2021:

Board of Directors' meeting date	Shares granted (1)	Vesting date of shares	Number of ordinary canceled	Vested shares	Total issuable	Total issuable, by taking into account the reverse stock split on December 3, 2015
Plan authorized by the General Meeting of May 24, 2018						
02/12/19	83,650	02/12/21	10,000	73,650	-	-
04/19/19	8,000	04/19/21	-	8,000	-	-
05/24/19	1,400	05/24/21	-	1,400	-	-
07/17/19	12,000	07/11/21	-	12,000	-	-
09/16/19	12,800	09/16//22	-	12,800	-	-
01/14/20	99,750	01/27/22	14,800	-	84,950	84,950
03/05/20	8,000	03/05/22	8,000	-	-	-
08/05/20	24,000	08/05/22	-	-	24,000	24,000
10/15/20	54,000	10/15/22	8,000	-	46,000	46,000
01/14/21	83,150	01/14/23	6,500	-	76,650	76,650
	386,750		**47,300**	**107,850**	**231,600**	**231,600**
Plan authorized by the General Meeting of April 28, 2021						
05/05/21	13,800	05/05/23	-	-	13,800	13,800
07/19/21	2,400	07/19/23	2,400	-	-	-
	16,200		**2,400**	**-**	**13,800**	**13,800**
TOTAL	**402,950**		**49,700**	**107,850**	**245,400**	**245,400**

(1) One right = one action

Restricted stock units (RSUs) are subject to conditions of performance:

- The vesting of RSUs granted in 2019 was subject to the determination that at least 70% of the Company's objectives were achieved for 2019, which was the case.

- The vesting of RSUs granted in 2020, for certain awards, was subject to the determination that at least 70% of the Company's objectives were achieved for 2020, which was the case. Four other grants, the performance criteria concerned the achievement of objectives relating to clinical studies. These performance criteria were achieved except for those concerning certain grants of August 5, 2020 for which the deadline is in 2022.

- The vesting of RSUs granted in 2021 was subject to the determination that at least 70% of the Company's objectives were achieved for 2021, which was the case.

- On January 12, 2022, 33,700 RSUs were granted. Their vesting is subject to the Board's determination that a condition of performance for patient enrollment in the NCX 470 Phase 3 clinical program has been met.

- On February 15, 2022, 129,600 RSUs were granted. Their vesting is contingent on meeting at least 50% of the company's objectives for 2022.

- At the same time as the RSUs were awarded to the Chairman and the Chief Executive Officer, rights giving access to the capital were granted to Group employees in accordance with provisions of articles L. 225-186-1 and L. 225-197-6 of the French Commercial Code, it being specified that no RSUs were granted to Michele Garufi in 2021 and 2022.

- Information relating to the ten employee beneficiaries (excluding directors and officers) receiving the greatest number in 2021 is provided in section 15.2.1 “Information on holdings” of the universal registration document

RSUs awarded during the year to the ten employees having received the highest number thereof	Number of RSUs granted/vested shares/transferable shares	Plan
RSUs during the year to the ten employees of the Company and its subsidiaries who received the highest number thereof (aggregate figures)	**57,500**	**General Meetings of May 24, 2018 and April 28, 2021**
Restricted stock units of the Company finally vested during the year by the nine employees of the Company and its subsidiaries receiving the largest number (aggregate figures)	**82,800**	**General meeting of May 24, 2018**

15.3 Arrangements involving the employees in the capital of the Company

There are no arrangements providing for the involvement of employees in the capital of the Company.

16 MAJOR SHAREHOLDERS

16.1 Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, or, if there are no such persons, an appropriate statement to that effect that no such person exists

Based on the statutory and legal threshold statements received by the Company, share ownership before dilution is as follows:

Shareholders	At December 31, 2021			At December 31, 2020			At December 31, 2019		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Banque Publique d'Investissement (Bank for Public Investment, formerly Strategic Investment Fund)	384,300	0.89	0.89	384,300	1.04	1.04	384,300	1.16	1.16
HBM Healthcare Investments	2,619,102	6.07	6.07	2,619,102	7.07	7.07	2,383,808	7.17	7.17
Armistice Capital	2,570,024[(1)]	5.96	5.96						
Orbimed	-	-	_	1,309,165	3.54	3.54	1,892,554	5.70	5.70
Michele Garufi (CEO of Nicox S.A.)	577,051*	1.34	1.34	567,051	1.53	1.53	447,051	1.35	1.35
Elizabeth Robinson (Chair of Nicox Srl)	74,060	0.17	0.17	74,060	0.20	0.20	74,060	0.22	0.22
Treasury shares	211,967	0.49	0.49	147,145	0.40	0.40	-	-	-
Public	36,701,481	85.08	85.08	31,929,512	86.23	86.23	28,048,797	84.41	84.41
Total	**43,138,185**	**100**	**100**	**37,030,335**	**100**	**100**	**33,230,570**	**100**	**100**

*On the date of this document, Mr. Garufi held 592,051 shares.

On April 13, 2022, Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 2% threshold of the Company's capital and voting rights on April 6, 2022, and holding in consequence, on behalf of said funds, 836,551 shares of the Company representing an equivalent number of voting rights or 1.935% of the Company's share capital and voting rights.

HBM Healthcare Investments (Cayman) Ltd, became a shareholder of Nicox through the private placement made by the Company in August 2016. HBM Healthcare Investments (Cayman) Ltd, incorporated in the Cayman Islands having its registered office at Governors Square, Suite #4-212-2, 23 Limie Tree Bay Avenue, West Bay, Grand Cayman, Cayman Islands, is a subsidiary of the company.

Other than those mentioned in section 16.1.1 of this document, no shareholder has reported holding more than 2% of the share capital or voting rights. To the Company's knowledge, the shareholders have not entered into any agreement or concerted action. It should be noted that, in view of the current ownership structure, the Company has not implemented special measures to ensure that control of its capital is not exercised abusively.

The Company is not able to disclose the approximate number of shareholders. The information known to the Company regarding the number of shares held by its employees is contained in section 15.1 “Employee-related information” of this universal registration document.

At February 15, 2020, the company held 228,172 own shares in connection with a liquidity agreement with Kepler Cheuvreux providing for market making services for the Company’s shares.

In addition, at April 15, 2022, if all instruments giving access to the share capital awarded and outstanding were exercised and all restricted stock units were fully vested, 8,489,648 new shares would be issued, resulting in a dilution equal to 16.42% based on the share capital on this date and 19.64% on a fully-diluted basis.

The reader is invited to refer to the summary of dilutive instruments presented in section 19.3 "Summary of dilutive instruments" of this universal registration document.

16.1.1 Statutory and/or legal threshold crossing disclosures during the financial year ended December 31, 2021

During the year ended December 31, 2021, the Company received the following threshold crossing disclosures:

- On December 20, 2021, , Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 6% threshold of the Company's capital and voting rights on December 13, 2021, and holding in consequence, on behalf of said funds, 3,200,000 shares of the Company representing an equivalent number of voting rights or 7.418% of the Company's share capital and voting rights.
- On December 29, 2021,, Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 6% threshold of the Company's capital and voting rights on December 22, 2021, and holding in consequence, on behalf of said funds, 2,570,024 shares of the Company representing an equivalent number of voting rights or 5.958% of the Company's share capital and voting rights.

It is specified that:

On January 27, 2022, , Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 5% threshold of the Company's capital and voting rights on January 21, 2022, and holding in consequence, on behalf of said funds, 2,140,000 shares of the Company representing an equivalent number of voting rights or 4.961% of the Company's share capital and voting rights.

On March 10, 2022, , Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 4% threshold of the Company's capital and voting rights on March 3, 2022, and holding in consequence, on behalf of said funds, 1,720,000 shares of the Company representing an equivalent number of voting rights or 3.979% of the Company's share capital and voting rights.

On April 13, 2022, , Armistice Capital, LLC, acting on behalf of Armistice Capital Master Fund Ltd., reported having crossed below the 2% threshold of the Company's capital and voting rights on April 6, 2022, and holding in consequence, on behalf of said funds, 836,551 shares of the Company representing an equivalent number of voting rights or 1.935% of the Company's share capital and voting rights.

16.2 Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist

There is no statutory clause providing for double voting rights for shareholders of the Company. There is no clause either to limit the number of voting rights.

16.3 Whether the issuer is directly or indirectly owned or controlled

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

16.4 Any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer

The Group is not aware of any agreement likely to result in a change of control of the Company.

17 RELATED-PARTY TRANSACTIONS

Related party transactions are set out in in the note “Relations with related parties” to the financial statements presented in section 18.1.6 of this universal registration document.

The Statutory Auditors' Special Report on regulated agreements and commitments relating to the year ended December 31, 2021 is reproduced below:

Nicox S.A.

Annual General Meeting to approve the financial statements for the year ended December 31, 2021.

Statutory Auditors' special report on regulated agreements

This is an unsigned free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Nicox S.A.

Annual General Meeting to approve the financial statements for the year ended December 31, 2021.

Statutory Auditors' special report on regulated agreements

To Nicox SA's General Meeting:

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

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

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

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

Agreements submitted for approval to the general meeting

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

Agreements already approved by the General Meeting

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

Marseille and Paris-La Défense, April 28, 2022

Statutory Auditors

French original signed by:

Approbans Audit	Ernst & Young Audit
Pierre Chauvet	Pierre Chassagne

18 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

18.1 Historical financial information

The 2021 consolidated financial statements are incorporated by reference in the universal registration document.

18.1.1 Audited historical financial information covering the latest three financial years and the audit report in respect of each year

The audited historical financial information in 2021 is described in section 18.1.5.

In accordance with article 19 of Commission Regulation (EC) 809/1129 base of April 29, 2004, implementing the prospectus directive, the following information shall be incorporated by reference in this registration document:

- the consolidated financial statements in section 18.1.5 (pages 201 to 264) and the corresponding audit report in section 18.1.5 (pages 265 to 270) of the universal registration document for fiscal year 2020 filed with the AMF on March 1, 2021, under number D. 21- 0083;

- the financial information contained in Chapter 7 (pages 111 to 121) of the universal registration document for fiscal year 2020, filed with the AMF on March 1, 2021, under number D. 21- 0083;

- the consolidated financial statements in section 18.1.5 (pages 193 to 259) and the corresponding audit report in section 18.1.5 (pages 260 to 265) of the universal registration document for fiscal year 2019 filed with the AMF on March 6, 2020 under number D. 20- 0109;

- the financial information contained in Chapter 7 (pages 105 to 115) of the universal registration document for fiscal 2019, filed with the AMF on March 6, 2020, under number D. 20- 0109.

18.1.2 Change of accounting reference date

Not applicable

18.1.3 Accounting standards

The standards and accounting principles applied by the Company are described in note 3 to the consolidated financial statements included below in paragraph 18.1.5 and note 1.2 of the parent company annual financial statements included below in paragraph 18.4 ZERVIATE .

18.1.4 Change in accounting policies

Not applicable

18.1.5 Financial statements

Nicox S.A.

Year ended December 31, 2021

Statutory auditors' report on the consolidated financial statements

This is an unsigned free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Nicox S.A.

Year ended December 31, 2021

Statutory auditors' report on the consolidated financial statements

To Nicox SA's General Meeting:

Opinion

In accordance with the terms of our engagement as auditors entrusted to us by your General Meetings, we have audited the accompanying consolidated financial statements of Nicox S.A. for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the results of the operations of the Group for the year then ended and of its financial position and its assets and liabilities as at December 31, 2021 in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

■ Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

■ Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de Déontologie*) for Statutory Auditors, for the period from 1 January 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments - Key audit matters

The global crisis linked to the Covid-19 pandemic creates particular conditions with respect to the preparation and auditing of the accounts for this period. Specifically, this crisis and the exceptional measures taken within the framework of the health emergency has multiple consequences for companies, particularly on their business and financing as well as increased uncertainties about their future prospects. Certain measures, such as restrictions on travel and telecommuting also have an impact on the internal organization of companies and the procedures for implementing audits.

In this complex and constantly changing context, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code ("*code de commerce*") relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

■ Recoverable value of other intangible assets

Identified risk	Our response
At December 31, 2021, the net book value of other intangible assets of your group amounted to €40 million in relation to total assets of €115 million. Other unamortized intangible assets are tested for impairment at least once a year during the last quarter, and whenever there is an indication that the asset may be impaired. Tests are performed for other amortized intangible assets whenever there is an indication that the asset may be impaired. They are based on the recoverable value defined as the higher of its net selling price and value in use where value in use is defined as the present value of estimated future cash flows according to medium term strategic plans, and extrapolated for the subsequent periods. We considered that the determination of the recoverable amount for other intangible assets and goodwill constituted a key audit point in light of their importance in the consolidated financial statements and because the determination of value in use is based on assumptions, estimates or assessments, as indicated in notes 3.7 and 9 to the consolidated financial statements.	Our procedures consisted primarily in: ► examining the main assumptions used and notably the cash flow forecasts prepared in consultation with the Group's main partners, and comparing them with the advancement of projects and the results of the clinical studies obtained therefrom. We also compared this information with our knowledge of the environment and, where possible, with third-party data; ► examining market projections with respect to available and comparable data and performing sensitivity tests on the impairment tests conducted by management; ► referring to specialists to review the mathematical model and examine the discount rate; ► examining the consistency of the accounting principles applied and the methodology adopted by management. Finally, we assessed the appropriateness of the disclosures in the notes to the consolidated financial statements.

■ Accounting of the Kreos amendment of December 2021 in the IFRS framework

Identified risk	Our response
In December 2021, your Group announced that it had renegotiated its loan financing agreement with Kreos, in particular by extending the maturity of this loan. On that basis, 30% of the original bond issue was converted into : ► convertible bonds in the amount of €3.3 million; ► non-convertible bonds including a repayment premium at maturity in the amount of €1.8 million. As explained in notes 3.16 and 20 to the consolidated financial statements, your Group considers that these convertible bonds should be recognized as a hybrid financial instrument consisting of a bond component recorded under debt at its fair value and an equity component. We considered this to be a key audit issue in light of the level of judgment required to assess the accounting treatment of these convertible bonds and their valuation.	In the context of our audit, our work entailed notably: ► obtaining copies of the amended loan agreements to review their terms and conditions and reviewing written consultations on the accounting treatment of external advisors; ► ensuring that they were recognized in the consolidated financial statements in accordance with their contractual characteristics and the IFRS as applied by your Group; ► reconciling the amount of the principal of the debt with an amount confirmed by a third party; ► reviewing the valuations used by your group by conducting independent valuations with the assistance of our specialized appraisers. Finally, we assessed the appropriateness of the disclosures in the notes to the consolidated financial statements.

Specific procedures

As required by French law and regulations, we also performed the specific verifications, in accordance with professional standards applicable in France, of the information provided on the group presented in the Board of Directors' management report.

We have nothing to report with respect to the fair presentation of such information and its consistency with the consolidated financial statements.

Other verifications or disclosures required by legal and regulatory provisions

■ Format of the presentation of the consolidated financial statements included in the annual financial report

We also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the annual financial report mentioned in Article L. 451-1-2 of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman-CEO, complies with the format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that markups for disclosures in these consolidated financial statements comply with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements included in the consolidated financial report complies, in all material respects, with the European single electronic format.

■ Appointment of the auditors

We were appointed as statutory auditors of Nicox S.A. by your general meeting of June 16, 2020 for APPROBANS AUDIT and of May 28, 1999 for ERNST & YOUNG Audit.

As at December 31, 2021, APPROBANS AUDIT was in the second year of its uninterrupted engagement and ERNST & YOUNG Audit in its twenty-third year.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the company or to cease operations.

The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors

Statutory auditors' responsibilities for the audit of the consolidated financial statements

■ Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified by Article L. 823-10-1 of the French Commercial Code ("*code de commerce*"), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control,

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;

- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation,

- obtain sufficient appropriate audit evidence regarding the financial information of the entities included in the consolidation scope to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

■ Report to the Audit Committee

We submit a report to the audit committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes information about the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters. We describe these matters in the audit report.

We also provide the audit committee with the declaration referred to in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as defined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code ("*code de commerce*") and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Marseille and Paris-La Défense, April 28, 2022

Statutory Auditors

French original signed by:

Approbans Audit

Ernst & Young Audit

Pierre Chauvet

Pierre Chassagne

TABLE OF CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the period ended December 31, 2021 with comparative data at December 31, 2020

TABLE OF CONTENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2021	2020
Revenue from collaborations	**5.2**	**8,583**	**14,423**
Royalty payments	**5.3**	(1,350)	(1,516)
Net profit	**5.4**	**7,233**	**12,907**
Research and development expenditures	**5.5**	(17,910)	(12,728)
Administrative expenses	**5.6**	(7,000)	(6,677)
Other income	**5.7**	843	1,083
Other expenses	**5.8**	(211)	(93)
Operating loss before amortization and impairment of intangible assets		**(17,045)**	**(5,508)**
Amortization of intangible assets	**9.1**	(1,205)	(1,252)
Impairment of intangible assets	**4.6**	(27,760)	-
Operating loss		**(46,010)**	**(6,760)**
Financial income	**5.9.2.**	3,456	1,168
Finance expenses	**5.9.2.**	(4,851)	(12,478)
Net financial income/(expense)	**5.9.2.**	**(1,395)**	**(11,310)**
Loss before tax		**(47,405)**	**(18,070)**
Income tax (expense) / benefit	**6 / 21**	3,644	(28)
Loss for the period		**(43,761)**	**(18,098)**
Loss per share (in €)	**7**	**(1.17)**	**(0.54)**
Basic/diluted loss per share (in €)	**7**	(1.17)	(0.54)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME OR LOSS

	Notes	2021	2020
Loss attributable to equity holders		**(43,761)**	**(18,098)**
Exchange differences on translation of foreign operations		2,994	(4,853)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax)		**2,994**	**(4,853)**
Actuarial gains and losses	**18**	2	(186)
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods (net of tax)		**2**	**(186)**
Other comprehensive income/(loss) for the period, net of tax, attributable to equity holders of the Company		**2,996**	**(5,039)**
Total comprehensive loss for the period attributable to equity holders of the Company		**(40,765)**	**(23,137)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2021	2020
Non-current assets			
Goodwill	**10**	25,637	23,663
Intangible assets	**9**	39,974	64,848
Property, plant and equipment	**8**	1,023	1,166
Non-current financial assets	**13**	237	68
Total non-current assets		**66,871**	**89,745**
Current assets			
Trade receivables		1,086	1,723
Government grants receivable	**11**	1,452	736
Other current assets	**12**	377	237
Prepayments	**12**	2,853	2,630
Cash and cash equivalents	**14**	41,970	47,195
Total current assets		**47,738**	**52,521**
TOTAL ASSETS		**114,609**	**142,266**
LIABILITIES			
Shareholders' equity			
Issued capital	**15**	43,138	37,030
Share premium		536,200	528,595
Translation reserve		5,953	2,959
Purchase of treasury shares		(847)	(605)
Accumulated deficit		(508,892)	(467,144)
Total equity		**75,552**	**100,835**
Non-current liabilities			
Non-current financial liabilities	**20**	21,160	13,429
Deferred tax liabilities	**21**	9,236	11,868
Provisions	**17; 8**	661	730
Total non-current liabilities		**31,057**	**26,027**
Current liabilities			
Current financial liabilities	**20**	346	5,646
Trade payables		3,649	2,421
Deferred income	19	1,970	5,174
Other current liabilities	22	2,035	2,163
Total current liabilities		**8,000**	**15,404**
TOTAL EQUITY AND LIABILITIES		**114,609**	**142,266**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		**(43,761)**	**(18,098)**
Adjustments to reconcile the loss for the period to net cash flows			
Amortization, depreciation, and impairment	**8.8 ; 9.8**	29,421	1,743
Amortized cost of non-convertible bonds		-	627
Expenses related to share-based payments	**16**	1,463	1,314
Provisions	**17 ; 18**	(67)	6
Deferred tax liabilities	**6 ; 21**	(3,679)	-
Capitalized interests	**4.1**	189	-
Gain on disposal of assets		(8)	-
Losses from disposals / impairment of the bond loan		2,784	5,984
Non-cash translation adjustments		(2,276)	2,290
Working capital adjustments:		**(15,934)**	**(6,134)**
(Increase) / Decrease in trade receivables and other currents assets		274	(1,799)
(Increase) / Decrease in government grant receivables	**11**	(716)	128
Increase / (Decrease) in trade payables and other current liabilities		1,098	(2,761)
Increase / (Decrease) in deferred income		(3,203)	5,174
Change in working capital requirement		**(2,547)**	**742**
Net cash flows from (used in) operating activities		**(18,481)**	**(5,392)**
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
(Purchase)/Disposal of financial assets	**4.1**	(167)	4,969
Purchase of intangible assets	**9**	-	-
Purchase of property, plant and equipment	**8**	(8)	(20)
Net cash flows from/(used in) investing activities		**(175)**	**4,949**
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from the issuance of new shares	**15**	13,713	13,954
Purchase of treasury shares		91	(633)
Increase/(decrease) of borrowings net of issuance costs	**20**	-	6,643
Repayment of finance lease liabilities		(395)	(380)
Net cash flows from/(used in) financing activities		**13,409**	**19,584**
Net (decrease)/increase in cash and cash equivalents		**(5,246)**	**19,141**
Cash and cash equivalents at January 1	**14**	**47,195**	**28,102**
Net foreign exchange difference		21	(48)
Cash and cash equivalents at December 31	**14**	**41,970**	**47,195**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital								
	Ordinary shares	Amount	Share premium	Purchase of treasury shares	Translation reserve	Reserves	Loss for the period	Attributable to equity holders of the Company	Total equity
At January 1, 2020	**33,230,570**	**33,231**	**518,441**		**7,812**	**(431,265)**	**(18,922)**	**109,297**	**109,297**
Impact of the application of the IFRIC decision on IAS 19 (1)						12		12	12
As of January 1, 2020 after change in accounting method	**33,230,570**	**33,231**	**518,441**		**7,812**	**(431,253)**	**(18,922)**	**109,309**	**109,309**
Loss for the period							(18,098)	(18,098)	(18,098)
Other comprehensive income/(loss)					(4,853)	(186)		(5,039)	(5,039)
Comprehensive income/(loss) for the period					**(4,853)**	**(186)**	**(18,098)**	**(23,137)**	**(23,137)**
Allocation of profit of the previous period						(18,922)	18,922		
Issuance of ordinary shares	3,529,565	3,530	10,424					13,954	13,954
Share-based payments	270,200	270	(270)			1,314		1,314	1,314
Equity warrants on a loan agreement				(605)				(605)	(605)
At December 31, 2020	**37,030,335**	**37,031**	**528,595**	**(605)**	**2,959**	**(449,047)**	**(18,098)**	**100,835**	**100,835**
Loss for the period							(43,761)	(43,761)	(43,761)
Other comprehensive income/(loss)					2,994	2		2,996	2,996
Comprehensive income/(loss) for the period					**2,994**	**2**	**(43,761)**	**(40,765)**	**(40,765)**
Allocation of profit of the previous period						(18,098)	18,098		
Issuance of ordinary shares	6,000,000	6,000	7,712					13,712	13,712
Share-based payments	107,850	107	(107)			1,463		1,463	1,463
Purchase of treasury shares				(242)				(242)	(242)
Equity component of convertible bonds[(2)]						549		549	549
At December 31, 2021	**43,138,185**	**43,138**	**536,200**	**(847)**	**5,953**	**(465,131)**	**(43,761)**	**75,552**	**75,552**

(1) Includes the impact of the IFRIC update of April 2021 on attributing benefits to periods of service, as described in note 18

(2) Net of deferred tax liabilities

1. CORPORATE INFORMATION ON THE REPORTING ENTITY

Nicox S.A. (the "Company") is incorporated and domiciled in France. The Company's headquarters is located at 2405 route des Dolines, Drakkar 2, Bât D, 06560 Valbonne. Nicox is listed on Euronext Paris (COX.PA) and has a center for research and pre-clinical development in Italy and a business development office in the United States.

1.1 Summary of the Company's core activities

Nicox S.A. is an ophthalmology company developing innovative solutions to help maintain vision and improve ocular health. Nicox has two late-stage clinical development programs: one in glaucoma (two ongoing phase 3 trials) and one for dry eye disease (a completed phase 2b trials in blepharitis with a post-hoc analysis in dry eye), one drug candidate in preclinical development in glaucoma and two products licensed and marketed by exclusive partners:

- NCX 470, a novel NO-donating prostaglandin analog, is being evaluated in two phase 3 clinical trials, the Mont Blanc and Denali studies (Denali is financed equally by Nicox and Ocumension Therapeutics, its Chinese partner for the development and commercialization of NCX 470 in China, South Korea and South East Asia). The purpose of these trials is to lower intra-ocular pressure (IOP) in patients with open angle glaucoma or ocular hypertension. Topline results for the Mont Blanc trial are currently expected in Q1 2023. Topline results for the Denali trial 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 once it has more visibility on the overall timelines of the trial.

- NCX 4251, a novel, patented, ophthalmic suspension of fluticasone propionate nanocrystals in clinical development stage for dry eye disease. The NCX 4251 Mississippi Phase 2b blepharitis trial was completed by a post-hoc analysis for the treatment of dry eye disease. Future development of NCX 4251 in the U.S. will require an increase in manufacturing scale followed by two additional clinical efficacy studies, each designed to evaluate a sign and symptom of dry eye disease, long-term safety data, and certain additional clinical and non-clinical data to support a New Drug Application (NDA) in the U.S. Because the remaining pharmaceutical, non-clinical and clinical development activities for NCX 4251 are not yet financed, the Company does not have a timetable for the commencement of the latter activities.
- NCX 1728, a drug candidate in preclinical development selected from a new class of compounds (non-prostaglandin analog) with NO-mediated IOP-lowering effects, under evaluation for development for IOP lowering and in certain retinal diseases. NCX 1728 is an NO-donating PDE5 inhibitor.

- VYZULTA® indicated for the reduction of IOP in patients with open angle glaucoma or ocular hypertension. It is exclusively licensed worldwide to Bausch + Lomb, a wholly-owned subsidiary of Bausch Health Companies Inc. VYZULTA is commercialized in the United States, Canada, Argentina, Hong Kong, Mexico, Taiwan and Ukraine. VYZULTA is also approved in Brazil, Colombia, Jordan, Qatar, Singapore, South Korea, Turkey and United Arab Emirates.

- ZERVIATE®, indicated for the treatment of ocular itching associated with allergic conjunctivitis, has been exclusively licensed in the U.S. to U.S. partner Eyevance Pharmaceuticals, a subsidiary of Santen Pharmaceutical Co., Ltd. Nicox's exclusive Chinese partner, Ocumension Therapeutics, for

the development and commercialization of ZERVIATE in China and the majority of Southeast Asian countries, has completed a phase 3 clinical study in China for ZERVIATE. ZERVIATE is also subject to exclusive licensing agreements for its development and commercialization in other territories.
All figures have been rounded off to the nearest thousand, except if indicated otherwise.

The entities making up the Group at December 31, 2021 are presented in note 28.

2. ACCOUNTING POLICIES

2.1. Basis of presentation and compliance statement

The consolidated financial statements were prepared in accordance with IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) and the IFRSs as adopted by the European Union on December 31, 2021. The comparative figures are those of December 31, 2020.

The Company's Board of Directors adopted the consolidated financial statements on April 27, 2022. These financial statements will be submitted for approval to the shareholders' general meeting.

The Group has prepared its financial statements using the going concern basis of accounting. The Group currently estimates that it has sufficient cash to sustain its operations and thus ensure continuity of business over the next twelve months.

2.2. New standards, interpretations and amendments

The following standards, amendments and interpretations endorsed by the European Union became mandatory at December 31, 2021 but had no material impact on the Group's financial statements.

- Amendments to IAS 1 and IAS 8 Definition of “material”;
- Amendments to the conceptual framework for financial reporting;
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform – Phase 1;
- Amendments to IFRS 3 – Definition of a business.
- Temporary amendment of IFRS 16 – COVID-19-related rent concessions;
- IFRIC Update:
    - 2019-11: Lease term and useful life of leasehold improvements
    - 2020-01: Definition of a lease – Decision-making Rights
    - 2020-03: Hyperinflation - Presentation of translation differences, Cumulative translation differences before hyperinflation, Presentation of comparative amounts as from the accounting date of hyperinflation, Costs of formation for the execution of a contract

In its April 2021 update, the IFRS IC published a final decision clarifying the way in which obligations relating to certain defined benefit plans are calculated, with a requirement to be present at the time of retirement and a ceiling on rights after a certain number of years of service, depending on the employee’s length of service at the date of retirement.

According to this decision, the IFRS IC considered that the obligation should be established only for the years of service prior to retirement for which the employee generates a right to the benefit. Application of this decision led to a change in accounting method, the effects of which are reflected retrospectively in accordance with IAS 8. As a result, figures for years presented have been adjusted to reflect the impact as from January 1, 2020, corresponding to the opening date of the comparative financial year. The adjustments on this date were recognized directly in equity. These adjustments include service costs, including past service costs, interest expense and actuarial gains and losses. The impact of this decision is presented in the note on provisions for pensions and other post-employment benefits (Note 18.)

2.3. Standards, amendments and interpretations issued, but not yet in effect

2.3.1. *IFRS standards and amendments published but not yet eligible for adoption*

The following standards, amendments and interpretations have been published by the IASB but have not been endorsed by the European Union on December 31, 2020. The potential impact of these standards on the statements of net profit or loss, the financial position or cash flows is currently being assessed by the Group.

- IFRS 17 – Insurance contracts;
- Amendments to IAS 1 - Classification of liabilities as current or non-current;
- Amendments to IAS 16 – Property, plant and equipment – Proceed before intended use;
- Amendments to IFRS 4 – deferral of effective date of IFRS 9;
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform – Phase 2;
- Amendments to IAS 37, Onerous contracts
- 2018-2020 annual improvement cycle.

3. MAIN ACCOUNTING POLICIES

The Group applied the following accounting policies consistently to all periods presented in these consolidated financial statements.

3.1. Consolidation principles

3.1.1. *Subsidiaries*

Subsidiaries are entities over which the Group exercises control. The Group controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity and is able to influence these returns due to the power it holds over the entity with regard to determining financial and operational policies. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained, and until the date on which control ceases. As wholly-owned companies, the Group controls all of the legal entities included in the scope of consolidation.

3.1.2. *Loss of control*

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities as well as any non-controlling interests and other comprehensive income / loss items likely to be reclassified to income. Any gain or loss incurred from the loss of control are recognized under profit or loss. Any interest retained in the previous subsidiary is measured at fair value at the date that control is lost.

3.1.3. *Transactions eliminated on consolidation*

All significant intercompany balances and transactions are eliminated.

3.2. Business combinations

Any excess of the consideration transferred over the Group's share in the net fair value of identifiable assets and liabilities of the acquiree is recorded as goodwill.

In accordance with IAS 36 – *Impairment of assets*, goodwill is measured at cost, less accumulated impairment losses.

Goodwill is tested for impairment at least once a year for each of the Group's Cash Generating Units (CGU), and each time that events or circumstances indicate a potential impairment. These events or circumstances imply significant changes that are likely to have a long-term impact on the substance of the original investment.

Goodwill arising from the acquisition of foreign entities is measured in the acquired entity's operating currency and converted into euros using the exchange rate in effect at the end of the period.

3.3. Investments and other assets

Financial assets include investments and assets representing notes receivables from a non-consolidated company.

Non-consolidated shares and shares not listed on an active market are measured at fair value through profit or loss.

Financial assets representing a debt security are measured at amortized cost.

The financial interests of assets representing a debt security are calculated according to the effective interest rate method and credited to the "financial income" line item in the statement of profit or loss.

3.4. Foreign currency transactions and translation into Euros

The consolidated financial statements are presented in euros.

3.4.1. *Foreign currency transactions*

Foreign currency transactions are translated into the respective functional currencies of Group companies using the exchange rates prevailing at the dates of the transactions.

Assets and liabilities denominated in foreign currency are translated in the functional currency according to the exchange rate at the end of the period until settled. Exchange rate differences arising at the time of payment are recognized in the consolidated statement of profit or loss.

3.4.2. *Translation into euros*

Differences arise from translation into euros of all assets and liabilities and the statement of profit or loss of consolidated entities prepared in another currency. Currency translation adjustments are recognized in the translation reserve included in other comprehensive income.

When a foreign asset is sold, either totally or partially, and there is a loss of control, the total amount of related currency translation adjustments must be reclassified in the statement of profit or loss as a disposal loss or gain. If the Group disposes of part of its interest in a subsidiary while retaining control, a proportion of the cumulative amount of the translation difference is reallocated to non-controlling interests.

3.5. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on the disposal of property, plant and equipment are recognized in net income. Costs directly attributable to the acquisition are capitalized.

Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated so as to spread the cost of the asset less its residual value on a straight line basis over its estimated useful life. Leased assets recorded under IFRS 16 are depreciated over the shorter of the lease term and their useful lives unless the Group has reasonable assurance that it will obtain ownership at the end of the lease. Land is not depreciated.

Depreciation allowances are calculated on a straight line basis estimated according to the assets' useful lives.

The estimated useful lives of tangible assets for the current period and the comparative period are:

Laboratory equipment	8 years
Computer equipment	3-5 years
Company cars	3-5 years
Buildings	3-5 years
Office equipment and fixtures	5-10 years
Furniture	9-10 years

Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if necessary.

3.6. Intangible assets

3.6.1. *Research and development*

3.6.1.1 *Research and development activities generated internally*

The Group does not capitalize internally generated development costs. In fact, considering the risks and uncertainties related to regulatory authorizations and to the research and development process, they reputedly do not meet the six criteria for capitalization (established by IAS 38 – *Intangible assets*) before authorization is received to place the drugs on the market. As a result, these internally generated costs prior to obtaining marketing authorization - primarily costs for clinical studies - are generally recognized directly in expenses as research and development expenditures when incurred.

The Group subcontracts its research and development activities to outside partners. It recognizes expenses based on a percentage of work actually completed.

3.6.1.2 *Research and development activities acquired separately*

Payments for research and development activities acquired separately are capitalized in the “Research and development activities acquired separately” line item provided that they correspond to the definition of an intangible asset: a resource that is (i) controlled by the Group, (ii) supposed to generate future economic benefits for the Group and (iii) identifiable (i.e. is separate or stemming from contractual or legal rights). In accordance with the provisions of IAS 38.25, the first condition of capitalization (the probability that the

entity will receive future economic benefits from the asset) is considered met for research and development activities acquired separately. Considering that the amount of payments is ascertainable, the second condition for capitalization (that cost can be accurately measured) has also been met. In consequence, the upfront payment and tiered payments to third parties for pharmaceutical products that have not yet received a marketing authorization are capitalized under intangible assets and amortized on a straight-line basis over their useful lives, up until the date this authorization is obtained.. Research and development activities acquired separately by the Group were to be paid by means of contingent consideration and on that basis, were not capitalized, as they could not be reliably measured at the time of acquisition.

3.6.2. *Other intangible assets acquired as part of a business combination*

Other intangible assets acquired as part of a business combination relating to research and development projects in progress and to drugs currently being marketed, and which can be accurately measured, are identified separately from goodwill, measured at fair value and capitalized in *Other intangible assets*, in accordance with IFRS 3 – *Business combinations* and with IAS 38 – *Intangible assets*. A corresponding deferred tax liability is also recognized if a deductible or taxable temporary difference exists.

Research and development projects in progress acquired through a business combination are amortized on a straight-line basis over their estimated useful life starting from the date that the marketing authorization is obtained provided that the development of the asset has been fully completed. In the case of additional developments after market approval has been obtained which are necessary for completing the development of the asset, the commencement of amortization corresponds to this date of completion.

The rights for drugs marketed by the Group are amortized on a straight-line basis over their useful lives. These are determined taking into account, among other factors, the corresponding legal period of patent protection. In June 2019, having completed the asset, the Group began to amortize the value of ZERVIATE associated with those rights concerning the US territory.

3.6.3. *Research and development activities acquired separately*

Payments for research and development activities acquired separately are capitalized in the "Research and development activities acquired separately" line item provided that they correspond to the definition of an intangible asset: a resource that is (i) controlled by the Group, (ii) supposed to generate future economic benefits for the Group and (iii) identifiable (i.e. is separate or stemming from contractual or legal rights). In accordance with the provisions of IAS 38.25, the first condition of capitalization (the probability that the entity will receive future economic benefits from the asset) is considered met for research and development activities acquired separately. Considering that the amount of payments is ascertainable, the second condition for capitalization (that cost can be accurately measured) has also been met. In consequence, the upfront payment and tiered payments to third parties for pharmaceutical products that have not yet received a marketing authorization are capitalized under intangible assets and amortized on a straight-line basis over their useful lives, up until the date this authorization is obtained.

Research and development activities acquired separately by the Group were to be paid by means of contingent consideration and on that basis, were not capitalized, as they could not be reliably measured at the time of acquisition.

3.6.4. *Other intangible assets*

Other intangible assets acquired by the Group and with a finite useful life, including patents, are stated at cost less accumulated depreciation and accumulated impairment losses.

Intangible assets are amortized over their estimated useful lives.

Estimated useful lives for the current period and the comparative period are:

Computer software	3-5 years
Patents	Until the patent expiry date

Amortization methods and useful lives are reviewed at each closing date, and adjusted if necessary.

3.7. Impairment tests

Impairment tests are conducted on intangible assets as soon as evidence of impairment is identified. Intangible assets in progress, indefinite lived intangible assets and goodwill are tested at least once a year in the fourth quarter.

For impairment tests of goodwill, the Group has defined a single CGU relating to its pharmaceutical research and development activities. Following the Group's reorganization pursuant to the disposal of its European commercial operations, the Group has refocused its activities on research and development of international products. For that reason, the Group now has only one operating segment and therefore one GCU in light of the global nature of the R&D projects under development.

The methodology used primarily consists of comparing the recoverable amount of the Group's CGU to the corresponding net asset (including goodwill).

The recoverable amount is the higher of fair value less costs to sell and its value in use. Value in use is determined using discounted future operating cash flows requiring the use of assumptions, estimates or assessments. Estimations of future operating cash flows are based on a medium-term strategic plan, the extrapolation of cash flows for the period after the medium-term strategic plan and a terminal value.

Additional impairment tests are performed if particular circumstances or events indicate a potential impairment. A sensitivity analysis of the impairment tests is presented in Notes 9 and 10. Goodwill impairment is irreversible.

The value of non-current assets is evaluated at each closing date to determine if evidence of impairment exists. If evidence of a non-current asset's impairment exists, the Group estimates the asset's recoverable value. If the non-current asset's book value exceeds its recoverable value, the asset is considered as impaired and its book value is written down to its recoverable value.

3.8. Other financial assets

Trade and other receivables are measured at fair value, which is the nominal value of invoices unless payment terms require a material adjustment for the time value discounting effect at market interest rates. A valuation allowance for trade receivables is recognized if their recoverable amount is less than their carrying amount.

3.8.1. Cash and cash equivalents

Short-term cash deposits listed in the statement of financial position include cash at bank and in hand, as well as short-term deposits with initial maturities of less than three months subject to an insignificant risk of changes in value and items which can be settled immediately without any significant penalty.

3.8.2. Government grants receivable

The research tax credit is granted to companies by the French tax authorities as an incentive measure to conduct technical and scientific research. Companies able to demonstrate that they incur research expenses meeting the criteria of the research tax credit qualify for a tax credit that may be used for the payment of their corporate income tax for the period in which these expenses were incurred, and for the three following

financial years. If the taxes payable do not cover the total amount of the tax credit at the end of this three-year period, the Group receives a cash refund by the tax authorities for the difference. The Group also meets the criteria of the definition for small and medium-size companies, and on that basis may request an immediate payment of this tax credit. Only expenses devoted to research are included in the calculation for the research tax credit (RTC).

The Group concluded that the RTC met the definition of a government grant according to the definition listed under IAS 20 – *Accounting for government grants and disclosure of government assistance*, and it was recognized as other income within operating income on the statement of profit or loss.

3.9. Share-based payments

The Group awards its employees, including senior executives, with share-based compensation (stock options and restricted stock units). Some non-employees (consultants, members of the glaucoma clinical advisory board) included within the IFRS 2 – *Share-based payments* definition of "employees and others providing similar services" also receive compensation paid in equity instruments (equity warrants) in return for their services to the Group.

All new awards active to date have been subject to performance conditions making the final allocation of share-based payments uncertain until the performance criteria are met. Accordingly, the fair value of services received, including the estimate of the number of awards that will vest based on the probability of meeting the performance conditions, is evaluated at each reporting date until final allocation of the share-based payments. For stock options, the valuation results are calculated using the Black-Scholes formula. The expected long-term volatility was determined on the basis of Company's average historical volatility. Based on Group forecasts, no dividend payments are anticipated in the coming years. The fair value of equity warrants granted to members of the glaucoma clinical advisory board is estimated at the grant date using the Black-Scholes formula.

The cost of equity-settled transactions is recognized in expenses with a corresponding entry in equity over the vesting period. This period ends on the date when the rights to compensation are fully vested. The cumulative expense recognized for these transactions at each reporting date until the vesting date reflects the vesting period and the number of shares that will eventually vest. The estimated expense is revised if later information indicates that the number of shares expected to be vested differs from a previous estimation.

If recipients of equity-settled share-based payments leave the Group prior to the vesting of the awards, in the absence of a decision to the contrary by the Board of Directors, they do not acquire the rights providing access to the corresponding equity instruments granted to them, and consequently, no expense is recorded. However, if the beneficiary ceases work with the Group after the vesting period, or continues to work with the group without exercising his/her rights, the previously recognized expense will not be reversed.

3.10. *Buyback of common shares (treasury shares) and their release back into circulation*

The Group implemented a share buyback program authorized by the ordinary general meeting of June 16, 2020 for the purpose of maintaining an orderly market for the liquidity of the Nicox shares by an investment service provider within the framework of a liquidity agreement. If the Group buys back its own equity instruments, the amount of consideration paid, including directly attributable costs, is recognized as a decrease in equity. The shares bought back are classified as treasury shares in the treasury share reserve. When treasury shares are sold or released back into circulation, the amount received is recognized as an increase in equity, and the positive or negative balance from the transaction is presented in reserves.

3.11. Provisions and contingent consideration in a business combination

A provision is recognized when the Group has a legal or constructive obligation towards a third party as a result of a past event and it is probable that it will result in an outflow or resources embodying economic benefits without receipt of equivalent consideration and a reliable estimate of the amount of the obligation cannot be made. The amount of a provision represents the best estimate of the expenditure required to settle the obligation at the reporting date. To determine the present value of the obligation the discount rate applied

is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Increases in a provision reflecting the passage of time are recorded under interest expense.

Except for contingent liabilities linked to business combinations, as well as asset acquisitions, contingent liabilities are not recognized, but are presented in the notes to the financial statements, unless the likelihood of a cash outflow is very low.

Contingent consideration is recognized under equity when payment of the consideration is settled by a fixed number of equity instruments and in other cases under financial liabilities linked to business combinations. Contingent consideration linked to a business combination is measured at fair value at the time of the business combination regardless of the degree of probability of an inflow or outflow of economic benefits. If the contingent consideration on initial recognition is recorded as a financial liability, subsequent adjustments to liabilities are recognized in the consolidated statement of profit or loss under "Fair value adjustment of contingent consideration".

3.12. Post-employment obligations

The Group's commitments under defined benefit retirement plans are determined using the projected unit credit actuarial cost method. These plans are unfunded. These obligations are measured at the end of each reporting period. The actuarial assumptions used to determine these obligations take into account the prevailing economic conditions in the relevant country. The Group's commitments are recorded as liabilities. Any actuarial differences are recognized in other comprehensive income for the fiscal year.

3.13. Revenue

Revenue of the Group is derived from the licensing of drug candidates that have received a marketing authorization or licensed to partners responsible for their development.

Royalties received as consideration for product sales licensed to partners are recognized under revenue when sales are completed. The Group recognizes revenue generated from these licenses of intellectual property in accordance with IFRS 15.

For this purpose, the Group determines if the license granted represents a right to access or a right to use the intellectual property. This, along with other terms and conditions related to payments made, makes it possible to determine the appropriate revenue recognition method for the different milestones, including any up-front payments, provided for in the contract.

Revenue derived from milestones based on objectives for sales levels or royalties based on sales is recognized when the objectives for sales levels or sales on which the royalties are based are realized in connection with the license.

Revenue resulting from variable consideration is recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3.14. Leasing contracts

A lessee recognizes a right to use an asset (right-of-use asset) and a financial liability (lease liability). : The right-of-use asset is not recognized under a separate line but instead in the line corresponding to the underlying asset. The right-of-use asset is amortized over the expected term of the lease and the lease liability, is initially recognized at the present value of lease payments over the lease term using the interest rate implicit in the lease when this can be readily determined or, otherwise, at the incremental borrowing rate.

In the statement of profit or loss, the depreciation of the right-of-use asset is included in the operating profit or loss before the amortization of intangible assets and a finance expense corresponding to interests on the lease liability is recognized under finance expenses.

In the statement of cash flows, interest expenses are allocated to cash flows used in operating activities and the repayment of lease liabilities is allocated to cash flows used in investing activities.

3.15. Income tax

Income tax expense comprises current and deferred taxes. It is recognized under net income unless it related to items recognized directly in equity or other comprehensive income.

Current tax includes the estimated amount of tax payable (or receivable) for taxable profit (or loss) of a period or any adjustment to the amount of tax payable in respect of previous periods. It is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset if certain criteria are met.

Deferred taxes are calculated based on temporary differences existing between the book value and the tax value of the assets and liabilities. The following items do not give rise to the recognition of deferred tax:

- Temporary differences arising from initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor the taxable profit; and

- Temporary differences arising from investments in subsidiaries, associates and partnerships to the extent that the Group is able to control the timing of the reversal of these differences and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax liabilities are recognized for all temporary differences between the book value and the tax value of the assets and liabilities acquired through business combinations.

Deferred tax assets are recognized for tax losses, unused tax losses, unused income tax credits and deductible temporary differences when it is probable that future taxable income will be available against which the deductible temporary differences can be utilized for the Group. The deferred tax assets are evaluated at the end of each reporting period and are not recognized when the availability of a sufficient tax profit becomes improbable.

Deferred tax is calculated at the tax rates that are expected to apply on the temporary differences when they are reversed, based on tax rates that have been adopted or substantively adopted as of the balance sheet date.

The measurement of deferred taxes should reflect the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset provided that certain criteria are met.

3.16. Financial liabilities recognized at amortized cost

Borrowings and other financial liabilities are initially recognized at fair value less directly attributable transaction costs and subsequently at amortized cost calculated using the effective interest rate. The portion of financial liabilities of less than one year is presented under “current financial liabilities.

Because the Kreos debt restructuring was considered substantial as defined by IFRS 9, the debt was deemed to have been extinguished in exchange for the issuance of three new debt issues recognized at their fair value at the date of the restructuring. The difference between the net book value of the extinguished debt and the fair value of the new debt issues was recognized under finance expense in the statement of profit and loss. All fees and commissions incurred on this transaction were recorded directly in the statement of profit and loss under administrative expenses.

The convertible bond is considered as hybrid financial instrument combining a bond component recorded under debt at fair value and an equity component. As this conversion option meets the definition of an equity instrument in accordance with IAS 32, it was recognized in equity whereas the debt component of the convertible bond was recognized at fair value on the date of renegotiation. (see note 20).

3.17. Subsequent events

The consolidated financial statements are adjusted to reflect subsequent events that alter the amounts relating to conditions existing at the date of the statement of financial position. 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 that do not result in adjustments are presented in Note 30.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing the 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. Fair value of financial instruments

In accordance with IFRS 13 and IFRS 7, the fair value measurements of these financial instruments must be classified according to a hierarchy according to inputs used to measure the instrument at fair value. This fair value hierarchy is comprised of the following levels:

- level 1: use of quoted prices on active markets (unadjusted) for identical assets or liabilities that the company can assess on the measurement date;
- level 2: use of quoted prices on active markets for similar assets or liabilities or derived from all significant inputs that are corroborated by observable market data (market-corroborated inputs); and
- level 3: use of valuation techniques for which significant inputs are not all based on significant observable market data.

The table below presents the disclosures required by IFRS 7 on the valuation principles for financial instruments.

Nature of the financial instrument	Valuation principle	Fair value level	Valuation model
Negotiable debt securities, commercial paper, demand deposits and term deposits	Amortized cost	n/a	For instruments with a maturity of less than three months, amortized cost is an acceptable approximation of fair value as disclosed in the notes to the consolidated financial statements
Financial liabilities	Amortized cost	n/a	The fair value indicated in the notes to the consolidated financial statements is determined according to the present value of residual cash flows based on observable market data at that date.
Lease liabilities	Amortized cost	n/a	Future lease liabilities are discounted using the incremental borrowing rate;

4.2. Licensing agreements granted

In December 2018, the Group entered into an exclusive license agreement with Ocumension Therapeutics, an international ophthalmology company. The agreement concerns the development and commercialization of its NCX 470 drug candidate, targeting patients with glaucoma or ocular hypertension for a territory comprising mainland China, Hong Kong, Macau, and Taiwan. Ocumension received exclusive rights to develop and commercialize NCX 470, at its own costs, in the agreed territory. Under the terms of the agreement, Nicox received in December 2018 a one-time upfront payment of €3 million from Ocumension and was also eligible to receive up to an additional €14.5 million in milestones associated with Ocumension's progress with NCX 470, up to and including regulatory approval, and up to €16.25 million associated with potential sales in the territory, as well as tiered royalties from 6% to 12% on sales.

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

The Group has considered that there were no new performance obligations in connection with the signature of this amendment and that €1 million could be immediately recognized under revenue. A residual amount of €14 million (initially recorded under deferred revenue) will be recognized in revenue only if it becomes highly probable that the uncertainty associated with the variable consideration is subsequently resolved and the potential repayment clauses shall not result in an adjustment involving a significant decrease in the cumulative amount of revenue recognized. Out of the €14 million initially recognized as deferred revenue, €1.5 million at December 31, 2021 will be recognized only if it is highly probable that the uncertainty associated with the potential repayment clauses do not result in an adjustment involving a significant decrease

in the cumulative amount of revenue recognized. Sales from this contract in 2021 amounted to €3.0 million for fiscal 2020.

In the Group's view, the joint Phase 3 clinical trial ("Denali") enters into the scope of IFRS 11 on "Joint arrangements" and in consequence expenses relating to this trial will be recognized in the consolidated statement of profit or loss as incurred.

In July 2021, the Group also amended its license agreement with Ocumension, under which latter is granted exclusive rights to develop and commercialize ZERVIATE® (cetirizine ophthalmic solution), 0.24% in the Chinese and the majority of South East Asian markets. Under this amended agreement, Ocumension immediately paid Nicox US$2 million in full advance payment of the future development and regulatory milestones for the ZERVIATE. This US$2 million was fully recognized under revenue in fiscal 2021.

The other license agreements not requiring determinant estimates and accounting judgments during 2020 are described in Note 23.1.

4.3. Growth-debt financing provided by Kreos

In the year ended December 31, 2019, the Company issued two tranches of non-convertible bonds with BSA warrants attached to the first tranche. The Company also issued a non-convertible bond tranche in 2020. In 2021, the loan was restructured for the first time in February with 18-month extensions respectively for the interest-only period and the loan maturity date, 30% of the outstanding amount was converted into shares and 100,000 BSA warrants were issued.

A new amendment was established on November 30, 2021. Prior to the signature of this amendment, the nominal amount of the debt with Kreos Capital amounted to €16.9 million; The amendment executed on November 20, 2021 introduced the following changes (with the other terms of the original contract remaining unchanged): (i) the maturity period of the loan was extended by 18 months, i.e. until January 1, 2026, with the Company benefiting from an option to extend this period by 6 months (i.e. until July 1, 2026) if the clinical trial of the Mont-Blanc study meets the primary endpoint of non-inferiority compared to latanoprost and (ii) the Company will also benefit from an extension of the interest-only payment period to August 1, 2023, which may be extended by an additional 6 months (to February 1, 2024) at the Company's option and subject to the same condition relating to the Mont Blanc study. The Amendment also provides for prepayment, without penalty, of 30% of the bond principal, i.e., €5,087,347, on its date of effect. This amount was transferred by Kreos Capital VI (UK) Limited to Kreos Capital VI (Expert Fund) L.P., to subscribe by way of offset to an issue of bonds convertible into new shares (the "Convertible Bonds"), reserved for subscription by Kreos Capital VI (UK) Limited (the "Convertible Bond Issue "). The convertible bond issue consisted of 3,300,000 bonds with a nominal value of 1 euro each, conferring entitlement to a maximum of 900,000 new shares with a nominal value of 1 euro each if converted into shares (able to be converted at any time, subject to a non-conversion period of 60 days from the date of issue). The conversion ratio for the Convertible Bonds into shares corresponds to a price of €3.67 or a 25% premium over the VWAP calculated on the 3-days trading preceding the date of the Board of Directors' meeting determining the final terms of the Convertible Bond Issue. The Convertible Bond Issue is secured by the collateral in place for the Bond Issue Agreement. The interest rate (9.25% per annum) and maturity are identical to those of the pre-existing debt issue. Should Kreos Capital VI (Expert Fund) L.P. fail to convert the bonds on maturity of the Convertible Bond Issue, the entire amount of the Convertible Loan remaining will be due as a single payment at that time. The remaining €1,787,347 under the Kreos Capital VI (Expert Fund) L.P.'s debt financing agreement were used to subscribe for the issue of new non-convertible bonds bearing an interest of 9.25%, with the same maturity as the Convertible Bond Issue and with an additional premium payable upon redemption, so that the total return to Kreos Capital VI (Expert Fund) L.P. is 1.75 times the initial amount of capital. The Amendment also provided for the payment to Kreos by the Company of a restructuring commission of €339,156.44.

Following its restructuring, this bond financing arrangement is now divided into three parts:

- Convertible bonds with a nominal amount of €3,300,000,
- Non-convertible bonds for a nominal amount of €11,870,000,

- Non-convertible bonds with a repayment premium for a nominal amount of €1,787,000.

Because the restructuring of the bond financing agreement is considered substantial in accordance with IFRS 9, the Kreos bond financing debt amounting to a total nominal amount of €16,958,000 was considered extinguished in exchange for three new bond issues recognized at fair value at the restructuring date.

The difference between the net book value of the extinguished debt and the fair value of the new debt issues was recognized under finance expense in the statement of profit and loss in the amount of €2,962,000. All fees and commissions incurred on this transaction were recorded directly in the statement of profit and loss under administrative expenses in the amount of €355,000.

The convertible bond is considered as hybrid financial instrument combining a bond component recorded under debt at fair value and an equity component. This conversion option, which meets the definition of an equity instrument under IAS 32, was recognized under equity in the amount of €635,000 (before deferred tax liabilities). The debt component of the convertible bond was recognized on the renegotiation date at fair value for a total amount of €3,268,000.

After initial recognition, bonds recognized under financial liabilities are measured at amortized cost. The carrying amount of these bonds recognized as financial liabilities was €18,520,000 as of December 31, 2021.

4.4 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 restricted stock units). The vesting of this share-based compensation is subject to performance conditions requiring that at least 70% 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 2020 (i.e. 50% + 1 option) will be definitively canceled, with the other half of the rights remaining in effect for the stock options and restricted stock units. The performance of the 2021 objectives was measured in December 2020 by the Board of Directors at 70% which is in line with the amount of the expense recognized.

4.5 Covid-19

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 its intangible assets, including goodwill due to the pandemic. This assumption was taken into account in the impairment tests, and resulted in a €12.1 million impairment charge on the book value of ZERVIATE and a €15.1 million impairment charge on the book value of NCX4251. These impairments are unrelated to the andemia. Concerning its cash position, in Q3 2020, the Group obtained loan agreements guaranteed by the French State with Société Générale and LCL for a total amount of €2 million under measures made available in connection with the COVID-19 pandemic. While these loans are not secured against any of the Group's assets, up to 90% are guaranteed by the French State (interest-free during this period). The initial maturity was extended by an additional 12 months followed by a 5-year repayment period at the request of the Group. In addition, in December 2021 the Group raised €15 million in gross proceeds and restructured its debt (see note 4.2), ensuring the availability of cash resources up to at least the last 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.

4.6 Impairment of intangible assets

The U.S. anti-allergy market is evolving with many competing products moving from prescription to OTC, and with a significant presence of prescription generics. The impact of these changes led Nicox to revise its estimate of potential future revenues for ZERVIATE in the United States, resulting in an impairment loss for the US territory of €12,682,000 based on ZERVIATE's value in use. This impairment has been recognized in the consolidated statement of profit and loss under " Impairment of intangible assets". The net book value of ZERVIATE after impairment was €26,600,000 and corresponds mainly to the value of the asset allocated to the Chinese territory for which the rights were granted to the partner Ocumension.

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 previously planned (see note 30). 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). In consequence, Nicox completely revised its development plan for NCX 4251, which has led to an impairment of this asset in the amount of €15,078,000. This impairment reflects mainly an increase in development costs, the time required to complete the studies and bring the product to market, and a higher percentage of success in future clinical trials. The net book value of NCX 4251 after impairment amounted to €13,400,000 representing the value in use as determined for this asset. This impairment was recognized in the consolidated statement of profit or loss under "*Impairment of intangible assets*".

5. INCOME AND EXPENSES

5.1. Segment information

In accordance with the definition of sectors drawn up according to IFRS 8 – Operating segments, the segment breakdown includes only a single segment reflecting the Group's operating and managerial structure which is focused on pharmaceutical research and development. In 2021 and 2020, all intangible assets were located in the United States, tangible assets mainly in the United States and non-current financial assets in Europe.

5.2. Revenue from collaborations

Revenues from collaborations break down as follows:

	For the year ended December 31	
	2021	**2020**
	(€ 000s)	
Milestone payments	4,821	10,538
License royalty payments	3,762	3,885
Total revenue from collaborations	**8,583**	**14,423**

Revenue recognized in the year ended December 31, 2021 was derived largely from the amendments to license agreements with Ocumension for the NCX 470 and ZERVIATE drug candidates for China (see note 4.2), or 56.2% of revenue for the period and royalties on net sales of VYZULTA in the United States and

Canada and ZERVIATE in the United States licensed respectively to Bausch + Lomb and Eyevance or 43.8% of sales for the period.

Revenue recognized in the year ended December 31, 2020 was derived largely from the amendment to the license agreement with Ocumension for the NCX 470 drug candidate for China (see note 4.2), or 73.0% of revenue for the period and royalties on net sales of VYZULTA in the United States and Canada and ZERVIATE in the United States licensed respectively to Bausch + Lomb and Eyevance or 27.0% of sales for the period.

For additional information, see also notes 4.2 and 23.1.5 and 23.1.6.

5.3. Royalty payments to Pfizer

Payment of royalties to PFIZER depends on revenues recognized with Bausch & Lomb. These payments constitute consideration for reacquiring the rights to latanoprostene bunod from Pfizer in 2009 in the form of a percentage of royalties on sales paid by Bausch & Lomb and part of a milestone payment received when the product obtained FDA approval. These payments amounted to €1,350,000 in 2021 compared to €1,516,000 in 2020.

5.4. Net revenues from collaborations

Net revenues from collaborations, calculated by deducting royalty payments from this amount, amounted to €7,233,000 in 2021 compared to €12,907,000 one year earlier.

5.5. Research and development expenditures

On December 31, 2021 and 2020, research and development costs amounted to €17,910,000 and €12,728,000 respectively, breaking down by the nature and by projects in the table below as follows:

	For the year ended December 31	
	2021	**2020**
	(€ 000s)	
Internal expenditures	4,031	4,375
External expenditures	13,619	8,226
ZERVIATE (AC170)	100	(9)
NCX4251	3,918	673
*NCX470**	8,804	6,715
Other expenses not allocated by project	797	847
Other expenditures	260	127
Total R&D expenditures	**17,910**	**12,728**

* Net of expenses charged back to Ocumension relating to the Denali study (see note 4.2)

The increase in research and development expenditures for 2021 reflects mainly the impact of concurrent clinical trials for Mont Blanc, Denali for NCX 470 and Mississippi for NCX 4251.

5.6 Administrative expenses

General and administrative costs in 2021 and 2020 amounted to €7,000,000 and €6,677,000 respectively. General and administrative costs include mainly the cost of administrative and financial personnel, compensation to company officers, communications and business development costs. General and

administrative costs also included in 2021 and 2020 respectively €661,000 and €651,000 for the measurement of stock options, restricted stock units and stock options awarded to Group employees and directors.

5.7. Other income

Other income in 2021 and 2020 amounted to respectively €843,000 and €1,083,000, breaking down as follows:

	For the year ended December 31	
	2021	2020
	(€ 000s)	
Research tax credit	716	737
Unrealized gains on assets and liabilities denominated in foreign currencies	53	218
Miscellaneous	74	128
Total	**843**	**1,083**

5.8. Other expenses

	For the year ended December 31	
	2021	2020
	(€ 000s)	
Unrealized foreign exchange losses	(205)	(77)
Other	(6)	(16)
Total	**(211)**	**(93)**

5.9. Expense by nature

Expenses by nature are presented below under the appropriate headings of the statement of profit or loss by function:

5.9.1. Personnel costs

	For the year ended December 31	
	2021	2020
	(€ 000s)	
Salaries	(4,211)	(4,694)
Social charges	(1,563)	(1,702)
Pension expenses	67	(6)
Expenses related to share-based payments	(1,453)	(1,314)
Total personnel expenses	**(7,160)**	**(7,716)**

5.9.2. Net financial income (expense)

	For the year ended December 31	
	2021	**2020**
	(€ 000s)	
Foreign exchange gain	3,403	172
Capitalized interest on notes receivable (see note 4.3)	-	-
Interest on cash equivalents	-	891
Other financial income	53	105
Total financial income	**3,456**	**1,168**
Foreign exchange loss	-	(3,398)
Financial interest paid on financial liabilities	(2,023)	(2,205)
Loss on the notes receivable and minority interests (note 4.3)	(2,814)	(6,874)
Other expenses	(14)	(1)
Total financial expenses	**(4,851)**	**(12,478)**
Net financial income (expense)	**(1,395)**	**(11,310)**

6. INCOME TAX

	For the year ended December 31	
	2021	**2020**
	(€ 000s)	
Current income tax (expense) / income	(35)	(28)
Deferred tax (expense) / income[(1)]	3,679	-
Total tax (expense) income	**3,644**	**(28)**

(1) Including mainly in 2021 €3.5 million from the reversal of deferred tax liabilities arising from the impairment of NCX4251 (see note 21).

In February 2019, the Group was informed of a tax audit of the parent company Nicox SA in France. This audit was completed in September 2020 with the issuance of a tax notification initially concerning €49.6 million in unrecognized tax loss carryforwards out of a total of €484.6 million available at December 31, 2020 in addition to €0.9 million in withholding tax. The tax authorities ultimately abandoned one of the grounds for the adjustment relating to unrecognized tax loss carryforwards, reducing the amount under dispute to €24.8 million. The Group strongly disagrees with the merits of these tax adjustments and duly notified the tax authorities by letter on November 10, 2020. In 2021, the Group submitted an appeal on this matter to a higher authority. This final appeal was occurred in October 2021. At the end of this process, the tax authorities informed the Group that they maintained their position on the two contested points of adjustment. At this stage, the Group is considering a claim once the amounts for collection have been notified. To date, this collection procedure is still pending.

Reconciliation of the effective tax expense and applicable tax rate for the year ended

	For the year ended December 31	
	2021	**2020**
	(€ 000s)	
Loss before tax	(47,405)	(18,071)
Tax rate applicable to the Company	26,50%	28,00%
Theoretical tax loss carryforwards	12,562	5,060
Tax impact:		
From permanent differences	4,919	(467)
From share-based payments	(388)	(368)
From tax losses for which no deferred taxes have been recognized	(3,832)	(4,264)
Changes in estimates on the deferred tax bases	-	-
From other differences	221	11
Effective tax (expense) / benefit	3,644	(28)
Effective tax rate	7,69%	0,15%

7. EARNINGS PER SHARE

7.7. Basic loss per share

Basic earnings per share are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	For the year ended December 31	
	2021	**2020**
	In EUR thousands (except share and per share items)	
Loss of the period attributable to the ordinary equity holders	(43,761)	(18,098)
Weighted average number of ordinary shares outstanding	37,486,570	33,717,626
Basic loss per share	**(1.17)**	**(0.54)**

Diluted earnings per share are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding adjusted for the effect of all potentially dilutive ordinary shares. For the years ended December 31, 2021 and 2020, the stock options, equity warrants and restricted stock units have no dilutive effect. As a result, the diluted loss per share equals the basic loss per share.

8. PROPERTY, PLANT AND EQUIPMENT

8.7. Breakdown by nature

	At December 31	
	2021	2020
	(€ 000s)	
Laboratory equipment	1,190	1,178
Computer equipment	478	475
Transportation equipment	122	134
Furniture	247	238
Fixtures and fittings.	291	287
Buildings	1,427	1,498
Gross value	**3,755**	**3,810**
Laboratory equipment	(1,187)	(1,177)
Computer equipment	(454)	(422)
Transportation equipment	(63)	(86)
Furniture	(236)	(235)
Fixtures and fittings.	(277)	(253)
Buildings	(515)	(471)
Accumulated depreciation	**(2,732)**	**(2,644)**
Net value of property, plant and equipment	**1,023**	**1,666**

8.8. Change in the year

	Gross value	Amortization and depreciation	Net value
		(€ 000s)	
Value at December 31, 2019	**3,894**	**(2,224)**	**1,670**
Acquisitions/Depreciation	65	(474)	(409)
Disposals or retirements	(41)	30	(11)
Impact of change in exchange rates	(108)	24	(84)
Value at December 31, 2020	**3,810**	**(2,644)**	**1,166**
Acquisitions/Depreciation	228	(433)	(205)
Disposals or retirements	(381)	380	(1)
Impact of change in exchange rates	98	(35)	63
Value at December 31, 2021	**3,755**	**(2,732)**	**1,023**

The gross value of property, plant and equipment held under 20 years leases at December 31, 2021 is €1,596,000 (€1,699,000 in 2020) for a net value of €986,000 (€1,107,000 in 2020). Allowances for depreciation recorded in 2021 amounted to €426,000 (€379,000 in 2020).

Depreciation and amortization of property, plant and equipment are broken down in the statement of profit or loss as follows:

	For the year ended December 31	
	2021	**2020**
Research and development expenditures	(26)	(30)
Commercial and administrative expenses	(407)	(444)
Total allowances for depreciation and amortization	**(433)**	**(474)**

9. INTANGIBLE ASSETS

9.7. Breakdown by nature

	At December 31	
	2021	**2020**
	(€ 000s)	
Patent, rights, licenses	74,136	68,581
Software	357	357
Research and development activities acquired separately	50	50
Gross value	**74,543**	**68,988**
Patent, rights, licenses	(34,268)	(3,766)
Software	(251)	(324)
Research and development activities acquired separately	(50)	(50)
Accumulated depreciation	**(34,569)**	**(4,140)**
Net value of intangible assets	**39,974**	**64,848**

At December 31, 2021, the gross value of intangible assets relating to intellectual property amounted to €74.1 million, breaking down as follows:

(i) €43.0 million, equivalent to US$48.7 million for ZERVIATE (of which €16.4 million, equivalent to US$18.6 million, corresponding to the value allocated to the U.S. territory); the net carrying amount of ZERVIATE allocated to the U.S. territory was fully amortized as of December 31, 2021 (see note 4.6), i.e. €12.7 million.

(ii) and €26.9 million, equivalent to US$33 million, for NCX 4251. NCX 4251 was amortized for an amount of €15.1 million corresponding to US$17.8 million at December 31, 2021 (see note 4.6). The balance relates to patents having a gross value of €2.0 million having been fully amortized.

The net book value of ZERVIATE after amortization was €26.6 million, equivalent to US$30.1 million, at December 31, 2021. The net book value of NCX 4251 after amortization was €13.4 million, equivalent to US$15.2 million, at December 31, 2021. The net book value of in process research and development (IP R&D) amounts to €40.04 million at December 31, 2021.

The intellectual property associated with NCX 4251 is considered as in-process development, and as such is not amortized. When the development activities of this product are completed, it will be amortized according to its estimated useful life that will be initially determined on the basis of the patent's lifetime.

The Group conducted an impairment test for two IP R&D assets in the statement of financial position as previously described (ZERVIATE and NCX 4251). These tests are sensitive to assumptions specific to the nature of the asset. In addition to the discount rate, the main assumptions used in 2021 relate to:

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

The assumptions used for impairment tests on intangible assets are reviewed at least once a year.

The discount rates after taxes used in 2021 range between 7% and 14%.

The value of intangible assets of the Group as presented in the consolidated financial statements depends on the Group's ability to successfully conclude partnerships or license agreements with third parties. This could lead to an impairment loss should the Group be unsuccessful in concluding certain agreements.

In December 2021, the results of the impairment tests led the company to record impairment charges for the two assets ZERVIATE and NCX 4251 (see note 4.6).

9.8. Change in the year

	Gross value	Amortization and depreciation	Net value
		(€ 000s)	
Value at December 31, 2019	**75,203**	**(3,083)**	**72,120**
Acquisitions/Amortization		(1,269)	(1,269)
Disposals or retirements	(69)	69	
Impact of change in exchange rates	(6,146)	143	(6,003)
Reversals			
Value at December 31, 2020	**68,988**	**(4,140)**	**64,848**
Acquisitions / Amortization/ Depreciation (1)		(28,980)	(28,980)
Disposals or retirements			
Impact of change in exchange rates	5,555	(1,449)	4,106
Reversals			
Value at December 31, 2021	**74,543**	**(34,569)**	**39,974**

(1) Amortization of ZERVIATE and NCX4251 (see note 4.6)

Amortization and depreciation of intangible assets are broken down in the statement of profit or loss as follows:

	For the year ended December 31	
	2021	**2020**
	(€ 000s)	
Research and development expenditures	(1)	(1)
Commercial and administrative expenses	(14)	(16)
Amortization of intangible assets	(1,205)	(1,252)
Impairment of intangible assets(1)	(27,760)	
Total allowances for amortization and depreciation	**(28,980)**	**(1,269)**

(1) Amortization of ZERVIATE and NCX 4251 (see note 4.6)

10. GOODWILL

Goodwill at December 31, 2021 and 2020 represents exclusively goodwill of the Group.

	Gross value	Amortization and depreciation	Net value
		(€ 000s)	
Value at December 31, 2019	**25,847**	**-**	**25,847**
Impact of change in exchange rates	(2,184)		(2,184)
Value at December 31, 2020	**23,663**		**23,663**
Impact of change in exchange rates	1,974		1,974
Value at December 31, 2021	**25,637**		**25,637**

10.7. Goodwill impairment tests

The net book value of goodwill and intangible assets breaks down as follows:

	At December 31, 2021		
	Basis for impairment	Amortization and depreciation	Net value
		(€ 000s)	
Goodwill	25,637	-	25,637
Intangible assets	74,543	(34,569)	39,974
Total	**100,180**	**(34,569)**	**65,611**

A comparison between value in use and the book value on the statement of financial position was made and subject to sensitivity analysis based on the parameters which included:

- the change in the discount rate;
- the change in the percentage of success of the IP R&D projects;
- the change in revenue expected from the Group's different projects.

No impairment of goodwill tested should be recognized in the case of a reasonably possible change in the assumptions used in 2021.

On this basis, the following changes will not result in recognition by the Group of a goodwill impairment in the statement of financial position:

- an increase in the discount rate of 10 points above the discount rate currently used;
- a decrease in the percentage of success for projects under development of 20 points below the rate currently used, or;
- a decrease in sales expected from different Group projects of 20 points below the rates currently used;

No impairment of goodwill was recognized in 2021 and 2020.

11. GOVERNMENT GRANTS RECEIVABLE

	At January 1, 2021	Recognized in the period	Reimbursed in the period	At December 31, 2021
Research tax credit	737	715		1,452
Other government grants	-			
Total	**737**	**715**		**1,452**

	At January 1, 2020	Recognized in the period	Reimbursed in the period	At December 31, 2020
Research tax credit	864	737	864	737
Other government grants	-	-	-	-
Total	**864**	**737**	**864**	**737**

Government subsidies granted to the Group for research and development expenditures incurred under research programs are recognized in *Government grant receivables* for the period during which the expenses related to the grant were incurred, provided that there is reasonable certainty that the Group has met the terms and conditions associated with the grant and that the grant will be received.

12. OTHER CURRENT ASSETS AND PREPAID EXPENSES

Other current assets primarily consist of VAT credits.

	At December 31	
	2021	**2020**
	(€ 000s)	
Tax receivables	217	158
Other receivables	160	79
Total	**377**	**237**

13. OTHER NON-CURRENT FINANCIAL ASSETS

	At December 31	
	2021	2020
	(€ 000s)	
Deposits and guarantees	237	68
Total non-current financial assets	**237**	**68**

14. CASH AND CASH EQUIVALENTS

	At December 31	
	2021	2020
	(€ 000s)	
Cash	31,970	36,258
Cash equivalents (1)	10,000	10,937
Total cash and cash equivalents	**41,970**	**47,195**

(1) Cash equivalents consist of time deposit accounts. In accordance with the IAS 7 criteria, these are considered to meet the definition of cash equivalents.

15. ISSUED CAPITAL AND RESERVES

At December 31, 2021, the share capital of the Group consists of 43,138,185 fully paid up ordinary shares with a par value of €1.

	Share capital	Share premium	Number of shares	Par value
	(€ 000s)			
At January 1, 2020	**33,231**	**518,441**	**33,230,570**	**1**
Issuance of ordinary shares*	3,530	10,154	3,529,565	
Share-based payments	270	(270)	270,200	
At December 31, 2020	**37,031**	**528,595**	**37,030,335**	**1**
Issuance of ordinary shares**	6,000	7,712	6,000,000	
Share-based payments	107	(107)	107,850	
At December 31, 2021	**43,138**	**536,200**	**43,138,185**	**1**

* 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.

** 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 6,000,000 new ordinary shares for gross proceeds of €15.0 million

.

Options with a potentially dilutive effect

15.7. Stock options

The Group has a stock option plan for its employees and corporate officers (See Note 16.1).

Changes in the period are described below:

	Rights	Number of shares issuable
Options outstanding at December 31, 2020	**930,300**	**770,300**
Awarded in the period	382,850	382,850
Canceled or expired in the period	271,600	111,600
Exercised in the period	-	-
Options outstanding at December 31, 2021	**1,041,550**	**1,041,550**

15.8. Warrants

The Board of Directors issued stock warrants to certain directors and members of the Glaucoma Clinical Advisory Board authorized by the General Meeting (See Note 16.2).

Changes in the period are described below:

Number of warrants issuable	
Equity warrants outstanding at January 1, 2021	**348,000**
Awarded in the period	-
Canceled or lapsing in the period	-
Equity warrants outstanding at December 31, 2021	**348,000**

15.9. Restricted stock units (*actions gratuites*)

As from the first half of 2007, the Group introduced a plan for granting restricted stock units (RSUs) to various Group employees (See Note 16.3).

Changes in the period are described below:

	Rights	Number of shares issuable
RSUs outstanding at December 31, 2020	**276,500**	**276,500**
Awarded in the period	99,350	99,350
Canceled or expired in the period	22,600	22,600
Delivered in the period	107,850	107,850
RSUs outstanding at December 31, 2021	**245,400**	**245,400**

16. SHARE-BASED PAYMENTS

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 and Directors receive share-based compensation (stock options, restricted stock units and stock warrants). The vesting of this share-based compensation is subject to performance conditions requiring that at least 70% 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 2020 (i.e. 50% + 1 option) will be definitively canceled, with the other half of the rights remaining in effect for the stock options and restricted stock units.

16.1 Stock subscription or purchase options

On October 22, 2014, the general meeting approved a stock option plan for employees and corporate officers and authorized the Board of Directors to grant options entitling the holder to subscribe for a maximum of 200,000 outstanding or new ordinary shares (understood as after the reverse stock split on December 3, 2015) with a par value of €1. The vesting of these options is subject to performance conditions set by the Board of Directors at the time of the grant. The Board of Directors determines the identity of the grantees as well as the conditions and criteria for granting the options. The options granted under this authorization must be exercised no later than six years after the effective award date by the Board of Directors. This authorization, granted for a period of 38 months from the date of the meeting, was rendered void by the general meeting of June 3, 2015, but no option was granted under this authorization of this General Meeting.

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

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

Options granted in 2014 and 2015 are subject to conditions of performance:

- The exercise of these stock options granted in 2014 (which lapsed in 2020 without being exercised) was subject to the determination that at least 70% of the Company's objectives had been achieved for both 2014 and for 2015, which was the case. These objectives that relate to the Group strategy are not disclosed due to their confidentiality.

- The exercise of these stock options granted in 2015 was subject to the determination that at least 70% of the Company's objectives had been achieved for 2015, which was the case. These objectives that relate to the Group strategy are not disclosed due to their confidentiality.

No stock options were awarded in 2016, 2017 and 2018.

With respect to stock options granted in 2019 and 2020, the exercise of rights was subject to the Board of Directors' determination that at least 70% of the Company's objectives for 2019 and 2020 were achieved,

which is the case. This authorization, granted for a period of 38 months from the date of the meeting, was rendered void by the general meeting of April 28, 2021.

On April 28, 2021, the shareholders in the general meeting granted an authorization to the Board of Directors for 38 months to award 2,500,000 stock options or stock purchase options to Group employees and officers. The exercise of these options is subject to performance conditions for beneficiaries who are members of the Executive Committee, set by the Board of Directors at the time of the grant. The options granted under this authorization must be exercised no later than eight years after the effective award date by the Board of Directors.

The following table presents, at December 31, 2021, the outstanding options issued under these plans:

Board of Directors' meeting date	Options granted	Exercise date of the options	Expiry date	Subscription price per option in euros	Number of canceled or expired options	Options outstanding	Number of outstanding shares issuable upon exercise of the options
Plan authorized by the General Meeting of 10/22/2014							
01/30/2015	200,000	01/30/2019	01/30/2021	€1.87	200,000	0	0
	200,000				**200,000**	**0**	**0**
Plan authorized by the General Meeting of 05/24/2018							
02/12/2019	176,550	02/12/2021	02/12/2027	€6.05	41,400	135.150	135.150
01/27/2020	394,750	01/27/2022	01/27/2028	€4.79	44,100	350.650	350.650
	571,300				**85,500**	**485.800**	**485.800**
Plan authorized by the General Meeting of 06/30/2020							
10/15/2020	108,000	10/31/2021	10/15/2028	€2.92	12,000	96,000	96,000
10/15/2020	108,000	10/31/2022	10/15/2028	€2.92	12,000	96,000	96,000
01/14/2021	382,850	01/14/2023	01/14/2029	€3.52	19,100	363,750	363,750
	598,850				**43,100**	**555,750**	**555,750**
	1,370,150				**328,600**	**1,041,550**	**1,041,550**

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

	Number of options	Number of shares	Weighted average exercise price of the shares corresponding to the options (in euros)
Options outstanding at start of period (1)	**930,300**	**770,300**	**€4.74**
Granted during the period	382,850	382,850	€3.52
Canceled	271,600	111,600	€5.93
Outstanding at end of period (1)	**1,041,550**	**1,041,550**	**€4.17**

(1) Taking into account the 5-for-1 reverse stock split of December 3, 2015.

The weighted average remaining contractual life of the outstanding stock options is 6 years and 6 months (compared with 4 year and 3 months at December 31, 2020).

In accordance with IFRS 2, the stock options were remeasured. The impact of the stock option valuation on Group income represented an expense of €886 ,000 at December 31, 2021 (2020: €564,000).

16.2 Warrants

On May 30, 2017, the shareholders' General Meeting approved the principle of a capital increase of €144,000 by issuing without consideration 144,000 equity warrants conferring rights the holder to a maximum of 144,000 new shares at a par value of €1 per share for six members of the Board of Directors. These warrants were issued by the Board of Directors on June 8, 2017 and must be exercised within five years from their issue date. These warrants were subject to conditions of performance set by the Board when the rights were granted and which were noted by the Board in December 2017 as having been fulfilled.

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

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

The following table presents, at December 31, 2021, the equity warrants outstanding:

	Plan 7	***Plan 8***	***Plan 9***
Shareholders' meeting date	May 2017	May 2018	June 2020
Board of Directors' meeting date	June 8, 2017	May 25, 2018	July 16, 2020
Total number of shares that may be subscribed	144,000	144,000	60,000
Exercise date of the warrants		(2)	
Expiration date	June 7, 2022	May 24, 2023	July 15, 2025
Warrant exercise price (€)	11.8841	8.8803	4.1449
Exercise methods	(1)	(1)	
Number of shares subscribed at December 31, 2020	-	-	-
Aggregate number of equity warrants canceled or expired	-	-	-
Equity warrants remaining at end of year	144,000	144,000	60,000

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

(2) Ms. Birgit Stattin Norinder resigned from her position as director in June 2018.

The valuation of the warrants had no impact on Group results in 2021 compared with €67,000 in 2020.

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

	At December 31, 2021		
	Number of options	**Number of shares**	**Weighted average exercise price of the shares corresponding to the options (in euros)**
Outstanding at start of the period	**348,000**	**348,000**	**9.31**
Granted during the period	-	-	-
Canceled or lapsed during the period	-	-	-
Outstanding at end of period	348,000	348,000	9.31
Exercisable at end of period	**348,000**	**348,000**	**9.31**

16.3 Restricted stock units (*actions gratuites* or free shares)

16.3.1. General meeting of May 30, 2017

On May 30, 2017, the shareholders' general meeting authorized the Board of Directors to award the Group's employees and corporate officers, without consideration, for a period of 38 months, a maximum of 600,000 outstanding or new ordinary shares of the group with a par value of €1 each. The vesting of these shares is subject to performance conditions set by the Board of Directors at the time of the grant.

The vesting of restricted stock units granted in 2017 under the May 30, 2017 plan was contingent on the Board of Directors' determination of the achievement of at least 70% of the annual objectives of the Group. In December 2017, the Board of Directors duly noted that 80% of the Group's undisclosed objectives were met.

The vesting of restricted stock units granted in 2018 under the May 30, 2017 plan was contingent on the Board of Directors' determination of the achievement of at least 70% of the annual objectives of the Group. In January 2019, the Board of Directors duly noted that 90% of the Group's undisclosed objectives were met.

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

16.3.2 General meeting of May 25, 2018

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

The vesting of restricted stock units granted in 2018 under the May 24, 2018 plan was contingent, for certain rights, on the Board of Directors' determination of the achievement of at least 70% of the annual objectives

of the Group. In January 2019, the Board of Directors duly noted that 90% of the Group's undisclosed objectives were met.

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

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

16.3.3 General meeting of April 28, 2021

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

The vesting of restricted stock units granted in 2021 under the April 2, 2021 plan was contingent, for certain rights, on the Board of Directors' determination of the achievement of at least 70% of the annual objectives of the Group. In December 2021, the Board of Directors duly noted that 70% of the Group's undisclosed objectives were met.

The following table presents, at December 31, 2021, the restricted stock units issued under these plans:

Board of Directors' meeting date	Shares granted	Vesting date of shares	Number of ordinary canceled	Vested shares	Total issuable
Plan authorized by the General Meeting of 05/30/2017					
01/15/2018	139,200	01/15/2020	-	139,200	-
02/20/2018	100,000	02/20/2020	-	100,000	-
05/16/2018	21,600	05/16/2020	-	21,600	-
	260,800		-	**260,800**	**-**
Plan authorized by the General Meeting of 05/24/2018					
12/05/2018	21,400	12/05/2020	12,000	9,400	-
02/12/2019	83,650	02/12/2021	10,000	73,650	-
04/19/2019	8,000	04/19/2021	-	8,000	-
05/24/2019	1,400	05/24/21	-	1,400	-
07/11/2019	12,000	07/11/2021	-	12,000	-
09/16/2019	12,800	09/16/2021	-	12,800	-
01/27/2020	99,750	01/27/2022	14,800	-	84,950
03/05/2020	8,000	03/05/2022	8,000	-	-
08/05/2020	24,000	08/05/2022	-	-	24,000
10/15/2020	54,000	10/15/2022	8,000	-	46,000
01/14/2021	83,150	01/14/2023	6,500	-	76,650
	408,150		**59,300**	**117,250**	**231,600**
Plan authorized by the General Meeting of 04/28/2021					
05/05/2021	13,800	05/05/2023	-	-	13,800
07/19/2021	2,400	07/19/2023	2,400	-	-
	16,200		**2,400**	-	**13,800**
TOTAL	**685,150**		**61,700**	**378,050**	**245,400**

The impact of the valuation of restricted stock units on Group income represented €577 000 at December 31, 2021 (2020: €683,000).

17 CURRENT AND NON-CURRENT PROVISIONS

	As of Jan. 1, 2020	*Increase*	*Actuarial gains and losses*	*Amount used in the period*	*Change in consolidation scope*	*As of Dec. 31, 2020*
						(€ 000s)
Post-employment obligations*	538	6	186	-	-	730
Total provisions	**538**	**6**	**186**	**-**	**-**	**730**
Non-current provisions	**538**	**6**	**186**			*730*
Current provisions	-	-	-	-	-	-

* See note 18.1

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

* See note 18.1

18 POST-EMPLOYMENT OBLIGATIONS

The Group has an unfunded defined benefit pension plan that covers all employees of Nicox S.A. 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.

In accordance with IAS 8, the Group has applied the IFRIC IC interpretation of May 2021 on the principle of attributing benefits to periods of service. This change in accounting policy resulted in the recognition of a decrease in the pension obligation of €12,000 as of January 1, 2020, and a reduction of €12,000 in actuarial gains and losses for fiscal 2020. The balance of the pension obligation as of December 31, 2020 was €730,000, compared with €754,000 before the change in accounting method.

The impact on comprehensive income of the pension plan was (€69,000) for the year ended December 31, 2021 (2020: €192,000) The present value of pension liabilities at December 31, 2021 was €661,000 ((2020: €730,000).

The main actuarial assumptions used to measure the defined-benefit obligation are as follows:

	At December 31	
	2021	**2020**
Social security contribution rate	45,20%	45,20%
Salary increases	2,0%	2,0%
Discount rate [(1)]	0,88%	0,25%
Conditions of retirement	voluntary	voluntary
Retirement age:	Management: 65 Non-management: 63	Management: 65 Non-management: 63

(1) The rate adopted for the purpose of this evaluation corresponds to the average between the IBOXX Corporates AA rate and the 15-year Bloomberg Rate.

The table below presents the reconciliation between the opening and closing balances of net defined benefit obligations and their components:

	(€ 000s)
As of Jan. 1, 2020	**538**
Costs of services rendered during the period	2
Financial expenses	4
Actuarial gains and losses	186
As of December 31, 2020	**730**
Costs of services rendered during the period	(69)
Finance expenses	2
Actuarial gains and losses	(2)
As of December 31, 2021	**661**

19 DEFERRED INCOME

Deferred income amounted to €1,970,000 at December 31, 2021 (2020: €5,174,000) and corresponds mainly to deferred income recognized in connection with the amendment to the license agreement with Ocumension for NCX 470 (see note 4.2). This revenue will be recognized only if it becomes highly probable that the uncertainty associated with the variable consideration is subsequently resolved and the potential repayment clauses do not result in an adjustment involving a significant decrease in the cumulative amount of revenue recognized.

20 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

	At December 31	
	2021	2020
	(€ 000s)	
Borrowings [1]	20,520	12,687
Leases	640	742
Total non-current financial liabilities	**21,160**	**13,429**

	At December 31	
	2021	2020
	(€ 000s)	
Borrowings [1]		5,289
Leases	346	357
Total current financial liabilities	**346**	**5,646**

(1) See Note 4.3.

Financial liabilities under the "Borrowings" line item of the above tables are comprised exclusively of fixed rate debt. With the exception of the lease liabilities of the US entity denominated in US dollars, all other financial liabilities are in euros.

The Kreos Capital Bond Financing Agreement was restructured in 2021 (see 4.3), and now consists of the following three bond loans:

- Convertible bonds with a nominal amount of €3,300,000,
- Non-convertible bonds for a nominal amount of €11,870,000,
- Non-convertible bonds with a repayment premium for a nominal amount of €1,787,000.

Because the restructuring of the bond financing agreement is considered substantial in accordance with IFRS 9, the Kreos bond financing debt amounting to a total nominal amount of €16,958,000 was considered extinguished in exchange for three new bond issues recognized at fair value at the restructuring date.

The difference between the net book value of the extinguished debt and the fair value of the new debt issues was recognized under finance expense in the statement of profit and loss in the amount of €2,962,000. All fees and commissions incurred on this transaction were recorded directly in the statement of profit and loss under administrative expenses in the amount of €355,000.

The convertible bond is considered as hybrid financial instrument combining a bond component recorded under debt at fair value and an equity component. This conversion option, which meets the definition of an equity instrument under IAS 32, was recognized under equity in the amount of €635,000 (before deferred tax liabilities). The debt component of the convertible bond was recognized on the renegotiation date at fair value for a total amount of €3,268,000.

After initial recognition, bonds recognized under financial liabilities are measured at amortized cost. The carrying amount of these bonds recognized as financial liabilities was €18,520,000 as of December 31, 2021.

Loss carryforwards:		
	2,018	2,017
Parent company		454,423
US subsidiary		14,061
Total		468,484

(€ 000s)	Nominal	Maturity	Fair value (debt component) at the restructuring date	Net book value as at 12/31/2021	EIR
Non-convertible bond	11,870	January 1, 2026*	11,733	11,735	9.4%
Convertible bond	3,300	January 1, 2026	3,268	3,269	9.5%
Non-convertible bond with repayment premium	1,787	January 1, 2026	3,503	3,516	9.2%
	16,957		**18,504**	**18,520**	

*with an option to extend the maturity date by 6 months (i.e. to July 1, 2026) if the Mont Blanc trial meets the primary endpoint of non-inferiority compared to latanoprost.

21 DEFERRED TAX LIABILITIES

As of December 31, 2021, deferred tax liabilities amounted to €9,237,000 (2020: €11,868,000). This corresponds to deferred tax liabilities 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 2021 reflects the reversal of the deferred tax liability of €3,465,000 (US$4,101,000) arising from the amortization of NCX4251 and the foreign exchange difference of €834,000. The Group has tax losses in France and in the United States. In 2019, the Group conducted a study of tax losses available for use by the US subsidiary. In compliance with Article 382 of the US Internal Revenue Code (IRC) concerning historical losses available to be carried forward, the Group considered that it does have tax loss carryforwards with respect to federal and state taxes incurred prior to the Nicox Opthalmics, Inc.'s acquisition for an amount of US$50.9 million eligible to be carried forward to offset taxable income for the statutory period of 20 years. In addition, tax losses generated in the United States since the US tax reform adopted by the U.S. Senate on December 2, 2017 and tax loss carryforwards generated in France, do not expire. Tax loss carryforwards generated in France may be applied to tax profit for up to 50% of their amount in a given year. With the exception of deferred tax assets recognized to offset deferred tax liabilities on equity warrants relating to the loan agreement in France and deferred tax assets relating to development activities completed in 2019 in the United States recognized to offset the corresponding deferred tax liabilities, no deferred tax asset was recognized in the consolidated statements of the financial position at December 31, 2020 and December 31, 2020, as the Group was unable to assure that it would be able to recover the tax credit on possible taxable income in the foreseeable future.

Loss carryforwards:	**At December 31**	
	2021	**2020**
	(€ 000s)	
Parent company (1)	497,366	484,647
US subsidiary	69,150	58,312
Total Group loss carryforwards	**566,516**	**542,959**

(1) €24.8 million are disputed by the tax authorities (see note 6)

22 OTHER CURRENT LIABILITIES

	At December 31	
	2021	2020
	(€ 000s)	
VAT payables	172	123
Provisions relating to personnel expenses	1,613	1,814
Other	250	226
Total other current liabilities	**2,035**	**2,163**

23 OFF-BALANCE SHEET COMMITMENTS

The Group has a number of commitments from its partners for potential royalty payments contingent on the materialization of future events. The most significant agreements are described below:

23.1 Licensing agreements

23.1.1 *Bausch + Lomb*

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

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

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

23.1.2 *Pfizer*

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

23.1.3 *Fera Pharmaceutical*

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

Under the terms of the agreement, the Group may be eligible to receive up to $40 million in sales-based milestones, plus 7% royalties based on net sales of naproxcinod in the U.S.

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

In Q2 2020, Nicox was informed by its partner Fera that the application with the U.S. FDA for an Orphan Drug Designation (ODD) for naproxcinod in sickle-cell disease had been refused but that Fera is reviewing how to respond to the points raised by the FDA. Fera is also considering alternative indications for the development of naproxcinod including as a potential adjuvant treatment for patients with COVID-19 infection. Nicox and Fera have amended their existing agreement to include COVID-19 as an indication, and Nicox granted Fera warrants to acquire 10,000 Nicox shares. In March 2022, Nicox and Fera announced that the United States (U.S.) Food and Drug Administration (FDA) has granted Orphan Drug Designation for naproxcinod for the treatment of sickle cell disease, which affects an estimated 100,000 Americans. Naproxcinod is a nitric oxide (NO)-donating naproxen combining the cyclooxygenase (COX) inhibitory activity of naproxen with that of nitric oxide developed by Nicox and exclusively licensed to Fera in the U.S. Nicox has tested naproxcinod in over 2,700 patients in osteoarthritis, generating a significant package of clinical safety data which is available to support Fera’s development of naproxcinod, and ultimately a New Drug Application submission for sickle cell disease.

23.1.4 *Ocumension Therapeutics*

23.1.5.1 The agreement concerning NCX470 is described in note 4.2

23.1.5.2 NCX 4251 and ZERVIATE- Agreement for Greater China

In June 2019, the Group entered into an exclusive license agreement with Ocumension for the development and commercialization of its drug candidate, NCX 4251, for blepharitis in the Chinese market. Ocumension is responsible, at its own cost, for all development activities necessary for the approval of NCX 4251 in the relevant territory, overseen by a Joint Development Committee comprising representatives of both companies. Ocumension was granted exclusive rights for the agreed territory to develop and commercialize NCX 4251 for blepharitis. Under the terms of the agreement, the Group received an upfront payment of US$2.3 million (€2 million) in June 2019. The Group may potentially receive development and sales milestone payments of up US$11.3 million together with tiered royalties of between 5% and 10% on sales of NCX 4251.

In March 2019, the Group entered into an exclusive license agreement for the development and commercialization of Nicox's product ZERVIATE for the treatment of allergic conjunctivitis in the Chinese market. Ocumension received exclusive rights for the agreed territory to develop and commercialize ZERVIATE. The agreement was amended in March 2020, granting Ocumension additional exclusive rights to ZERVIATE in the majority of the Southeast Asian region. Under a new amendment in July 2021, Ocumension paid Nicox US$2 million in full advance payment of the future development and regulatory milestones for ZERVIATE. Nicox remains eligible to receive the same sales milestones of up to US$17.2 million together with tiered royalties of between 5% and 9% of net sales of ZERVIATE by Ocumension. The other terms of the original agreement remain unchanged. Ocumension is responsible, at its own cost, for the conduct of all development activities that will be overseen by a joint governance committee comprising representatives of both companies. In February 2022, Ocumension obtained positive phase 3 clinical trial results for ZERVIATE® in China (see note 30, subsequent events). ZERVIATE was found to be non-inferior to emedastine difumarate, an antihistamine marketed under the brand name EMADINE®. Subject to any additional data required by the Chinese National Medical Products Administration (NMPA), this Phase 3 trial, in addition to the data package used by the FDA for ZERVIATE in the United States, is expected to be sufficient to support a Chinese New Drug Application.

In September 2017, the Group entered into an exclusive licensing agreement with Eyevance for the commercialization of ZERVIATE in the United States. Under the terms of the agreement, Eyevance made a one-time upfront nonreimbursable payment in 2017 of US$6 million to the Group followed by a US$3 million milestone payment in July 2019 triggered by the completion of the regulatory and manufacturing activities under Nicox's responsibility. The Group remains eligible for up to $37.5 million in milestones payable on Eyevance achieving pre-defined sales targets, with $30 million of these milestones being triggered by annual sales of $100 million and above. In addition, the Group will also receive tiered royalties of 8% to 15% based on future net sales of ZERVIATE. The Group has also undertaken to pay Eyevance US$363,000, linked to the manufacturing costs resulting from delays in completing certain activities. This accrued expense is offset by a portion of royalties paid by Eyevance until settlement of the full amount due.

23.1.5 *Samil Pharmaceutical Co., Ltd*

In December 2019, Nicox signed an exclusive license agreement with Samil Pharmaceutical Co., Ltd for the development and commercialization of ZERVIATE™ (cetirizine ophthalmic solution), 0.24% for the treatment of ocular itching associated with allergic conjunctivitis in South Korea. Nicox thus granted Samil Pharmaceutical exclusive rights to develop and commercialize ZERVIATE in South Korea. Nicox is eligible to receive 10% royalties on net sales on ZERVIATE in South Korea and a milestone payment of 5% of net sales for each calendar year in which net sales exceed approximately US$900,000. Nicox received an insignificant license fee upon the signature of the agreement in 2021, and may receive in addition approval and launch milestone payments which may total approximately US$189,000. Samil Pharmaceutical will be responsible, at its own cost, for the development and commercialization of ZERVIATE in South Korea. ZERVIATE is expected to require manufacturing transfer and associated pharmaceutical development to support approval in South Korea, in addition to the existing approved U.S. NDA package. In February 2022, the agreement was extended to include Vietnam.

23.1.6 *ITROM Pharmaceutical*

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

23.1.7 *Laboratorios Grin*

In May 2021, Nicox granted Grin rights to develop and commercialize cetirizine ophthalmic solution, 0.24% in Mexico. Upon signature, Nicox received an undisclosed license fee and potential milestone payments linked to regulatory approval and sales and may receive royalties based on a double-digit percentage of net sales of ZERVIATE. Grin will be responsible, at its own cost, for the development, manufacturing and the commercialization of ZERVIATE in Mexico.

23.2. Other financial commitments payable

To the Group's knowledge, the commitments included in the following table represent all the Group's material off-balance sheet commitments in addition to the items described above.

Contractual obligations	Total	Payments due by period		
		Less than one year	One to five years	More than five years
Research and Development commitments (€ 000s)	20,175[(1)]	13,939	6,236	
Total				

[(1)] €11,981,000 relate to costs that the group is expected to be required to pay for the Mont Blanc and Denali study; as contractually agreed, 50% of those costs will be recharged to Ocumension (net of chargebacks: €3,591,000 within one year and €2,459,000 between one and five years).

24. OBJECTIVES, POLICIES AND CAPITAL MANAGEMENT PROCEDURES

To date, the financing needs of the Group have primarily been met by (1) raising funds in financial markets through capital increases by issuing new shares, (2) revenues from license agreement with partners, (3) the reimbursement of research tax credit receivables and (4) a bond financing agreement. The immediate objective of the Group in terms of capital management is to effectively manage its capital resources to ensure the financing of its research and development activities.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal investments are short-term deposits.

25.1. Foreign exchange risk

The Group reports financial information in euros. The majority of the Group's expenses is denominated in US dollars. In fiscal 2021, approximately 66.4% of operating expenses were in US dollars (58.8% in 2020).

Foreign exchange fluctuations in the euro in relation to the US dollar may have a material impact on the Group's operating results, notably with respect to the worldwide license for VYZULTA granted to Bausch + Lomb and the license for ZERVIATE for the US market granted to Eyevance for which the Group may receive milestone payments respectively for a net amount of up to US$165 million for VYZULTA and US$37.5 million for ZERVIATE in addition to net royalties of 6% to 12% for VYZULTA and 8% to 15% for ZERVIATE. The Group does not have significant receivables subject to foreign exchange risks. The Group also holds US dollar bank accounts that are translated into euros in the consolidated financial statements at the year-end exchange rate. Cash amounted to €13,487,149 at December 31, 2021 (or 32% of cash and cash equivalents) and may be materially impacted by the Euro/US Dollar exchange rates. This risk is however mitigated by the fact that cash is exclusively destined to cover Group's expenses denominated in US dollars resulting from its research and development activities in the United States.

The Group does not use derivative products or specific internal procedures to limit its risk to foreign exchange exposure.

The Group does not hold financial assets or bank debt that are denominated in foreign currency.

25.2. Interest rate risk

The Group is not exposed to the risk of interest rate fluctuations as its cash and cash equivalents consist solely of fixed-rate time deposit accounts. The Group debt is also based on a fixed rate of interest.

25.3. Market risk

At December 31, 2021 the Group did not have any investments in financial instruments and in consequence did not have an exposure to market risk.

25.4. Liquidity risk

At December 31, 2021, the Group did not have any loans with banks that include an early repayment clause.

As part of the restructuring of its bond financing agreement with Kreos Capital (see note 4.3), €3.3 million of the remaining amount was issued in the form of convertible bonds. The maturity date is January 1, 2026 subject to the same interest rate as the original financing agreement of 9.25% per annum, payable in cash. The convertible loan is secured by the same guarantees already in place for the term loan. This portion of the bond that can be converted into shares at the option of Kreos at any time (after an initial period of 60 days) until maturity on January 1, 2026. The conversion price is €3.67. If the price of Nicox shares does not allow for the conversion of the bonds before the maturity date of January 1, 2026, the total outstanding amount of the Convertible Loan will be due in a single payment at that time.

The Group has a liquidity agreement backed by a market making contract for the share. This exposure is limited to a maximum investment of €1 million. The unrealized loss on this contract at December 31, 2021 amounted to €306,000

Overall, the business activities show a loss and may continue to do so in the short-term. At December 31, 2021, the Group had €42 million in cash and cash equivalents (2020: €28 million).

The Group extended its cash runway to the fourth quarter of 2023 by restructuring its bond financing agreement with Kreos Capital in December 2021, accompanied by a capital increase reserved for specialized institutional investors generating growth proceeds of €15 million.

25.5. Credit risk

There is in principle no risk of recovering the receivable linked to the research tax credit, given that it represents a receivable from the French government.

Concerning the Group's other financial assets, and namely cash and cash equivalents, the exposure to credit risk is contingent on the risk of default by the corresponding third parties.

As of December 31, 2021, time deposit accounts represented 98% and short-term money market funds 2% of cash equivalents.

25.6. Fair value

All the Group’s financial assets and liabilities are measured at fair value.

The majority of the Group’s financial liabilities are classified as financial liabilities measured at amortized cost.

26. RELATIONS WITH RELATED PARTIES

On June 8, 2017, a commitment of the Board of Directors in favor of the Chairman and Chief Executive Officer replaced a prior commitment dated June 15, 2011. This commitment pertaining to end-of-service indemnities that might be payable provides that should Michele Garufi be removed from his functions of Chief Executive Officer and Chairman of the Board of Directors, except for reasons of gross negligence, he shall be entitled to a severance benefit contingent on the Board's determination at the time of his removal of the achievement of the following performance criteria:

That at least one approved product generates directly or indirectly revenue for a Group entity. If this criteria is not achieved at the time of the removal, no severance payment should be made. This condition was met on December 31, 2021.

The amount of the severance payment would correspond to two years of compensation (both fixed and variable compensation), calculated on the basis of the compensation paid during the last fiscal year ended before the dismissal date.

This severance benefit must be paid in the form of a single payment. Should Michele Garufi be removed in 2022, the Group will be required to pay a severance benefit in the amount of €1,436,000.

Total compensation recognized for directors (5 individuals as of December 31, 2021 and 5 individuals as of December 31, 2020) and management committee members (5 individuals as of December 31, 2021 and 5 as of December 31, 2020) breaks down as follows:

	At 31 December**	
	2021	2020
	(€ 000s)	
Short-term benefits	(1,570)	(1,851)
Post-employment benefits	(291)	(288)
Other long-term benefits	(29)	(141)
Share-based payments	(487)	(530)
Total	**(2,377)**	**(2,810)**

We note that the provisions corresponding, on the one hand, to termination of the employment contract of certain Group employees, in the event of a change in control of the Group or termination of their employment contracts at the Group’s behest, and on the other hand, the dismissal of its Chief Executive Officer (as described in the paragraph above) apply to members of the Management Committee (four employees and one company director). The amounts the Group would have to pay to the employee beneficiaries in both

cases are mentioned in Note 27 - *Potential liabilities and commitments to employees and company directors* based on compensation paid to them in 2021.

As of December 31, 2021, stock options, restricted stock units (RSUs) and equity warrants outstanding awarded to company directors and members of the Management Committee were distributed as follows:

Types of equity instruments	Exercise price (€)	Number of equity warrants, options or RSUs	Number of shares issuable	Expiry date
Equity warrants	€11.88	144,000	144,000	06/07/2022
Equity warrants	€8.88	144,000	144,000	05/24/2023
RSUs	-	61,500	61,500	-
Stock options	€6.05	60,000	60,000	02/12/2027
Stock options	€4.79	203,500	203,500	01/27/2028
Stock options	€3.52	180,000	180,000	01/14/2029

27. CONTINGENT LIABILITIES, DISPUTES AND COMMITMENTS TO EMPLOYEES AND CORPORATE OFFICERS

In June 2005, the Group introduced new provisions to the effect that if all shares of the Company are sold to a shareholder, or if a change in control of the Group occurs that results in a shareholder holding over 50% of the capital of the Company and leads to the termination of the employment contract of certain employees, such employees will receive a severance package in the amount of between six and twenty-four months' salary. This package is granted to each beneficiary for a period limited to two years from the date of the change of majority control or control of the Group. In such an event, and in the event that all current beneficiaries are affected by such dismissal procedure, the Company would have to pay severance totaling €1,682,000, including payroll taxes, on the basis of the net wages received by the beneficiaries in the last twelve months. This amount does not include the compensation payable to the Chairman-CEO described in note 26.

Additionally, in the event of termination of an employment contract at the Group's initiative, each beneficiary, excluding the CEO, will receive a contractual severance payment of an amount between four and eighteen months' salary. In such an event, and in the event that all current beneficiaries are affected by such dismissal procedure, the Company would have to pay severance totaling €1,338,000, including payroll taxes, on the basis of the net wages received by the beneficiaries in the last twelve months. The salary to be considered in the calculation of the foregoing severance payments is one-twelfth of gross compensation, including all bonuses, for the twelve months preceding the termination. Termination of an employment contract for serious or gross misconduct disqualifies the beneficiary from benefiting from the above provisions. Due to the conditional nature of these commitments, the Group had not recorded any provision at December 31, 2021.

Teva Pharmaceutical Industries 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. At the end of August 2020, the appeals board in a preliminary

opinion concluded to the existence of the inventive step of the patent and invited the parties to submit their observations by December 31, 2020. The parties filed their arguments in December 2020 and January 2021. The date of the hearing is set for July 5, 2022.

28. CONSOLIDATED COMPANIES

Consolidated subsidiary	Date of first-time consolidation	Date of deconsolidation	Registered office	Method of consolidation	Ownership interest (%) 12/31/19	Ownership interest (%) 12/31/2020
Consolidated subsidiaries :						
Nicox SA	1996	-	2405, route des Dolines 06560 Valbonne Sophia Antipolis France	Parent	-	-
Nicox 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, NC27703	Full consolidation	100%	100%

29. FEES PAID BY THE GROUP

Auditors' fees paid for 2021 and 2020 break down as follows:

	Ernst & Young Audit				Approbans			
	Amount (before tax)		In%		Amount (before tax)		In%	
	2020	2021	2020	2021	2020	2021	2020	2021
Audit								
External audit, certifications, review of individual and consolidated accounts								
Issuer	164,000	161,000	90.48%	69.73%	26,000	26,000	100.00%	57.78%
Consolidated subsidiaries	12,000	12,000	6.62%	5.20%				
Other work and services directly associated with the engagement of the external auditor								
Issuer	5,250	57,900	2.90%	25.08%		19,000		42.22%
Subtotal	181,250	230,900	100.00%	100.00%	26,000	45,000	100.00%	100.00%
Other services rendered by the networks								
Tax-related								
Other (specify if> 10% of audit fees)								
Subtotal	-							
TOTAL	**181,250**	**230,900**	**100.00%**	**100.00%**	**26,000**	**45,000**	**100%**	**100%**

30. SUBSEQUENT EVENTS

On February 8, 2022 Nicox announced that a path forward to develop NCX 4251 as a treatment for dry eye disease had been confirmed following a recent meeting with the United States Food and Drug Administration

On March 1, 2022, Nicox announced that its licensee partner Ocumension obtained positive phase 3 clinical trial results for ZERVIATE® in China

Nicox S.A.

Year ended December 31, 2021

Statutory Auditors' report on the annual financial statements

This is an unsigned free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Nicox S.A.

Year ended December 31, 2021

Statutory Auditors' report on the annual financial statements

To Nicox SA's General Meeting:

Opinion

In accordance with the terms of our engagement as auditors entrusted to us by our General Meetings, we have audited the accompanying annual financial statements of Nicox S.A. for the year ended December 31, 2021.

In our opinion, the annual financial statements give a true and fair view of the financial position and the assets and liabilities of the company as at 31 December 2020 and the results of its operations for the year ended in accordance with French accounting standards.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Annual Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de Déontologie*) for Statutory Auditors, for the period

from 1 January 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments - Key audit matters

The global crisis linked to the Covid-19 pandemic creates particular conditions with respect to the preparation and auditing of the accounts for this period. Specifically, this crisis and the exceptional measures taken within the framework of the health emergency has multiple consequences for companies, particularly on their business and financing as well as increased uncertainties about their future prospects. Certain measures, such as restrictions on travel and telecommuting also have an impact on the internal organization of companies and the procedures for implementing audits.

In this complex and constantly changing context, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code ("*code de commerce*") relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements of the period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the annual financial statements.

■ Evaluation of equity interests

Identified risk	Our response
At December 31, 2021, investments in subsidiaries and affiliates amounted to €15.4 million (including an impairment loss of €40.2 million) in relation to total assets of €94.4 million. As indicated in note 1.2.3 "Financial assets" and 2.3 "Financial assets and impairment" to the annual financial statements, a provision for impairment is recorded when the value in use of the equity interests is less than their purchase price This value in use is measured on a case-by-case as the higher of the share held in the investee's equity and discounted cash flows based on the prospects for a return on investment. We considered the valuation of equity interests to be a key audit point in light of their importance in the annual financial statements of your company and because the determination of value in use is based on assumptions, estimates or assessments.	Our procedures consisted primarily in: ► examining the main assumptions used and notably the cash flow forecasts prepared in consultation with the Group's main partners and the discount rates, and comparing them with the advancement of projects and the results obtained therefrom. We also compared this information with our knowledge of the environment and, where possible, with third-party data; ► examining market projections with respect to available and comparable data and performing sensitivity tests on the impairment tests conducted by management; ► referring to specialists to review the mathematical model and examine the discount rate; ► examining the consistency of accounting principles applied, the methodology adopted and the discount rates used by management. Finally, we assessed the appropriateness of the disclosures in the notes to the annual financial statements.

Specific procedures

We have also performed the other specific procedures required by French law and regulations, in accordance with professional practice standards applicable in France.

■ Information given in the management report and other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report regarding the fair presentation and consistency with the financial statements of the information given in the management report of the Board of Directors and the other documents addressed to the shareholders in respect of the financial position and the annual financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code.

■ Information on corporate governance

We certify that the section on corporate governance of the Board of Directors' management report includes the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Regarding the information provided in accordance with the provisions of Article L. 225-10-9 of the French Commercial Code on compensation and benefits paid or granted to corporate officers as well as commitments incurred in their favor, we have verified their consistency with the accounts or with the data used to prepare these accounts, and when necessary, obtained by your company from companies that control the company or that the company controls and included in the consolidation scope. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information relating to items that your company considers may have an impact in the case of a takeover bid or a public exchange offer provided in application of the provisions of L. 22-10-11 of the French Commercial Code, we have verified their consistency with relevant source documents. Based on this work, we have no matters to report in connection with this information.

■ Other disclosures

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications or disclosures required by legal and regulatory provisions

■ Format of the presentation of the annual financial statements included in the annual financial report

We also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the annual financial statements included in the annual financial report mentioned in Article L. 451-1-2 of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman-CEO, complies with the format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the annual financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

■ Appointment of the auditors

We were appointed as statutory auditors of Nicox S.A. by your general meeting of June 16, 2020 for APPROBANS AUDIT and of May 28, 1999 for ERNST & YOUNG Audit.

As at December 31, 2021, APPROBANS AUDIT was in the second year of its uninterrupted engagement and ERNST & YOUNG Audit in its twenty-third year.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The annual financial statements have been approved by the Board of Directors.

Statutory auditors' responsibilities for the audit of the annual financial statements

■ Objective and audit approach

Our role is to issue a report on the annual financial statements. Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As specified by Article L. 823-10-1 of the French Commercial Code ("*code de commerce*"), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control,
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;
- Evaluate the overall presentation of the annual financial statements and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the audit committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the audit committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements of the current period, constituting in consequence key audit matters to be described in this report.

We also provide the audit committee with the declaration referred to in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as defined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code ("*code de commerce*") and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Marseille and Paris-La Défense, April 28, 2022

Statutory Auditors

French original signed by:

Approbans Audit	Ernst & Young Audit
Pierre Chauvet	Pierre Chassagne

18.2 Age of the latest financial information

The financial statements for fiscal 2020 were adopted by the Board of Directors April 27, 2022

18.3 Interim and other financial information

Not applicable.

18.4 Audit of historical annual financial information

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR NICOX SA

TABLE OF CONTENTS

ASSETS	Notes	Gross value	Depreciation (See Note 2.2) & provisions	Net FY 2021 [12 months]	Net FY 2020 [12 months]
Start-up costs	2.1	58,278	58,278		
Development expenditures	2.1	50,000	50,000		
Concessions, patents and similar rights	2.1	2,819,315	2,818,181	1,134	3,212
Intangible assets	**2.1**	**2,927,593**	**2,926,459**	**1,134**	**3,212**
Other intangible assets	2.2	727,989	717,588	10,401	39,353
Property, plant and equipment	**2.2**	**727,989**	**717,588**	**10,401**	**39,353**
Equity interests	2.3	55,631,552	40,200,037	15,431,515	55,631,553
Other financial assets	2.3	1,373,526		1,373,526	1,461,491
Financial assets	**2.3**	**57,005,078**	**40,200,037**	**16,805,041**	**57,093,044**
TOTAL NON-CURRENT ASSETS		**60,660,660**	**43,844,084**	**16,816,576**	**57,135,609**
Trade receivables and related accounts	2.4	1,058,855		1,058,855	1,696,818
Other receivables	2.4	32,607,211	0	23,748,760	24,750,158
Cash	2.5	41,231,739		41,231,739	46,798,038
Prepayments	2.6	2,730,742		2,730,742	2,349,055
TOTAL CURRENT ASSETS		**77,628,547**	**0**	**77,628,547**	**75,594,070**
Unrealized foreign exchange losses	2.10	0		0	2,242,524
TOTAL ADJUSTMENT ACCOUNTS		**0**		**0**	**2,242,524**
TOTAL ASSETS		**138,289,207**	**43,844,084**	**94,445,123**	**134,972,203**

LIABILITIES	Notes	FY 2021 [12 months]	FY 2020 [12 months]
Issued capital	2.7	43,138,185	37,030,335
Share premium	2.7	527,545,675	519,940,192
Retained earnings	2.7	(455,731,717)	(443,643,501)
Profit/loss for the year	2.7	(50,337,492)	(12,088,216)
TOTAL EQUITY	**2.7**	**64,614,651**	**101,238,810**
Provision for contingencies	2.8	3,030	2,242,524
Provision for charges	2.8	660,703	754,184
PROVISIONS FOR CONTINGENCIES & CHARGES	2.8	**663,733**	**2,996,708**
TOTAL OTHER EQUITY		**-**	**-**
Bank borrowings and overdrafts	2.9	18,957,822	18,957,822
Miscellaneous borrowings	2.9	3,943,511	3,924,972
Trade payables and equivalent	2.9	3,190,399	1,388,016
Tax and social security liabilities	2.9	1,086,390	1,290,407
Deferred revenue	2.11	1,970,354	5,173,529
TOTAL LIABILITIES		**29,148,476**	**30,734,746**
Unrealized foreign exchange gains	2.10	**18,263**	**1,939**
TOTAL LIABILITIES		**94,445,123**	**134,972,203**

PROFIT AND LOSS STATEMENT	Notes	FY 2021 [12 months]	FY 2020 [12 months]
Sales of services - misc. amounts charged back	2.14	215,093	288,765
Patent royalties	2.14	6,504,239	14,299,990
REVENUE	**2.14**	**6,719,332**	**544,237**
Reversals of depreciation, amortization and provisions, expense transfers	2.13	149,963	12,794
Other income from ordinary activities	2.14	335	4
TOTAL OPERATING INCOME		**6,869,630**	**14,601,553**
Other purchases and external expenses	2.12	(14,573,643)	(11,686,215)
Taxes, duties and similar payments (other than on income)		(100,687)	(74,522)
Salaries and wages		(2,091,591)	(2,219,207)
Social charges		(1,044,282)	(1,170,468)
Allowances for the depreciation of fixed assets		(31,029)	(32,737)
Provisions for contingencies and charges		(44,690)	(204,839)
Other expenses	2.15	(1,652,304)	(1,816,055)
OPERATING EXPENSES		**(19,538,226)**	**(17,204,043)**
OPERATING LOSS		**(12,668,596)**	**(2,602,490)**
Other interest and similar income	2.16	489,670	1,386,717
Net proceeds from the disposal of marketable securities	2.16	73,324	109,060
Reversals of provisions, expense reclassifications	2.16	2,242,524	7,733,801
Foreign exchange gains	2.16	1,073,509	387,729
Proceeds from the sale of the bond loan and minority interests		0	5,000,000
FINANCIAL INCOME		**3,879,027**	**14,617,307**
Allowances for amortization and reserves	2.8	(40,203,069)	(2,242,524)
Interest and similar expenses	2.16	(1,515,894)	(1,668,416)
Foreign exchange losses	2.16	(90,186)	(1,270,323)
Charge on the disposal of the bond loan and minority interests	2.16	(48,121)	(19,573,035)
Losses from the disposal of marketable securities	2.16	(406,977)	(80,482)
FINANCE EXPENSE		**(42,264,247)**	**(24 834,780)**
NET FINANCE EXPENSE)		**(38,385,220)**	**(10,217,473)**
OPERATING INCOME BEFORE TAX		**(51,053,816)**	**(12,819,963)**
PROFIT AND LOSS STATEMENT (continued)	**Notes**	**FY 2021 (12 months)**	**FY 2020 (12 months)**

NON-RECURRING INCOME		**0**	**0**
Non-recurring expenses on non-capital transactions		0	(3,926)
Non-recurring expenses		**0**	**(3,926)**
NET NON-RECURRING INCOME (LOSS)		**0**	**(3,926)**
Research tax credit - (Corporate income tax)	2.21	(716,324)	(735,673)
TOTAL INCOME		10,748,657	29,218,860
TOTAL EXPENSES		(61,086,148)	(41,307,076)
LOSS		**(50,337,492)**	**(12,088,216)**

1. NATURE OF THE BUSINESS ACTIVITY AND ACCOUNTING PRINCIPLES

1.1. Type of activity

Nicox S.A. (the "Company") is incorporated and domiciled in France. The Company's headquarters is located at 2405 route des Dolines, Drakkar 2, Bât D, 06560 Valbonne. Nicox is listed on Euronext Paris (COX.PA) and has a center for research and pre-clinical development in Italy and a business development office in the United States.

Nicox S.A. is an ophthalmology company developing innovative solutions to help maintain vision and improve ocular health. Nicox has two late-stage clinical development programs: one in glaucoma (two ongoing phase 3 trials) and one for dry eye disease (a completed phase 2b trials in blepharitis with a post-hoc analysis in dry eye), one drug candidate in preclinical development in glaucoma and two products licensed and marketed by exclusive partners:

- NCX 470, a novel NO-donating prostaglandin analog, is being evaluated in two phase 3 clinical trials, the Mont Blanc and Denali trials (financed equally by Nicox and Ocumension Therapeutics, its Chinese partner for the development and commercialization of NCX 470 in China, South Korea and South East Asia). The purpose of these trials is to lower intra-ocular pressure (IOP) in patients with open angle glaucoma or ocular hypertension. Topline results for the Mont Blanc trial are currently expected in Q1 2023.

- NCX 1728, a drug candidate in preclinical development selected from a new class of compounds (non-prostaglandin analog) with NO-mediated IOP-lowering effects, under evaluation for development for IOP lowering and in certain retinal diseases. NCX 1728 is an NO-donating PDE5 inhibitor.

- VYZULTA® indicated for the reduction of IOP in patients with open angle glaucoma or ocular hypertension. It is exclusively licensed worldwide to Bausch + Lomb, a wholly-owned subsidiary of Bausch Health Companies Inc. VYZULTA is commercialized in the United States, Canada, Argentina, Hong Kong, Mexico, Taiwan and Ukraine. VYZULTA is also approved in Brazil, Colombia, Jordan, Qatar, Singapore, South Korea, Turkey and United Arab Emirates.

The Board of Directors approved the separate annual and consolidated financial statements for the year ended December 31, 2021 on April 27, 2022.

1.2. Accounting principles

The financial statements have been prepared in accordance with the generally accepted accounting principles set out in Regulation 2016-07 of November 4, 2016 of the *Plan Comptable Général* (general chart of accounts), issued by the French Accounting Standards Authority (*Autorité des Normes Comptables*).

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

- Going concern;

- Separation of accounting periods;

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

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

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

The principal accounting methods used are as follows:

The Group has prepared its financial statements using the going concern basis of accounting.

The financial statements prepared on December 31, 2021 will be considered final only after they are approved by the annual general meeting.

1.2.1 Intangible fixed assets

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

Research and development expenditures

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

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

Set-up costs

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

Software and patents

Intangible fixed assets include computer software, a portfolio of patents acquired during 2009 that were fully amortized as of December 31, 2020.

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

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

Software, Concessions	3 to 5 years

1.2.2 Property, plant and equipment

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

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

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

1.2.3 Financial assets

Financial assets consist of miscellaneous deposits and guarantees and equity interests in the Company's subsidiaries.

Equity interests are recorded in statement of financial position at their acquisition cost, excluding acquisition-related expenses. This value is compared at year-end to the value in use of those same securities after taking into account the portion of shareholders' equity corresponding to the equity interests as well as prospects for a return on investment requiring the use of assumptions, estimates or assessments. A provision is booked when the value in use is less than the acquisition cost.

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

1.2.4 Receivables

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

1.2.5 Research tax credit

The research tax credit is granted to companies by the French tax authorities as an incentive measure to conduct technical and scientific research. Companies able to demonstrate that they incur research expenses meeting the criteria of the research tax credit qualify for a tax credit that may be used for the payment of their corporate income tax for the period in which these expenses were incurred, and for the three following financial years. If the taxes payable do not cover the total amount of the tax credit at the end of this three-year period, the Company receives a cash refund by the tax authorities for the difference. The Company also meets the criteria of the definition for small and medium-size companies, and on that basis may request

an immediate payment of this tax credit. Only expenses devoted to research are included in the calculation for the research tax credit (RTC).

Research and development expenses incurred by the Company Nicox S.A. qualify in some cases for a research tax credit equal to 30% of eligible research expenses incurred during the year. The tax credit is applied to the corporate income tax owed by the Company for the year in which it incurred its research expenses. Any surplus credit represents a French tax receivable which may be used for the payment of tax in the three years following the year for which it is recorded. The unused portion at the end of this period is refunded. During the month of December 2010 a tax provision of the 2011 Finance Act was adopted to allow small and mid-sized businesses to request early reimbursement of the research tax credit in the year following the recognition of the receivable when the tax credit cannot be used in payment of the corporate income tax.

As of December 31, 2021, the Company had not yet received the refund of its 2020 research tax credit in the amount of €735,673.

1.2.6 Cash and cash equivalents

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

1.2.7 - Translation of foreign currency items

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

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

Provisions

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

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

1.2.9 Employee pension benefit obligations

The Company's defined benefit pension plan obligations are determined using the projected unit credit actuarial method. These plans are unfunded. These obligations are measured at the end of each reporting period. The actuarial assumptions used to determine these obligations take into account the prevailing economic conditions in the country. The Company’s obligations are recorded on statement of financial position under assets. Any actuarial differences are recognized as expenses during the period.

As of December 31, 2021, the Company has applied the IFRIC IC interpretation of May 2021 on the principle of attributing pension benefits based on years of service, a requirement of presence at the time of

retirement, and a limit on the entitlement after a certain number of years of service. As a result of this change in method, the Company recognized a decrease amounting to €23,914 as of January 1, 2021.

Defined benefit pension obligations at December 31, 2021 amounted to €660,703 compared with €754,184 at December 31, 2020.

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

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

	For the year ended December 31	
	2021	**2020**
Discount rate (1)	0.88%	0.25%
Salary escalation rate	2%	2%
Mortality tables	INSEE 2015	INSEE 2015

(1)Source: E Corp.AA 10+yrs

1.2.10 Subsequent events

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

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

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

1.2.11 Information on the statement of profit or loss

- Operating income generated from licensing and development agreements

The company's revenues are derived from royalties on sales of one drug candidate and from an exclusive license agreement in the Chinese market for the development and commercialization of another drug candidate.

- Operating expenses

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

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

1.2.12 – Borrowings and financial liabilities

- The full amount of the Kreos loan, including the redemption premium, is recognized as a liability.

2. ADDITIONAL INFORMATION ON THE STATEMENTS OF FINANCIAL POSITION AND PROFOT OR LOSS

2.1 Intangible assets and amortization

Intangible assets in Euros	**12/31/2020**	**Acquisitions /Amortization**	**Disposals and retirements**	**Other**	**12/31/2021**
Start-up costs	58,278	-	-	-	58,278
Research and development expenses	50,000	-	-	-	50,000
Concessions, patents, similar rights and software	2,819,315	-	-	-	2,819,315
Total intangible assets	**2,927,593**	**-**	**-**	**-**	**2,927,593**

Amortization and impairment of intangible assets in Euros	12/31/20	Allowances	Disposals and retirements	12/31/21
Start-up costs	58,278	-	-	58,278
Research and development expenses	50,000	-	-	50,000
Concessions, patents, similar rights and software	234,863	2,078	-	236,941
Provisions for the impairment of patents	2,581,240	-	-	2,581,240
Total amortization of intangible assets	**2,924,381**	**2,078**	**-**	**2,926,459**

2.2 Property, plant and equipment and depreciation

Property, plant and equipment in Euros	12/31/20	Acquisitions/Depreciation	Disposals and retirements	Other	12/31/21
General facilities, fixtures	224,517	-	-	-	224,517
Office equipment, computers, furniture, vehicles	503,472	-	-	-	503,472
Total property, plant and equipment	**727,989**	**-**	**-**	**-**	**727,989**

Depreciation and impairment of property, plant and equipment in Euros	12/31/20	Allowances	Disposals and retirements	12/31/21
Depreciation / general facilities, fixtures	220,665	3,788	-	224,453
Depreciation / Office equipment, computers, furniture	467,971	25,164	-	493,135
Total depreciation of property, plant and equipment	**688,636**	**28,952**	**-**	**717,588**

2.3 Financial assets

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

Financial assets in Euros	12/31/20	Increases	Decreases	12/31/21
Deposits and guarantees	665,418	14,161	-	679,579
Equity investments	55,631,553	-	-	55,631,553
Other financial assets (1)	796,073	11,977,850	12 079	693,947
Total financial assets	**57,093,044**	**11,992,011**	**12,079,976**	**57,005,079**

(1) The balance of €693,947 corresponds to the liquidity contract signed with Kepler-Cheveux (including shares held in treasury and a cash balance)

Financial assets in Euros	12/31/20	Impairment	Reversal of impairments	12/31/21
Evaluation of equity interests Nicox Ophthalmics	-	40,200,037	-	40,200,037
Total financial expenses	**-**	**40,200,037**	**-**	**40,200,037**

2.4 Due date of receivables at year-end

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	66,233	66,233	-
Trade receivables	1,058,855	1,058,855	-
Other receivables	19,723	19,723	-
State, Value Added Tax	143,566	143,566	-
French State, Research Tax Credit (CIR) and payroll tax(1)	1,463,688	1,463,688	-
Due from subsidiary	30,755,170	10,044	30,745,126
Prepayments	2,730,742	2,730,742	-
Total receivables	**36,237,977**	**5,492,851**	**30,745,126**

(1)Includes among others the 2021 RTC for €716,324 and the 2020 RTC for €735,673

(2)Corresponds entirely to the current account balance of the US subsidiary, Nicox Ophthalmics, Inc. at December 31, 2021.

2.5 Cash and cash equivalents

Cash and cash equivalents amounted to €41,231,739 at December 31, 2021. This included €10,000,603 invested in time deposit accounts, readily convertible to a known cash amount, subject to an insignificant risk of a change in value, and with the capital guaranteed.

As of December 31, 2021, accrued interest receivable amounted to €603.

2.6 Prepaid expenses

Prepaid expenses are presented in the table below:

Prepaid expenses in Euros	**At December 31**
Insurance	3,685
Development expenditures	2,609,295
Consultants' fees	110,454
Miscellaneous	8,309
Total prepaid expenses	**2, 730,742**

2.7 Shareholders' equity

2.7.1 - Preliminary remarks

At December 31, 2021, the share capital consisted of €43,138,185 fully paid up ordinary shares with a par value of €1.

In addition, at December 31, 2021, the Company held 211,967 shares in treasury at a price of €2.555 per share, or a total value of €541,576.

Authorized Capital

	At December 31	
	2021	**2020**
Share capital comprised of shares with a par value of €1	43,138,185	37,030,335

During 2021, Nicox SA carried out a number of capital increases by issuing respectively restricted stock units for a total amount of €107,850 and 6,000,000 new ordinary shares.

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

	Ordinary shares		Share premiums	Cumulative losses	Total equity
	Number	Amount			
At December 31, 2020	**37,030,335**	**37,030,335**	**519,940,192**	**(455,731,717)**	**101,238,810**
Issue of ordinary shares through the exercise of equity instruments	6,000,000	6,000,000	7,713,333	-	13,713,333
Issuance of restricted stock units	107,850	107,850	-107,850	-	-
Loss for the period	-	-	-	(50,337,492)	(50,337,492)
At December 31, 2021	**43,138,185**	**43,138,185**	**527,545,675**	**(506,069,209)**	**64,614,651**

2.7.2 - Share subscription options

On October 22, 2014, the general meeting approved a stock option plan for employees and corporate officers and authorized the Board of Directors to grant options entitling the holder to subscribe for a maximum of 200,000 outstanding or new ordinary shares (understood as after the reverse stock split on December 3, 2015) with a par value of €1. The vesting of these options is subject to performance conditions set by the Board of Directors at the time of the grant. The Board of Directors determines the identity of the grantees as well as the conditions and criteria for granting the options. The options granted under this authorization must be exercised no later than six years after the effective award date by the Board of Directors. This authorization, granted for a period of 38 months from the date of the meeting, was rendered void by the general meeting of June 3, 2015, but no option was granted under this authorization of this General Meeting.

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

On June 30, 2020, the shareholders in the general meeting granted an authorization to the Board of Directors for 38 months to award 1,000,000 stock options or stock purchase options to Group employees and officers. The exercise of these options is subject to performance conditions for beneficiaries who are members of the Executive Committee, set by the Board of Directors at the time of the grant. The options granted under this authorization must be exercised no later than eight years after the effective award date by the Board of Directors.
Options granted in 2014 and 2015 are subject to conditions of performance:

- The exercise of stock options granted in 2014 was subject to the determination that at least 70% of the Company's objectives had been achieved for both 2014 and for 2015, which was the case. These objectives that relate to the Group strategy are not disclosed due to their confidentiality.

-The exercise of stock options granted in 2015 was subject to the determination that at least 70% of the Company's objectives had been achieved for 2015, which was the case. These objectives that relate to the Group strategy are not disclosed due to their confidentiality.

No stock options were awarded in 2016, 2017 and 2018.

With respect to stock options granted in 2019 and 2020, the exercise of rights was subject to the Board of Directors' determination that at least 70% of the Company's objectives for 2019 and 2020 were achieved, which is the case. This authorization, granted for a period of 38 months from the date of the meeting, was rendered void by the general meeting of April 28, 2021.

On April 28, 2021, the shareholders in the general meeting granted an authorization to the Board of Directors for 38 months to award 2,500,000 stock options or stock purchase options to Group employees and officers. The exercise of these options is subject to performance conditions for beneficiaries who are members of the Executive Committee, set by the Board of Directors at the time of the grant. The options granted under this authorization must be exercised no later than eight years after the effective award date by the Board of Directors.

Options outstanding at 12/31/2020

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

	At December 31, 2021		
	Number of options	**Number of shares**	**Weighted average exercise price of the shares corresponding to the options (in euros)**
Options outstanding at start of period	**930,300**	**770,300**	**4.74**
Granted during the period	382,850	382,850	3.52
Canceled	(271,600)	(111,600)	5.93
Outstanding at end of period (1)	**1,041,550**	**1,041,550**	**4.17**

(1)Taking into account the 5-for-1 reverse stock split of December 3, 2015.

The weighted average remaining contractual life of the outstanding stock options is 6 years and 6 months at December 31, 2021 (compared with 4 year and 3 months at December 31, 2020).

2.7.3 - Equity warrants

On May 30, 2017, the shareholders' General Meeting approved the principle of a capital increase of €144,000 by issuing without consideration 144,000 equity warrants conferring rights the holder to a maximum of 144,000 new shares at a par value of €1 per share for six members of the Board of Directors. These warrants were issued by the Board of Directors on June 8, 2017 and must be exercised within five years from their issue date. These warrants were subject to conditions of performance set by the Board when the rights were granted and which were noted by the Board in December 2017 as having been fulfilled.

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

These warrants were subject to conditions of performance set by the Board when granted, and which were noted by the Board in September 2018 as having been fulfilled.

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

The following table presents, at December 31, 2021, the equity warrants outstanding:

	Plan 7	Plan 8	Plan 9
Shareholders' meeting date	May 2017	May 2018	June 2020
Board of Directors' meeting date	June 08, 2017	May 25, 2018	July 16, 2020
Total number of shares that may be subscribed	144,000	144,000	60,000
Exercise date of the warrants		(2)	
Expiration date	June 7, 2022	May 24, 2023	July 15, 2025
Share subscription price upon exercising the warrant (€)	11.8841	8.8803	4.1449
Exercise procedures (when the plan has several tranches)	(1)	(1)	-
Number of shares subscribed at December 31, 2020	-	-	-
Aggregate number of equity warrants canceled or expired	-	-	-
Equity warrants remaining at end of year	144,000	144,000	60,000

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

(2) Ms. Birgit Stattin Norinder resigned from her position as director in June 2018.

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

	At December 31, 2021		
	Number of options	**Number of shares**	**Weighted average exercise price of the options in euros**
Outstanding at start of the period	**348,000**	**348,000**	**9.31**
Granted during the period	-	-	-
Canceled or lapsed during the period	-	-	-
Outstanding at end of period	-	-	-
Exercisable at end of period	**348,000**	**348,000**	**9.31**

2.7.4 - Restricted stock units (actions gratuites)

On May 30, 2017, the shareholders' general meeting authorized the Board of Directors to award the Group's employees and corporate officers, without consideration, for a period of 38 months, a maximum of 600,000 outstanding or new ordinary shares of the group with a par value of €1 each. The vesting of these shares is subject to performance conditions set by the Board of Directors at the time of the grant.

The vesting of restricted stock units granted under the May 30, 2017 plan was contingent on the Board of Directors' determination of the achievement of at least 70% of the annual objectives of the Group. In December 2017, the Board of Directors duly noted that 80% of the Group's undisclosed objectives were met.

The vesting of restricted stock units granted in 2018 under the May 30, 2017 plan was contingent on the Board of Directors' determination of the achievement of at least 70% of the annual objectives of the Group. In January 2019, the Board of Directors duly noted that 90% of the Group's undisclosed objectives were met.

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

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

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

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

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

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

The vesting of restricted stock units granted in 2021 under the April 28, 2021 plan was contingent, for certain rights, on the Board of Directors' determination of the achievement of at least 70% of the annual objectives of the Group. In December 2021, the Board of Directors duly noted that 70% of the Group's undisclosed objectives were met.

The following table presents, at December 31, 2021, the outstanding restricted stock units issued under these plans:

Board of Directors' meeting date	Shares granted	Vesting date of shares	Number of ordinary canceled	Vested shares	Total issuable
Plan authorized by the General Meeting of 05/30/2017					
01/15/2018	139,200	01/15/2020	-	139,200	-
02/20/2018	100,000	02/20/2020	-	100,000	-
05/16/2018	21,600	05/16/2020	-	21,600	-
	260,800		-	**260,800**	-
Plan authorized by the General Meeting of 05/24/2018					
12/05/2018	21,400	12/05/2020	12,000	9,400	-
02/12/2019	83,650	02/12/2021	10,000	73,650	-
04/19/2019	8,000	04/19/2021	-	8,000	-
05/24/2019	1,400	05/24/21	-	1,400	-
07/11/2019	12,000	07/11/2021	-	12,000	-
09/16/2019	12,800	09/16/2021	-	12,800	-
01/27/2020	99,750	01/27/2022	14,800	-	84,950
03/05/2020	8,000	03/05/2022	8,000	-	-
08/05/2020	24,000	08/05/2022	-	-	24,000
10/15/2020	54,000	10/15/2022	8,000	-	46,000
01/14/2021	83,150	01/14/2023	6,500	-	76,650
	408,150		**59,300**	**117,250**	**231,600**
Plan authorized by the General Meeting of 04/28/2021					
05/05/2021	13,800	05/05/2023	-	-	13,800
07/19/2021	2,400	07/19/2023	2,400	-	-
	16,200		**2,400**	-	**13,800**
TOTAL	**685,150**		**61,700**	**378,050**	**245,400**

2.8 Provisions for contingencies and charges

The table of provisions recognized in statement of financial position is presented below:

Balance sheet provisions in €	12/31/20	Allowances	Provisions written back to income	12/31/21
Provision for foreign exchange losses - foreign currency accounts (1)	**2,242,524**	**3,030**	**2,239,494**	**3,030**
Provision for retirement severance benefits (*Indemnité de Fin de Carrière*)	**754,184**	**44,690**	**93,481**	**660,703**
Total provisions for contingencies and charges	**2,996,708**	**47,720**	**2,332,975**	**663,733**

(1) This amount corresponds to the remeasurement of trade payables in USD at the closing exchange rate on 12/31/2021.

2.9 Due date of payables at year-end

Kreos

On January 23, 2019, the Group obtained a bond financing agreement from Kreos Capital for up to €20 million to continue executing its main clinical programs. This financing of up to €20 million, structured as senior secured bonds, consists of 3 tranches, with the second tranche divided into two sub-tranches. The first tranche of €8 million was drawn down on February 1, 2019, the first sub-tranche of €4 million was paid on November 1, 2019 and the second sub-tranche of €3 million and the last tranche of €5 million were both drawn down on December 12, 2019 and received on January 2, 2020. Each tranche of the loan is subject to interest of 9.2% for a period of one year followed by 36 months amortization in equal monthly installments comprising principal and interest, with the last monthly installment paid in advance upon the issuance of each tranche. In addition, the Company paid transaction fees of 1.25% the nominal value of the bonds to be issued, for all tranches combined and undertook to make a final payment of 2% of the nominal value of the bonds actually subscribed for each tranche on the maturity date or earlier in the event of termination.

In connection with this loan agreement, Kreos received 308,848 equity warrants conferring a right to subscribe for an equivalent number of ordinary shares at the exercise price of €5.99 per share over a period of five years.

The bond financing is senior and secured by pledges over certain tangible and intangible assets of the Company, and notably patents relating to VYZULTA, securities of the subsidiary, Nicox Ophthalmics Inc., as well as a pledge of bank account balances and all receivables for more than €100,000.

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

Payables in Euros	Total	Less than one year	Between 1 and 5 years	More than 5 years
Borrowings and financial liabilities	18,957,822	-	18,957,822	-
Payables to subsidiaries and shareholders	3,943,511	-	3,943,511	-
Trade payables and related accounts	2,900,523	2,900,523		-
Tax and social security liabilities . Amounts due to employees	501,241	501,241		-
Social security agencies	322,356	322,356		-
-State: Tax and related liabilities	132,077	132,077		-
Total liabilities	**26,757,530**	**3,856,197**	**22,901,333**	**-**

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

Invoices receivable from suppliers	(Amounts in Euros)
Development expenditures	450,135
Miscellaneous overhead	222,064
Consultants' fees	198,815
Legal, accounting and other fees	161,629
Total invoices receivable from suppliers	**1,032,643**

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

Tax and social security liabilities	(Amounts in Euros)
5.5 - Other expenses	63,018
Personnel, provision for paid leave and accrued bonuses	501,241
Provision for social charges	221,622
Accrued social charges	37,716
State, other accrued liabilities	132,077
Total tax and social security liabilities	**955,674**

2.10 Currency translation differences

The unrealized foreign exchange gains in the amount of €18,263 correspond to the revaluation of the current account of the US subsidiary, Nicox Ophthalmics Inc.

2.11 Deferred revenue

At December 31, 2021, the Company recognized deferred revenue of €1,970,354 relating to the amendment to the license agreement with Ocumension for the NCX470 trial (see note 2.17).

Other purchases and external expenses

The Company's operating expenses include research and development expenses totaling €8,844,210 at December 31, 2021 and €6,619,320 at December 31, 2020.

2.13 Reversals of provisions, expense reclassifications

Reversals of provisions and expense transfers amounted to €149,963 and correspond mainly to the reversal of the provision for retirement severance payments following the retirement of an employee.

2.14 Revenue and royalties for patent concessions

At December 31, 2021, revenue is as follows:

Revenue and other income	
Rebilling to subsidiaries of the Company	215,093
Royalties received on VYZULTA sales (1)	3,504,239
Ocumension revenues - NCX470 (2)	3,000,000
Total	**6,719,332**

(1)Corresponding mainly to royalties received on VYZULTA sales in the United States, licensed from Bausch & Lomb.

(2)Corresponding to the revenues recognized in connection with the amendment to the license agreement with Ocumension for the NCX470 trial. (see note 4.3)

2.15 Other expenses

Other expenses consist mainly of royalty payments to Pfizer for €1,352,289 and directors' fees paid to our five Directors for €300,000.

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

2.16 Finance income and expenses

At December 31, 2021, financial expenses for Nicox S.A. are as follows:

- **Financial expenses**

Financial expenses	(Amounts in Euros)
Interest and similar charges (1)	1,515,894
Foreign exchange losses	90,186
Net losses on disposals of investment securities	406,977
Charge on the disposal of the bond loan and minority interests	48,121
Depreciation, amortization, and provisions (3)	40,203,069
Total financial expenses	**42,264,247**

(1) Corresponding to interest incurred on the Kreos loan at December 31, 2021.

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

(3) Corresponding to the impairment of the equity investment account of the US subsidiary, Nicox Ophthalmics, after the impairment of the ZERVIATE asset and of NCX4251.

- **Financial income**

Financial income	(Amounts in Euros)
Net proceeds from the disposal of marketable securities	73,324
Other interest and similar income (1)	489,740
Foreign exchange gains	1,073,439
Provisions written back to income	2,242,524
Total financial income	3,879,027

(1)Other interest and similar income include €461,938 of interest on current account balances charged back to the subsidiaries and €25,411 in financial income on time deposit accounts.

(2)Reversals of provisions amounted to €2,380,695 and correspond mainly to the reversal of the provision for impairment of the Nicox Ophthalmics current account.

2.17 Other financial commitments

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

Contractual obligations	Total	Payments due by period		
		Less than one year	One to five years	More than five years
Lease agreements for premises	155,774	56,645	99,129	-
Lease agreements for vehicles	25,212	14,881	10,332	-
Research and Development commitments	20,038,232	13,801,712	6,236,520	-
Licensing agreements	13,243,864	-	13,243,864	-
Commitments on financial liabilities	17,658,485	-	17,658,485	-
Total	**51,121,567**	**13,873,238**	**37,248,329**	**-**

2.17.2 Licensing agreements

2.17.2.1 Ocumension

In December 2018, the Company entered into an exclusive license agreement with Ocumension Therapeutics, an international ophthalmology company. The agreement concerns the development and commercialization of its NCX 470 drug candidate, targeting patients with glaucoma or ocular hypertension for a territory comprising mainland China, Hong Kong, Macau, and Taiwan. The Company granted Ocumension exclusive rights to develop and commercialize NCX 470, at its own costs, in the agreed territory. Under the terms of the agreement, the Company received in December 2018 a one-time upfront payment of €3 million from Ocumension and will receive a further €2.5 million when it initiates a Phase 3 clinical study with NCX 470 outside the territory of this agreement. Under this agreement, the Company is also eligible to receive in the future up to an additional €14.5 million in milestones associated with Ocumension's progress with NCX 470, up to and including regulatory approval, and up to €16.25 million split over three separate sales milestones associated with potential sales in the territory of up to €200 million, as well as tiered royalties from 6% to 12% on sales.

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

During the fourth quarter of 2021 the Group recognized €3 million as revenue after uncertainties regarding the possible repayment of this amount were lifted. The residual amount of deferred income at December 31, 2021 is €1.5 million. Revenue recognized for this contract amounts to €3 million for the 2021 full-year.

2.17.2.2 Bausch & Lomb

In March 2010, the Company signed a licensing agreement with Bausch & Lomb (a Valeant company), a leading eye health company, granting Bausch & Lomb exclusive worldwide rights to develop and market latanoprostene bunod (latanoprostene bunod ophthalmic solution, 0.024%). Under the terms of the

agreement, Bausch + Lomb made an initial license payment of US$10 million to the Company upon execution of the agreement. This was followed by an additional US$10 million milestone payment in April 2012 pursuant to the decision to pursue the development of Latanoprostene Bunod after the Phase 2b study completion in late 2011. In 2017, the Group received a US$17.5 million milestone payment following the FDA approval for VYZULTA received on November 2, 2017.

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

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

2.17.2.3 Pfizer

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

2.17.2.4 Fera Pharmaceutical

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

Under the terms of the agreement, the Company may be eligible to receive up to US$40 million in sales-based milestones, plus 7% royalties based on net sales of naproxcinod in the U.S.

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

In Q2 2020, Nicox was informed by its partner Fera that the application with the U.S. FDA for an Orphan Drug Designation (ODD) for naproxcinod in sickle-cell disease had been refused but that Fera is reviewing how to respond to the points raised by the FDA. Fera is also considering alternative indications for the development of naproxcinod including as a potential adjuvant treatment for patients with COVID-19 infection.

In March 2022, Nicox and Fera Pharmaceuticals announced that the United States (U.S.) Food and Drug Administration (FDA) granted an Orphan Drug Designation for naproxcinod for the treatment of sickle cell disease, which affects an estimated 100,000 Americans. Naproxcinod is a nitric oxide (NO)-donating naproxen combining the cyclooxygenase (COX) inhibitory activity of naproxen with that of nitric oxide developed by Nicox and exclusively licensed to Fera in the U.S. Nicox has tested naproxcinod in over 2,700 patients in osteoarthritis, generating a significant package of clinical safety data which is available to support Fera's development of naproxcinod, and ultimately a New Drug Application submission for sickle cell disease.

2.17.2.5 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.

Since June 2005, the Company has put in place several provisions stipulating that in the event that all of the Company's shares are sold to one shareholder or in the event of a change in the Company's control resulting in one shareholder holding more than 50% of the Company's share capital and leading to a breach in certain employees' employment contracts, said employees shall receive a contractual severance allowance of an amount ranging between twelve and twenty-four months of salary. This contractual severance allowance is granted to each recipient for a limited two-year period starting from the date on which the change in majority or control of the Company takes place. In such an event, and in the event that all current beneficiaries are affected by such dismissal procedure, the Company would have to pay severance totaling €1,464,417 on the basis of the net wages received by the beneficiaries in the last twelve months.

Additionally, in the event that the Company terminates their employment contracts, each beneficiary of these provisions shall receive a contractual severance allowance of between twelve and eighteen months' salary, except for the Chairman-CEO. In such an event, and in the event that all current beneficiaries are affected by such dismissal procedure, the Company would have to pay severance totaling €1,222,395 on the basis of the net wages received by the beneficiaries in the last twelve months. The salary to be considered in the calculation of the foregoing severance payments is one-twelfth of gross compensation, including all bonuses, for the twelve months preceding the termination. Termination of an employment contract for serious or gross misconduct disqualifies the beneficiary from benefiting from the above provisions. Due to the conditional nature of these commitments, the Company had made no provision to this end at December 31, 2021.

In June 2017, the Company made a commitment vis-à-vis the Chairman-CEO whereby in the event of his removal, except for reasons of gross negligence, the Chairman-CEO shall be entitled to a severance benefit contingent on the Board's determination at the time of his removal of the achievement of the following performance criteria:

-that at least one approved product generates directly or indirectly revenue for a Group entity.
- if this criteria is not achieved at the time of the removal, no severance payment should be made.

The amount of the severance payment would correspond to two years of compensation (both fixed and variable compensation), calculated on the basis of the compensation paid during the last fiscal year ended before the dismissal date.

This severance benefit must be paid in the form of a single payment. Should Michele Garufi be removed in 2021, the group will be required to pay a severance benefit in the amount of €1,436,000.

Teva Pharmaceutical Industries 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.

At the end of August 2020, the appeals board in a preliminary opinion concluded to the existence of the inventive step of the patent and invited the parties to submit their observations by December 31, 2020. The parties filed their arguments in December 2020 and January 2021. The date of the hearing is set for July 5, 2022.

The Company considers that the risk of invalidity of the patent is low, and in consequence has not recorded a provision for this contingency. However, this procedure is by nature uncertain and an unfavorable decision for the Company by this body would have a material adverse effects on its business and financial position (see section 18.7 "legal and arbitration proceedings" of this Universal Registration Document)

The Company contests the application of social security contributions on directors' compensation paid to two non-employee directors whose tax residence is in the United States. By judgment of January 24, 2020, the Court of Justice of Nice approved the claims of the Company; URSSAF appealed this judgment, requesting that it be overturned, the social security charge adjustment confirmed and, as a result, that the Company be ordered to pay €95,054 in principal and €2,000 under Article 700 of the French Code of Civil Procedure. The case was struck from the docket due to the failure of URSSAF to perform procedures. After initiating new procedures, the case was reinstated.

2.18 Compensation of senior and corporate officers

Total compensation recognized for Directors at December 31, 2021 (as in 2020) is summarized in the table below:

	2021	**2020**
	(€ 000s)	
Short-term benefits	773	778
Post-employment benefits	93	92
Total	**866**	**870**

At December 31, 2021, outstanding stock options, equity warrants and restricted stock units (RSUs) awarded to corporate officers broke down as follows:

Type of equity instrument	Exercise or subscription price per warrant (€)	Number of equity warrants, options or RSUs	Number of shares issuable	Expiry date
RSUs		61,500	61,500	
Stock options	6.05	60,000	60,000	02/12/2027
Warrants	11.88	144,000	144,000	06/07/2022
Warrants	8.88	144,000	144,000	05/24/2023
Stock options	4.79	03,500	203,500	01/27/2028
Stock options	3.52	180,000	180,000	01/14/2029

2.19 Fees payable to external auditors and to members of their networks

The Issuer is understood to be the parent company Nicox S.A.

	Ernst & Young Audit				Approbans			
	Amount (before tax)		In %		Amount (before tax)		In %	
	2020	2021	2020	2021	2020	2021	2020	2021
Audit								
External audit, certifications, review of individual and consolidated accounts								
Issuer	164,000	161,000	90.48%	69.73%	26,000	26,000	100.00%	57.78%
Consolidated subsidiaries	12,000	12,000	6.62%					
Other work and services directly associated with the engagement of the external auditor								
Issuer (required under national law)	5,250	57,900	2.90%	25.08%		19,000		42.22%
Subtotal	181,250	230,900	100.00%	100.00%	26,000	45,000	100.00%	100.00%
Other services rendered by the networks								
Tax-related								
Other (specify if> 10% of audit fees)								
Subtotal	-							
TOTAL	**181,250**	**230,900**	**100.00%**	**100.00%**	**26,000**	**45,000**		

2.20 Workforce

At year end, the Company employed 15 people.

Of the Company's 15 employees:

- 15 are employed under permanent contracts
- 11 work in Administration & Corporate departments, and 4 in other departments

2.21 Tax and contingent tax position

At year end, the Company's tax position is as follows:

- RTC income for 2021: €716,324
- Ordinary losses carried forward indefinitely: €497,366

In February 2019, the Company received a tax audit notice for fiscal years 2016, 2017 and extended to 2018 for certain tax items. This audit was completed in September 2020 by a tax deficiency notice concerning €49.6 million in tax loss carryforwards out of a total of €485 million available at December 31, 2020 in addition to €0.9 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 €24,805,986. At December 31, 2021, the challenge by the tax authorities involved an amount of only €24.8 million.

2.22 Subsidiaries and associates

Subsidiaries and Associates at December 31, 2021

At year-end, Nicox S.A. held equity interests in two companies:

- Nicox Research Institute, a limited liability company incorporated under the laws of Italy in October 1999 and 100% owned by Nicox S.A.
- Nicox Ophtalmics Inc., a US company acquired on October 22, 2014, wholly-owned by Nicox S.A.

Subsidiaries and associates:

In Euros	**Nicox Research Institute**	**Nicox Ophthalmics Inc.**
Share capital	100,000	9
Other equity (before appropriation of profit)	**(3,571,932.36)**	**26,866,042**

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	0	**30,745,126**
Net book value of loans and advances	0	**30,745,126**
Guarantees and pledges given by the Company	-	-
Revenue excluding taxes for the last financial year ending December 31, 2021	**1,629,926**	**1,142,766**
Result (profit or loss in last financial year at December 31, 2021)	**156,399**	**(4,050,593)**
Dividends received by the Company during the year	-	-

2.23 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, 2021 and remaining in force in the period ended December 31, 2021.

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, 2021

2.24 Consolidated financial statements

The consolidated financial statements have been prepared by Nicox S.A. to December 31, 2021. The consolidated financial statements of the Group include the fully consolidated accounts of Nicox S.A and its wholly-owned subsidiaries, Nicox Research Institute, and Nicox Ophthalmics Inc. . Balances and transactions between Group companies are eliminated. The accounts of all the subsidiaries were closed on December 31.

2.25 Subsequent events

2.26 Five-year financial summary

	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
CAPITAL AT END OF YEAR					
Issued capital	43,138,185	37,030,335	33,230,570	29,718,920	29,459,338
- Number of ordinary shares:	43,138,185	37,030,335	33,230,570	29,718,920	29,459,338
- Number of shares to be created through subscription rights	8,053,798	1,394,800	1,175,620	1,263,740	858,722
OPERATIONS AND RESULTS					
Revenue excluding taxes	6,719,332	14,588,755	4,051,734	5,299,962	15,352,442
Income before tax and employee profit-sharing, allowances for amortization, depreciation and provisions	87,519,259	-18,077,590	-14,478,826	-10,788,757	-5,825,286
Income tax (research tax credit)	716,324	-735,673	-864,066	-840,078	-555,929
Employee profit-sharing	0	0	0	0	0
Allowances for amortization, depreciation and provisions	37,898,091	-5,253,701	7,415,812	204,359	1,518,827
Loss for the period	-50,337,492	-12,088,165	-21,030,573	-10,152,856	-6,788,184
Distributed earnings					
EARNINGS PER SHARE					
Income after tax and employee participation, but before allowances for amortization and provisions	-2.03	-0.49	-0.67	-0.36	-0.18
Loss for the period	-1.17	-0.33	-0.63	-0.34	-0.23
Diluted net income	-1.17	-0.33	-0.63	-0.34	-0.23
Dividend paid					
PERSONNEL					
Average headcount	15	15	17	16	17
Payroll	2,091,591	2,219,207	2,252,066	2,189,774	2,030,263
Sum paid in benefits [social security, welfare, etc.]	952,285	1,170,468	1,018,879	1,131,999	1,269,931

2.26 Financial risk management objectives and policies

To date, the financing needs of the Company have primarily been met by raising funds in financial markets through capital increases by issuing new shares, revenues from license agreement with partners and the reimbursement of research tax credit receivables. The immediate objective of the Company in terms of capital management is to effectively manage its capital resources to ensure the financing of its research and development activities.

2.27.1 Foreign Exchange Risk

The Company reports financial information in euros. The majority of the Company's expenses are denominated in euros. Certain expenses and revenue from agreements with the pharmaceutical partners are however denominated in US dollars. In fiscal 2021, approximately 26.60% of operating expenses were in US dollars. (56.72% in 2020).

Foreign exchange fluctuations in the euro in relation to the US dollar may have a material impact on the Company's operating results, notably with respect to the worldwide license for VYZULTA granted by B&L for which the Company may receive milestone payments for an amount, net amounts payable to PFIZER, of up to US$165 million in addition to up 6% to 12% in net royalties. The Company does not have significant receivables subject to foreign exchange risks with the exception of the current account of the subsidiary, Nicox Ophthalmics.

The Company also holds US dollar bank accounts that are translated into euros at the year-end exchange rate. Cash amounted to €13,038,759 at December 31 2021 or 31.62% of available cash and may be materially impacted by the Euro/US Dollar exchange rates. This risk is however mitigated by the fact that cash is exclusively destined to cover expenses denominated in US dollars resulting from its research and development activities in the United States.

The Company does not use derivative products or specific internal procedures to limit its risk to foreign exchange exposure.

The Company does not hold financial assets or bank debt that are denominated in foreign currency.

2.27.2 Interest Rate Risk

The Company is not exposed to the risk of interest rate fluctuations as its cash equivalents consist solely of fixed-rate time deposit accounts.

2.27.3 Market Risk

At December 31, 2021, the Company did not have any financial instruments and in consequence did not have an exposure to market risk.

2.27.4 Liquidity Risk

The Company does not have any loans with banks that include an early repayment clause.

Overall, the business activities show a loss and may continue to do so in the short-term. At December 31, 2021, the Company had €41.2 million in cash and cash equivalents (€46.8 million at December 31, 2020).

The Company has completed a specific review of its liquidity risk and considers that it is able to honor the terms for future payments for the next 12 months. In addition, in January 2019, the Company signed an agreement with Kreos Capital to obtain bond financing in the amount of €20 million in part subscribed in 2019 and in December 2021 and carried out a capital increase for gross proceeds of €15 million providing it with the resources to extend its financing capacity beyond 12 months.

During 2021, the Kréos loan agreement was restructured on two occasions:

The first was in February 2021, and involved an 18-month extension for the interest-only period and the loan maturity date. In addition, 30% of the outstanding amount was converted into shares and 100,000 warrants were issued. The second loan restructuring was in November 2021,

Prior to the signature of this amendment, the nominal amount of the debt with Kreos Capital amounted to €16.9 million; The amendment executed on November 20, 2021 introduced the following changes (with the other terms of the original contract remaining unchanged): (i) the maturity period of the loan was extended by 18 months, i.e. until January 1, 2026, with the Company benefiting from an option to extend this period by 6 months (i.e. until July 1, 2026) if the clinical trial of the Mont-Blanc study meets the primary endpoint of non-inferiority compared to latanoprost and (ii) the Company will also benefit from an extension of the interest-only payment period to August 1, 2023, which may be extended by an additional 6 months (to February 1, 2024) at the Company's option and subject to the same condition relating to the Mont Blanc study. The Amendment also provides for prepayment, without penalty, of 30% of the bond principal, i.e., €5,087,347, on its date of effect. This amount was transferred by Kreos Capital VI (UK) Limited to Kreos Capital VI (Expert Fund) L.P., to subscribe by way of offset to an issue of bonds convertible into new shares (the "Convertible Bonds"), reserved for subscription by Kreos Capital VI (UK) Limited (the "Convertible Bond Issue "). The convertible bond issue consisted of 3,300,000 bonds with a nominal value of 1 euro each, conferring entitlement to a maximum of 900,000 new shares with a nominal value of 1 euro each if converted into shares (able to be converted at any time, subject to a non-conversion period of 60 days from the date of issue). The conversion ratio for the Convertible Bonds into shares corresponds to a price of €3.67 or a 25%

premium over the VWAP calculated on the 3-days trading preceding the date of the Board of Directors' meeting determining the final terms of the Convertible Bond Issue. The Convertible Bond Issue is secured by the collateral in place for the Bond Issue Agreement. The interest rate (9.25% per annum) and maturity are identical to those of the pre-existing debt issue. Should Kreos Capital VI (Expert Fund) L.P. fail to convert the bonds on maturity of the Convertible Bond Issue, the entire amount of the Convertible Loan remaining will be due as a single payment at that time. The remaining €1,787,347 under the Kreos Capital VI (Expert Fund) L.P.'s debt financing were used to subscribe for the issue of new non-convertible bonds bearing an interest of 9.25%, with the same maturity as the Convertible Bond Issue and with an additional premium payable upon redemption, so that the total return to Kreos Capital VI (Expert Fund) L.P. is 1.75 times the initial amount of capital. The Amendment also provided for the payment to Kreos by the Company of a restructuring commission of €339,156.44.

2.27.5 Credit risk

There is in principle no risk of recovering the receivable linked to the research tax credit, given that it represents a receivable from the French government.

Concerning the Company's other financial assets, and namely cash and cash equivalents, the exposure to credit risk is contingent on the risk of default by the corresponding third parties.

On this date, cash equivalents consist exclusively of time deposit accounts.

18.5 Pro forma financial information

Not applicable.

18.6 Dividend Policy

The Company has never paid dividends. At present, the Company does not expect to pay dividends or make distributions in the next two years at least.

18.7 Judicial and arbitration proceedings

There are no administrative, governmental, judicial or arbitration proceedings, including any proceedings of which the Company is aware, whether pending or threatened, that are liable to have, or have had in the last 12 months, a material impact on the financial position or profitability of the Company or the Group other than the proceeding mentioned below.

Teva Pharmaceutical Industries 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.

At the end of August 2020, the appeals board in a preliminary opinion concluded to the existence of the inventive step of the patent and invited the parties to submit their observations by December 31, 2020. The parties filed their arguments in December 2020 and January 2021. The date of the hearing is set for July 5, 2022.

The Group considers that the risk of invalidity of the patent is low, and in consequence has not recorded a provision for this contingency. However, this procedure is by nature uncertain and an unfavorable decision for the Company by this body would have a material adverse effects on its business and financial position (see section 18.7 "legal and arbitration proceedings" of this Universal Registration Document)

The Company contests the application of social security contributions on directors' compensation paid to two non-employee directors whose tax residence is in the United States. By judgment of January 24, 2020, the Court of Justice of Nice approved the claims of the Company; URSSAF appealed this judgment, requesting that it be overturned, the social security charge adjustment confirmed and, as a result, that the Company be ordered to pay €95,054 in principal and €2,000 under Article 700 of the French Code of Civil Procedure. The case was struck from the docket due to the failure of URSSAF to perform procedures. After initiating new procedures, the case was reinstated.

18.8 Significant change in the Company's financial position

There have been no material changes with respect to the Group's financial or trading position or its financial performance since the closing of fiscal year 2021.

19 ADDITIONAL INFORMATION

19.1 Issued capital

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

Share capital: €43,223,135
Number of ordinary shares at April 15, 2022: 43,223,135
Par value of each ordinary share: €1

At December 31, 2021, the data were as follows:
Share capital: €43,138,185
Number of ordinary shares: 43,138,185
Par value of each ordinary share: €1

19.1.2 Number of shares not representing capital and their main characteristics

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

19.1.3 The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer

The ordinary general meeting of April 28, 2021 authorized the Board of Directors, with the powers to sub-delegate, according to the conditions provided for by articles L. 22-10-62 *et seq*. of the French Commercial Code, to purchase shares of the Company representing up to 10% of its share capital.

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

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

- Implementing any and all market practices that may be recognized by law or by the Autorité des Marchés Financiers.

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

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

This authorization was granted for a period of 18 months from the date of the ordinary general meeting

The Board of Directors may decide on and implement this authorization, specifying, if necessary, the terms and conditions thereof, and, more generally, do whatever is necessary to successfully complete the proposed transactions.

The Company implemented a share buyback program for its shares listed on Euronext Paris as from August 5, 2020 with Kepler Cheuvreux.

The implementation of this liquidity contract, pursuant to the authorization granted by the ordinary shareholder meeting of April 28, 2021, will be carried out in accordance with the legal provisions in force and, more specifically, with the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (MAR); the delegated Commission Regulation (EU) 2016/908 of February 26, 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regulatory technical standards concerning the criteria, procedure and requirements for establishing an accepted market practice and the requirements for maintaining, withdrawing or amending the conditions for admission; and Articles L. 225-209 et seq. of the French Commercial Code, and the AMF decision no. 2018-01 of July 2, 2018, applicable as of January 1, 2019.

The following resources were allocated to the liquidity account:

- the sum of €1 million;

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

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

- by Nicox, in the event that Kepler Cheuvreux has not made reasonable efforts to meet its obligations with respect to the liquidity of transactions and the regularity of quotations ;

- by Kepler Cheuvreux, when the information provided by the client makes it impossible for Kepler Cheuvreux to meet its obligations;

- by Kepler Cheuvreux, when the sums due to Kepler Cheuvreux under the liquidity contract have not been paid on the payment date, and

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

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

Under the liquidity agreement administered by Kepler Cheuvreux on behalf of Nicox, at December 31, 2021 the liquidity account held:
- 211,967 Nicox shares
- €146,491.49 in cash
- Number of purchase transactions executed in the half-year period: 786
- Number of sale transactions executed in the half-year period: 728
- Trading volume for purchases in the half-year period: 387,737 shares for €1,278,136.61
- Trading volume for sales in the half-year period: 394,689 shares for €1,304,467.12

At April 15, 2022, 228,172 shares were held under the share buyback program.

Neither the Company nor its subsidiaries hold own shares other than those held under the liquidity program described above.

19.1.4 Convertible securities, exchangeable securities or securities with warrants

As of December 31, 2021, there were options and equity warrants as well as restricted stock units during the acquisition period. These are described in section 15.2 "Shareholdings and stock options" of this universal registration document.

19.1.5 Information about and terms of any acquisition rights or obligations over authorized but unissued capital or an undertaking to increase the capital.

n/a

19.1.6 Information on the share capital of the Group subject to an option or to a conditional or unconditional agreement to be put under option

n/a

19.1.7 History of equity capital for the period covered by the historical financial information

The table above reflects only the statutory changes in equity capital as established by the Board of Directors. It may differ from the actual capital according to whether the stock options, equity warrants and share issues are exercised following the delivery of restricted stock units (RUSs).

Date	Transaction	Number of equity warrants /stock options/ RSUs	Number of shares issued /canceled	Maximum nominal amount of the capital increase/ reduction (in euros)	Aggregate issue/merger premium	Successive capital amounts (in euros)	Cumulative number of shares	Nominal value of shares (in euros)
02/20/2018 (EGM 10/22/2014)	Capital increase following the delivery of RSUs	233,500	46,700	46,7 00	-	29,506,038	29,506,038	1
03/16/2018 (EGM 07/27/2012)	Capital increase following the delivery of RSUs	245,940	49,188	49,188		29,555,226	29,555,226	1
05/16/2018 (EGM 10/13/2015)	Capital increase following the delivery of RSUs	131,500	26,300	26,300		29,581,526	29,581,526	1
05/25/2018 (EGM 07/27/2012)	Capital increase following the delivery of RSUs	34,920	6,984	6,984		29,588,510	29,588,510	1
09/04/2018 (EGM 07/27/2012)	Capital increase following the delivery of RSUs	16,800	3,360	3,360		29,591,870	29,591,870	1
09/27/2018 (EGM 10/13/2015)	Capital increase following the delivery of RSUs	123,450	123,450	123,450		29,715,320	29,715,320	1
01/23/2019 (EGM 10/13/2015)	Capital increase following the delivery of RSUs	3,600	3,600	3,600		29,718,920	29,718,920	1
02/12/2019 (EGM of 22/10/2014 and EGM of 13/10/2015)	Capital increase following the delivery of RSUs	190,200	190,200	190,200		29,909,120	29,909,120	1

Date	Transaction	Number of equity warrants /stock options/ RSUs	Number of shares issued /canceled	Maximum nominal amount of the capital increase/ reduction (in euros)	Aggregate issue/merger premium	Successive capital amounts (in euros)	Cumulative number of shares	Nominal value of shares (in euros)
05/24/2019 (EGM 10/22/2014)	Capital increase following the delivery of RSUs	5,000	1,000	1,000	-	29,910,120	29,910,120	1
09/16/2019 (ESM 05/30/2017	Capital increase following the delivery of RSUs	4,800	4,800	4,800	-	29,914,920	29,914,920	1
11/15/2019 (ESM 05/24/2018	Capital increase reserved for a category of beneficiaries	-	3,315,650	3,315,650	12,500,000	33,230,570	33,230,570	1
01/27/2020 (ESM 05/30/2017	Capital increase following the delivery of RSUs	139,200	139,200	139,200	-	33,369,770	33,369,770	1
03/05/2020 (ESM 05/30/2017	Capital increase following the delivery of RSUs	100,000	100,000	100,000	-	33,469,770	33,469,770	1
05/27/2020 (EGM 05/30/2017)	Capital increase following the delivery of RSUs	21,600	21,600	21,600	-	33,491,370	33,491,370	1
12/08/2020 (EGM 06/30/2020)	Capital increase reserved for a category of beneficiaries	-	3,529,565	3,529,565	15,000,651	37,020,935	37,020,935	1
12/17/2020 (EGM 05/24/18)	Capital increase following the delivery of RSUs	9,400	9,400	9,400	-	37,030,335	37,030,335	1

Date	Transaction	Number of equity warrants /stock options/ RSUs	Number of shares issued /canceled	Maximum nominal amount of the capital increase/ reduction (in euros)	Aggregate issue/merger premium	Successive capital amounts (in euros)	Cumulative number of shares	Nominal value of shares (in euros)
02/26/2021 (EGM 05/24/2018)	Capital increase following the delivery of RSUs	73,650	73,650	73,650	-	37,103,985	37,103,985	1
05/05/2021 (EGM 05/24/2018)	Capital increase following the delivery of RSUs	8,000	8,000	8,000	-	37,111,985	37,111,985	1
05/24/2021 (EGM 05/24/2018)	Capital increase following the delivery of RSUs	1,400	1,400	1,400	-	37,113,385	37,113,385	1
07/12/2021 (EGM 05/24/2018)	Capital increase following the delivery of RSUs	12,000	12,000	12,000	-	37,125,385	37,125,385	1
09/16/2021 (EGM 05/24/2018)	Capital increase following the delivery of RSUs	12,800	12,800	12,800	-	37,138,185	37,138,185	1
12/13/2021 (EGM 04/28/2021)	Capital increase reserved for a category of beneficiaries Issue of new shares with warrants	6,000,000	6,000,000	6,000,000	9,000,000	43,138,185	43,138,185	1
01/27/2022 (EGM 05/24/2018)	Capital increase following the delivery of RSUs	84,950	84,950	84,950		43,223,135	43,223,135	1

19.2 Articles of incorporation and bylaws

19.2.1 Corporate purpose

Under Article 2 of the articles of association, the purpose of the Company in France and abroad is:

- Research and development, experimentation, development, launching on the market, operation, manufacture and wholesale distribution, particularly for export and import, of medical devices, food supplements, pharmaceutical and parapharmaceutical products by any means, either directly or indirectly.
- Protection by any means of intellectual property to which it may claim ownership as well as any and all operating rights or status of its drug candidates or products acquired, licensed or developed directly.
- The acquisition, operation or sale of all intellectual property rights as well as any and all expertise in the area of medical devices, food supplements, pharmaceutical or parapharmaceutical products and the sale, either direct or indirect, of all medical devices, food supplements, pharmaceutical or parapharmaceutical products.
- The creation, acquisition, rental, lease management of all business corporations, the leasing, installation and operation of any and all establishments; and
- More generally, participation in any business or Company created or to be created as well as the completion of any and all legal, economic, financial, industrial, civil and commercial, movable or immovable operations related directly or indirectly, in full or in part, to the above purpose or to any other similar or related purpose.

19.2.2 Provisions contained in the articles of association (*statuts*) and the rules and regulations of the Board of Directors concerning the members of administrative bodies

See section 12 "Administrative, management and supervisory bodies and senior management" of this universal registration document.

19.2.3 Rights, privileges and restrictions attached to each category of outstanding shares

All shares are of the same category and are legally entitled to the same rights.

Commitments by the Chief Executive Officer to retain shares are described in section 13 "Compensation and benefits" of this universal registration document.

19.2.4 Procedures for modifying of shareholders' rights

Shareholders' rights may be changed only by the Extraordinary Shareholders' Meeting in accordance with the applicable regulations. The articles of association do not contain any special provisions.

19.2.5 Shareholders' meetings

Collective decisions by shareholders are taken in shareholders' meetings under the conditions defined by law. All shareholders' meetings regularly constituted represent the shareholders as a whole.

Deliberations by the shareholders' meetings are binding on all shareholders even if they are absent, dissenting or incapacitated.

Shareholders' meetings are convened and meet under the conditions set by law.

All shareholders are entitled to participate in general meetings regardless of the number of shares they may hold. Shareholders may choose one of these three options to participate in meetings:

- Personally attend the meeting;
- Grant a proxy to any person of their choice under the conditions provided by law and regulations or send a proxy form to the Company without specifying the identity of the proxy;
- Vote by mail or remote voting.

To attend the meeting, be represented or vote by mail or remote voting, shareholders must demonstrate that their shares have been registered in their name or in the name of the intermediary on the second business day preceding the meeting at midnight Paris time, or on the ledger of registered shares maintained by the Company or on the ledger of bearer shares maintained by the authorized intermediary.

Registration of the securities in the ledger of bearer shares maintained by the authorized intermediary is evidenced by a certificate of attendance (*attestation de participation*) issued by the latter;

A certificate will also be issued to shareholders wishing to personally attend the meetings who have not received their admission card by midnight (Paris time) on the second business day preceding the meeting.

Any intermediary satisfying the legal provisions in effect may under a general power of attorney for management of securities, transmit for a meeting the vote or power of attorney of any shareholder not residing in France.

The Company is entitled to ask the intermediary in question to provide a list of the non-resident holders of the shares to which these voting rights are attached.

Shareholders may, under the conditions set by law and regulations, send their proxy form and mail-in vote for any shareholders' meeting, either in hard copy form or electronically by decision of the Board of Directors mentioned in the meeting invitation.

Shareholders' meetings deliberate under the quorum and majority conditions set by the applicable laws and regulations. Shareholders participating in the meeting by video conference or by telecommunications methods allowing them to be identified under the conditions set by the applicable regulations at the time they are used are also deemed present for purposes of calculating the quorum and the majority if the Board of Directors so decides at the time the meeting is convened.

19.2.6 Provision of the articles of association, any charter or regulation that may delay, defer or prevent any change in control

Authority was delegated to the Board of Directors to issue securities by decision of the extraordinary general meeting of April 28, 2021. These financial authorizations are presented in section 19.4 "Currently valid capital increase authorizations" of this universal registration document

19.2.7 Crossing of statutory thresholds

Under Article 10.2 of the articles of association, any individual or legal entity acting alone or in concert who owns in any form whatsoever, pursuant to articles L. 233 7 *et seq*. of the French Commercial Code a number of shares representing immediately or in the future a fraction equal to 2% of the capital and/or rights in the Company allowing them to vote in shareholders' meetings, or any multiple of that percentage up to 50% and even if that multiple crosses the legal threshold of 5%, shall inform the Company of the total number of shares owned by it by registered letter with return receipt, sent to the head office within four trading days from the date the threshold is crossed, or by any other equivalent means for shareholders or the holders of bearer shares residing outside France.

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

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

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

19.2.8 Changes in the share capital

Any change in the share capital or the voting rights attached to the shares comprising it is subject to the legal requirements, as the articles of association do not contain any specific provisions.

19.2.9 Other information of a general nature

Corporate Registry, APE code

Nicox SA is registered in the Grasse Corporate Registry under number 403 942 642.

The APE code of Nicox SA is 7211 Z. It corresponds to the biotechnology research and development activity.

Corporate fiscal year

The corporate fiscal year begins on January 1 and ends on December 31 of every year.

Distribution of earnings (Article 22 of the articles of association)

The statement of profit or loss summarizing revenues and expenses for the year shows the earnings spread for the year after deduction of amortization and provisions.

At least 5% is deducted from the earnings for the year as well as any prior losses for appropriation to the legal reserve fund. This deduction ceases to be mandatory when the legal reserve fund reaches one-tenth of the share capital; it resumes when, for any reason, the legal reserve falls below this one-tenth figure.

Distributable earnings consist of the profit for the year less any prior losses or withholdings intended for allocation to the legal reserve plus any retained earnings.

These earnings are distributed to all shareholders in proportion to the number of shares belonging to each of them.

As a priority, dividends are taken from the earnings for the year. Moreover, the Shareholders' Meeting may decide to pay out any sums withheld from the reserves available to it, indicating expressly the reserve lines from which the sums are withheld.

The general meeting has the option of granting to each shareholder the choice of payment in cash or in stock for all or part of the dividend or interim dividend paid out.

Identifiable bearer shares (Article 19.3 of the articles of association)

Any intermediary satisfying the legal provisions in effect may under a general power of attorney for management of securities, transmit for a meeting the vote or power of attorney of any shareholder not residing in France. The Company is entitled to ask the intermediary in question to provide a list of the non-resident holders of the shares to which these voting rights are attached.

In accordance with article L. 228-2 of the French Commercial Code, the Company may apply at any time to Euroclear France to use the procedure for identifiable bearer shares.

Terms and conditions for amending the articles of association

Pursuant to Article L225-96 of the French Commercial Code, only the extraordinary general meeting has the authority to amend the Company's articles of association.

However, whenever the Company's head office is transferred by decision of the Board of Directors, then the Board is authorized to amend the articles of association accordingly.

19.2.10 The Company's securities market

The following table shows the changes in the Company's share price and volume of transactions on the Euronext Paris Market (Compartment C).

(Source: Euronext Paris)

	Share price (in €)			Volume of transactions
Month	**Lower**	**Higher**	**Average price**	**number of shares**
March 2021	4.135	4.605	4.379	3,524,499
April 2021	4.025	4.490	4.260	2,248,143
May 2021	4.075	4.320	4.172	1,939,265
June 2021	3.630	4.250	4.033	1,467,228
July 2021	3.015	3.900	3.470	2,257,336
August 2021	3.100	3.615	3.252	1,378,413
September 2021	3.140	3.840	3.543	2,051,743
October 2021	3.120	3.450	3.252	936,247

November 2021	2.895	3.335	3.157	1,122,786
December 2021	2.500	3.085	2.724	2,170,678
January 2022	2.295	2.950	2.649	2,447,183
February 2022	1.982	2.385	2.159	1,937,859
March 2022	1.784	2.195	1.999	2,821,735

19.3 Summary of dilutive instruments

On April 15, 2022, the total number of shares that may be created by exercising all rights giving access to the share capital of the Company totals 8,489,648 new ordinary shares.

The following table provides a summary of the Nicox's dilutive instruments:

Nature of the dilutive instruments	**Number of instruments**	**Potential new shares**
Restricted stock units (*actions gratuites* or free shares)	293,250	293,250
Stocks options	1,429,550	1,429,550
Warrants	6,766,848	5,866,848
Convertible bonds	3,300,000	900,000
Total	**11,789,648**	**8,489,648**

19.4 Currently valid capital increase authorizations

The ordinary general meeting of April 28, 2021 delegated its authority and/or powers to the Board of Directors under the following conditions:

Section 19.4 of the 2020 Universal Registration Document "*Currently valid capital increase authorizations*" is updated as follows:

The ordinary general meeting of April 28, 2021 delegated its authority and/or powers to the Board of Directors under the following conditions:

Authorizations granted to the Board of Directors by the extraordinary general meeting of April 28, 2021	Maximum nominal amount of the capital increase (in euros)	Length of the delegation of authority with effect from the date of the extraordinary general meeting of April 28, 2021.	Use of the delegation of authority on the date of the Amendment
Delegation of authority to the Board to issue shares, equity securities giving access to other equity securities of the Company or rights to the allotment of debt securities as well as securities giving access to equity securities of the Company to be issued, maintaining shareholders' preferential subscription rights (resolution 1).	16,500,000	26 months	-
Delegation of authority granted to the Board of Directors to issue shares, equity securities giving access to other equity securities of the Company or rights to the allotment of debt securities as well as securities giving access to equity securities to be issued, canceling shareholders' preferential subscription rights, and through a public offer than those covered by article L. 411-2 1° of the French Monetary and Financial Code (*Code monétaire et financier*) (resolution 2).	12,000,000*	26 months	-
Delegation of authority to the Board of Directors to issue shares, equity securities giving access to other equity securities of the Company or rights to the allotment of debt securities as well as securities giving access to equity securities to be issued, canceling shareholders' preferential subscription rights, and through a public offer covered by article L. 411-2 1° of the French monetary and financial code (resolution 3).	12,000,000*	26 months	439,500
Authorization to set the issue price for the securities to be issued under the second	n/a	26 months	-

Authorizations granted to the Board of Directors by the extraordinary general meeting of April 28, 2021	Maximum nominal amount of the capital increase (in euros)	Length of the delegation of authority with effect from the date of the extraordinary general meeting of April 28, 2021.	Use of the delegation of authority on the date of the Amendment
and third resolutions within the limit of 10% of the share capital per year (resolution 4).			
Authorization to increase the number of shares to be issued in connection with issues, with or without preferential subscription rights, in application of the first, second, third, fourth and eighth resolutions (resolution°5).	15% of the initial issue**	26 months	-
Delegation of authority to increase the share capital by the capitalization of reserves, earnings, additional paid-in premiums or other eligible amounts (resolution 6)	16,500,000	26 months	-
Delegation of authority to increase the share capital in view of consideration for contributions in kind granted to the Company, excluding the case of a public exchange offer (resolution 7)	10% of the share capital on the issue date*	26 months	-
Delegation of authority to increase the capital for the benefit of a selected category of beneficiaries, canceling the preferential subscription rights of shareholders for their benefit (resolution° 8) (2).	12,000,000*	18 months	12,000,000
Delegation of authority to increase the share capital for the benefit of participants of a company savings plan with cancellation of the preferential subscription rights of shareholders for their benefit (resolution 9)	60,000 (1)	26 months	-
Authorization to award restricted stock units for existing or future shares, entailing waiver *ipso jure* by shareholders of their preferential subscription rights (resolution 10)	1,000,000	38 months	177,100

Authorizations granted to the Board of Directors by the extraordinary general meeting of April 28, 2021	Maximum nominal amount of the capital increase (in euros)	Length of the delegation of authority with effect from the date of the extraordinary general meeting of April 28, 2021.	Use of the delegation of authority on the date of the Amendment
Authorization to grant options conferring a right to subscribe for new shares of the Company or purchase existing shares, entailing waiver ipso jure by shareholders of their preferential subscription rights (resolution 11).	2,500,000	38 months	439,500

* To be deducted from the initial nominal ceiling of €12,000,000 set in the second resolution, in turn to be deducted from the total maximum nominal amount of the capital increase of €16,500,000.
** To be deducted from the nominal limit of the capital increase set by each of the resolutions under which the initial issue was decided.
(1)Deducted from the total maximum nominal amount of €16,500,000
(2) The category of beneficiaries is as follows: (i) one or more companies or French or foreign investment funds investing in the pharmaceutical / biotechnology sector and/or (ii) one or more financial institutions or authorized investment service providers undertaking to acquire the shares for resale to parties mentioned in (i).

19.5 Information on the capital of all Group companies to which an option is attached

Non-applicable.

20 MATERIAL CONTRACTS

The Group's material contracts are described in section 5.2 "Commercial, industrial, and financial contracts and intellectual property" of this universal registration document.

20.1 Key partnerships

Key Commercial Partnerships

VYZULTA

Partnered with Bausch + Lomb worldwide

- First eye drop approved in 20 years with a novel approach to reduce IOP
- Commercialized in U.S., Canada, Argentina, Hong Kong, Mexico and Taiwan; approved in 9 additional markets
- **$20 million** milestone expected at $100 million sales[1]
- **6% to 12%** net[2] royalties on global sales

ZERVIATE

Partnered with Eyevance in the U.S.

- First and only topical ophthalmic formulation of cetirizine
- Eyevance is a wholly-owned subsidiary of Santen Pharmaceutical Co., Ltd
- Up to **$37.5 million** in potential future sales milestones
- **8% to 15%** royalties[3] on U.S. net sales
- Licensed to other partners in Chinese market, Korea, Gulf and Arab markets, South East Asia, Mexico

OCUMENSION PARTNERSHIP

- Exclusive rights[4] in China and certain Southeast Asian markets on three key assets
- NCX 470: received €18 million; **6% to 12%** net royalties on sales; funding 50% of Phase 3 Denali clinical trial
- ZERVIATE: Up to **$17.2 million** in milestones plus **5% to 9%** royalties on sales. Ongoing Phase 3 trial for Chinese NDA
- NCX 4251: Up to **$11.3 million** in milestones plus **5% to 10%** royalties on sales

1. $15 million of this is payable to Pfizer per the terms of the contract signed with Pfizer in August 2009 by which Nicox recovered the rights to latanoprostene bunod
2. Net of royalties payable to Pfizer, per the terms of the contract signed with Pfizer in August 2009 by which Nicox recovered the rights to latanoprostene bunod
3. Nicox committed to pay to Eyevance certain manufacturing costs, which will be deducted from these royalty payments, reducing the effective royalty initially to 5% net until such costs are paid
4. Includes SE Asian markets for NCX 470 and ZERVIATE, and Korea for NCX 470

Overview of Global Partnerships

Product	Partner	Licensed Territories	Milestones Received	Future Milestones & Royalties	Current Status
NCX 470	Ocumension	Chinese, Korean and Southeast Asian markets	€18 million + half of Denali costs	6% to 12% royalties	Phase 3
NCX 4251	Ocumension	Chinese markets	$2.3 million	$11.3 million 5% to 10% royalties	Phase 2
ZERVIATE	Ocumension	Chinese and Southeast Asian markets	-	$17.2 million 5% to 9% royalties	Phase 3
	Eyevance	United States	$9 million	$37.5 million 8% to 15% royalties[1]	Marketed in U.S.
	ITROM	Gulf and Arab markets	Undisclosed	Undisclosed launch milestone 10%/15% royalties	Pre-registration
	Samil	Korea	Undisclosed	Total milestones up to $0.25 million 10% royalties plus 5% additional above certain sales thresholds	Pre-registration
	Laboratorios Grin	Mexico	Undisclosed	Undisclosed	Pre-registration
VYZULTA	Bausch + Lomb	Worldwide	$22.5 million[3]	$20 million[2] 6% to 12% royalties[3]	Marketed in U.S., Canada, Argentina, Hong Kong, Mexico and Taiwan. Approved in Brazil, Colombia, Jordan, Qatar, Singapore, South Korea, Thailand, Ukraine and United Arab Emirates

1. Nicox committed to pay to Eyevance certain manufacturing costs, which will be deducted from these royalty payments, reducing the effective royalty initially to 5% net until such costs are paid
2. $20 million milestone on $100 million sales. $15 million of this is payable to Pfizer per the terms of the contract signed in August 2009 by which Nicox recovered the rights to latanoprostene bunod
3. Net of milestone payments made to Pfizer, and royalties payable to Pfizer, per the terms of the contract signed with Pfizer in August 2009 by which Nicox recovered the rights to latanoprostene bunod

20.1 Kreos financing agreement

The bond financing agreement with Kreos Capital VI (UK) Limited dated January 29, 2019, as amended by successive amendments, was further modified by a new amendment dated November 30, 2021 (the Amendment). Prior to the signature of this Amendment, the nominal amount of the debt with Kreos Capital amounted to €16.9 million; The amendment executed on November 20, 2021 introduced the following changes (with the other terms of the original contract remaining unchanged): (i) the maturity period of the

loan has been extended by 18 months, i.e. until January 1, 2026, it being specified that the Company benefits from an option to extend this period by 6 months (i.e. until July 1, 2026) if the clinical trial of the Mont-Blanc study meets the primary endpoint of non-inferiority compared to latanoprost and (ii) the Company will also benefit from an extension of the interest-only payment period to August 1, 2023, which may be extended by an additional 6 months (to February 1, 2024) at the Company's option and subject to the same condition relating to the Mont Blanc study. The Amendment also provides for prepayment, without penalty, of 30% of the bond principal, i.e., €5,087,347, on its date of effect. This amount was transferred by Kreos Capital VI (UK) Limited to Kreos Capital VI (Expert Fund) L.P., to subscribe by way of offset to an issue of bonds convertible into new shares (the "Convertible Bonds"), reserved for subscription by Kreos Capital VI (UK) Limited (the "Convertible Bond Issue "). The convertible bond issue consisted of 3,300,000 bonds with a nominal value of 1 euro each, conferring entitlement to a maximum of 900,000 new shares with a nominal value of 1 euro each if converted into shares (able to be converted at any time, subject to a non-conversion period of 60 days from the date of issue). The conversion ratio for the Convertible Bonds into shares corresponds to a price of €3.67 or a 25% premium over the VWAP calculated on the 3-days trading preceding the date of the Board of Directors' meeting determining the final terms of the Convertible Bond Issue. The Convertible Bond Issue is secured by the collateral in place for the Bond Issue Agreement. The interest rate (9.25% per annum) and maturity are identical to those of the pre-existing debt issue. Should Kreos Capital VI (Expert Fund) L.P. fail to convert the bonds on maturity of the Convertible Bond Issue, the entire amount of the Convertible Loan remaining will be due as a single payment at that time. The remaining €1,787,347 under the Kreos Capital VI (Expert Fund) L.P.'s bond financing agreement were used to subscribe for the issue of new non-convertible bonds bearing an interest of 9.25%, with the same maturity as the Convertible Bond Issue and with an additional premium payable upon redemption, so that the total return to Kreos Capital VI (Expert Fund) L.P. is 1.75 times the initial amount of capital. The Amendment also provided for the payment to Kreos by the Company of a restructuring commission of €339,156.44.

21 DOCUMENTS ON DISPLAY

During the period of validity of this universal registration document, the following documents may, as applicable, be consulted at the company's website:

- the Company's articles of association (*statuts*);
- the 2021 Universal Registration Document;
- the interim financial report for the six-month period ended June 30, 2021; and
- all reports, correspondences and other documents, assessments and statements made by an expert at the request of the company, a part of which is included or referred to in this universal registration document.

The Company's corporate documents (articles of association, minutes of shareholders' meetings, and other documents) as well as the Group's historical financial information for the past three fiscal years may be consulted at the Company's head office, and a copy may be obtained.

All regulatory information (as defined by Article 221-1 of the AMF General Regulation) is available on the Company's website (www.nicox.com). Regulated information presented in the universal registration document includes the 2021 annual financial report, the report on corporate governance and the press release relating to auditors' fees.

Person responsible for financial communications

Dr. Gavin M. Spencer
Executive Vice President, Chief Business Officer & Head of Corporate Development
Nicox SA
Drakkar D
2405 route des Dolines
06560 Valbonne, France
Tel: +33.(0)4.97.24.53.00
Fax: +33. +33.(0)4.97.24.53.99
Site internet : www.nicox.com
Email: spencer@nicox.com

Timetable showing financial information reporting dates

2021 half-year financial information: September 2022 (indicative date)

2021 annual results: March 2020 (indicative date)

CONCORDANCE TABLE

The following concordance table provides cross-references to information required in the Appendixes 1 and 2 of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 with the relevant sections of the 2019 universal registration document.

Commission Delegated Regulation (EU) 2019/980 of the European Commission of 14 March 2019 supplementing Regulation (EU) 2017/1129 (Appendices 1 and 2)		**Universal registration document**
No.	**Headings**	**Reference**
1	**Persons responsible, third party information, experts' reports and competent authority approval**	**-**
1.1	Persons responsible for information given in the registration document	1.1
1.2	Declaration by the person responsible for the registration document	1.2
1.3	Person intervening in the capacity of expert	1.3
1.4	Declaration concerning information sourced from a third-party	1.3
1.5	Statement that the registration document has been approved by the competent authority	
2	**Statutory auditors**	**2**
2.1	Name and address of the Company's auditors	2.1
2.2	Auditors having resigned, been removed or not re-appointed during the period covered	2.2
3	**Risk factors**	**3**
4	**Information about the Company**	**4**
4.1	Company name and trade name of the Company	4.1
4.2	Place of registration, registration number and legal identity number (LEI) of the Company	4.2
4.3	Date of incorporation and the length of life of the Company	4.3
4.4	Registered office and legal form of the Company, legislation under which it operates, its country of incorporation, the address and telephone number of its registered office and website	4.4
5	**BUSINESS OVERVIEW**	
5.1	Principal activities	5.1

Commission Delegated Regulation (EU) 2019/980 of the European Commission of 14 March 2019 supplementing Regulation (EU) 2017/1129 (Appendices 1 and 2)		Universal registration document
No.	**Headings**	**Reference**
5.1.1.	Nature of the Company's operations and its principal activities	5.1
5.1.2.	Significant new products and/or services introduced	5.1
5.2	Principal markets	5.1 and 5.5
5.3	Significant events in the development of the Company's activities	5.4
5.4	Strategy and objectives	5.1.3.
5.5	The extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.	5.3
5.6	The basis for any statements made by the issuer regarding its competitive position	5.5
5.7	Investments	5.6
5.7.1.	The issuer's material investments for each financial year for the period covered by the historical financial information up to the date of the registration document	5.6.1.
5.7.2.	Any material investments of the issuer that are in progress or for which firm commitments have already been made	5.6.2.
5.7.3.	Information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	6.2
5.7.4.	Any environmental issues that may affect the issuer's utilization of the tangible fixed assets	5.6.3.
6	**Organizational structure**	**6**
6.1	Description of the Group and the Company's place within the Group	6.1
6.2	A list of the issuer's significant subsidiaries	6.2
7	**Review of financial position and earnings**	**7**
7.1	Financial position	
7.1.1.	A fair review of the development and performance of the issuer's business and of its position for each year and interim period for which historical financial information is required	7

No.	Headings	Reference
7.1.2.	Indication of the issuer's likely future development and activities in the field of research and development	5.1.5.
7.2	OPERATING PROFIT	
7.2.1.	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations and indicate the extent to which income was so affected.	7
7.2.2.	Reasons for material changes in net sales or revenues	7
8	**CAPITAL RESOURCES**	**8**
8.1	Information concerning the issuer's capital resources (both short term and long term)	8.1
8.2	The sources and amounts of and a narrative description of the issuer's cash flows	8.2
8.3	Information on the financing needs and funding structure of the Company	8.2
8.4	Information concerning no restrictions on the use of capital resources that have materially affected or could materially affect, directly or indirectly, the Company's activities.	8.3
8.5	Information concerning anticipated sources of funds required to honor material investments of the Company in progress or for which firm commitments have already been made	8.4
9	**Regulatory environment**	**9 and 3.2.8**
10	**Trend information**	**10**
10.1	A description of (i) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document and (ii) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document, or provide an appropriate negative statement.	10
10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	10

No.	Headings	Reference
11	**Profit forecasts or estimates**	**11**
12	**Administrative, management and supervisory bodies and senior management**	**12**
12.1	Corporate governance and management	12.1
12.2	Conflicts of interest, appointment commitments, restrictions on the disposal of the Company's shares	12.2
13	**Compensation and benefits**	**13**
13.1	The amount of remuneration paid and benefits in kind granted by the issuer and its subsidiaries	13
13.2	Total amounts set aside or accrued by the Company or its subsidiaries to provide pension, retirement or other benefits	13
14	**Operation of management and supervisory bodies**	**14**
14.1	Date of expiration of the current term of office and the period during which the person has served in that office	12.1 and 14
14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist	14
14.3	Information about the Company's Audit Committee and Compensation Committee	14
14.4	Statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer	14
14.5	Potential material impacts on the corporate governance, including future changes in the board and committees composition	14
15	**EMPLOYEES**	**15**
15.1	The number of employees at the end of the period covered by the historical financial information and a breakdown of persons employed by main category of activity and geographic location	15.1.1.
15.2	Shareholdings and stock options	15.2

No.	Headings	Reference
15.3	Arrangements for involving the employees in the capital of the Company	15.3
16	**MAJOR SHAREHOLDERS**	**16**
16.1	Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, or, if there are no such persons, an appropriate statement to that effect that no such person exists	16.1
16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist	16.2
16.3	Whether the issuer is directly or indirectly owned or controlled	16.3
16.4	Any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	16.4
17	**Related-party transactions**	**17**
18	**Financial information concerning the Company's assets and liabilities, financial position and profits and losses**	**18**
18.1	Historical financial information	18.1
18.1.1.	Audited historical financial information covering the latest three financial years and the audit report in respect of each year	18.1.1.
18.1.2.	Change of accounting reference date	18.1.2.
18.1.3.	Accounting standards	18.1.3.
18.1.4.	Change in accounting policies	18.1.4.
18.1.5.	Audited financial information including statement of financial position, the statement of profit or loss, a statement showing changes in equity, the cash flow statement and the accounting policies and explanatory notes	7.3, 7.4
18.1.6.	Financial statements	18.1.5.
18.1.7.	Age of the latest financial information	18.1.6.

No.	Headings	Reference
18.2	Interim and other financial information	18.2
18.3	Audit of historical annual financial information	18.3
18.4	Pro forma financial information	18.4
18.5	Dividend Policy	18.5
18.6	Judicial and arbitration proceedings	18.6
18.7	Significant change in the Company's financial position	18.7
19	**Additional information**	**19**
19.1	Issued capital	19.1
19.1.1.	The amount of issued capital, the total of the issuer's authorized share capital, the number of shares issued an fully paid and issued but not fully paid, the par value per share and a reconciliation of the number of shares outstanding at the beginning and the end of the year	19.1.1.
19.1.2.	Number of shares not representing capital and their main characteristics	19.1.2.
19.1.3.	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer	19.1.3.
19.1.4.	Convertible securities, exchangeable securities or securities with warrants	19.1.4.
19.1.5.	Information about and terms of any acquisition rights or obligations over authorized but unissued capital or an undertaking to increase the capital.	19.1.5.
19.1.6.	Information on the share capital of the Group subject to an option or to a conditional or unconditional agreement to be put under option	19.1.6.
19.1.7.	History of equity capital for the period covered by the historical financial information	19.1.7.
19.2	Articles of incorporation and bylaws	19.2
20	**Material contracts**	**20**
21	**Documents on display**	**21**

	MANAGEMENT REPORT	REFERENCES
1	Situation and activity of the Company and the Group during the period ended and, as applicable, of its subsidiaries and the companies it controls	5
2	Results of the activity of the Company, its subsidiaries and the companies it controls	18
3	Financial and, as applicable, non-financial key performance indicators relating to the specific activity of the Company and the Group	18.7
4	Analysis of transport revenue, earnings and the financial position (notably the debt situation)	6
5	Description of the main risks and uncertainties (including exposure to financial and market risks)	3
6	Information about the use of financial instruments and the objectives and policy of the Company with respect to the management of financial and market risks	3.1.4, 3.1.5 and 3.8
7	Material subsequent events	5.4.2.
8	Foreseeable developments	3 and 5
9	Research and development	5.1.5 e
10	Existing branch offices	n/a
11	Report on employee profit-sharing, transactions involving stock options and stock purchase options reserved for employees and grants of restricted stock units (*attribution d'actions gratuites*) to employees	15.2
12	Dealings by managers in the Company's own shares	13.3
14	Shareholdings acquired in companies having their registered offices in France and representing more than one twentieth, one tenth, one fifth, one third, one half or two thirds of the capital or voting rights of these companies	6
15	Disposal of shares for the purpose of ensuring compliance of cross-shareholdings	n/a
16	Natural persons or legal entities directly or indirectly holding more than one twentieth, one tenth, three twentieths, one fifth, one quarter, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the capital or voting rights of the Company at general meetings	16.1
17	Injunctions or fines for antitrust practices	n/a
18	Items of calculation and results of adjustment for the basis for the conversion or the exercise of securities giving access to the capital and stock options and stock purchase options	13.2 and 15.2
19	Information about share buyback programs	19.1.3.

20	Five-year financial summary for the Company	Note 2.27, page 255, 2018 Registration Document
21	Dividends distributed over the last three financial periods and dividends eligible for tax rebates	18.5
22	Loans for less than three years granted by the Company, an ancillary basis with respect to its main activity, to micro-companies, SME or intermediary sized companies with which it maintains legitimate economic ties	n/a
23	Information about non-deductible sumptuary costs (article 223 *quater* of the French general tax code)	n/a
24	Statutory information about trade payables and receivables (article D. 441-4 of the French Commercial Code)	7.4
25	Information about financial risks linked to climate change and measures taken by the Company to reduce such risks	3.2.12
26	Procedures for internal control and risk management adopted by the Company, providing information about the process for the production and processing of accounting and financial information	3.8