Company Overview

We are a global late clinical-stage biopharmaceutical company, headquartered in Switzerland with operations in Switzerland, the U.S. and Iceland. We have substantial expertise in therapeutics for the treatment of neuro-ophthalmic and ophthalmic diseases. We intend to become a leader in developing innovative therapeutics to address neuro-ophthalmic and ophthalmic diseases characterized by significant medical needs with large market opportunities. To accomplish this objective, we plan to focus on successful completion of our key strategic initiatives. For the ophthalmic franchise, we are focused on advancing the clinical and regulatory plans of OCS-01 to bring a first-in-class topical eye drop therapy for the treatment in DME and developing Licaminlimab for precision medicine for DED. Furthermore, we are advancing the development of Privosegtor in ON and NAION, and exploring additional broader indications in neuro-ophthalmology.

Our pipeline currently includes three clinical-stage therapeutic candidates: OCS-01, Licaminlimab (OCS-02) and Privosegtor (OCS-05). OCS-01 is an eye drop candidate which aims to be the first non-invasive topical treatment for DME. It is presently being evaluated in two ongoing Phase 3 clinical trials for DME, with topline results expected in the second quarter of 2026. Licaminlimab is a product candidate for the treatment of keratoconjunctivitis sicca, or dry eye disease ("*DED*"), which we are advancing with a precision medicine approach. After a successful FDA meeting in the first quarter of 2025, we initiated the PREDICT-1 registrational Phase 2/3 trial with a genotype-based approach to investigate Licaminlimab in DED in the fourth quarter of 2025 for which topline results are expected in the fourth quarter of 2026. Privosegtor is a neuroprotective candidate that has the potential to become a novel therapy for optic neuritis ("*ON*"), non-arteritic anterior ischemic optic neuropathy ("*NAION*"), potentially other neuro-ophthalmic diseases, neurological diseases and beyond. Following a successful meeting with the FDA in the third quarter of 2025, we advanced Privosegtor into a registrational program called PIONEER for ON and NAION.

Numerous diseases and disorders, many of which represent significant medical needs, are associated with the human eye. The National Eye Institute, a part of the U.S. National Institutes of Health, estimates that in the United States, blindness or significant visual impairment impacts approximately seven million people, including those with vision loss resulting from retinal diseases such as DME, macular degeneration, DR, and RVO; disorders caused by swelling and inflammation such as DED; and glaucoma, among other disease states. For glaucoma more specifically, the American Glaucoma Society highlighted a tremendous unmet need for therapies, independent of intraocular pressure (IOP) lowering agents, that can offer neuroprotection, neurorecovery and/or neuroregeneration. Of note, retinal neuroprotection has been considered the next frontier in ophthalmic disease as the discovery of novel neuroprotection strategies will fill a critical unmet need for multiple neuro-ophthalmic conditions. It is estimated that the global spending for ophthalmology therapeutics will reach approximately $33 billion in 2027, according to an industry source.

To date, we have primarily financed our operations through the proceeds from share issuances and grants. We have no products approved for commercialization and have never generated any revenues from product sales. Pharmaceutical and biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. It may be several years, if ever, before we have a product candidate approved for commercialization, and we begin to generate revenue and royalties from product sales. We have also incurred significant operating losses. We incurred net losses of CHF 99.0 million for the year ended December 31, 2025, and had accumulated losses of CHF 384.5 million as of December 31, 2025.

Factors Affecting Our Performance

Business Environment

The biopharmaceutical industry is extremely competitive. We are subject to risks and uncertainties common to any clinical-stage biopharmaceutical company. These risks include, but are not limited to, the introduction of new products, therapies, standards of care or technological innovations, our ability to obtain, maintain, protect and enforce our licensed technology, data and other intellectual property and proprietary rights and compliance with extensive government regulation and oversight. Please see the section entitled "*Risk Factors*" for more information. We are also dependent upon the services of key personnel, including our Chief Executive Officer, executive team and other highly skilled employees. Demand for experienced personnel in the pharmaceutical and biotechnology industries is high and competition for talent is intense.

We face potential competition from many different sources, including pharmaceutical and biotechnology companies, academic institutions and governmental agencies as well as public and private research institutions. Many of our competitors are working to develop or have commercialized products similar to those we are developing and have considerable experience in undertaking clinical trials and in obtaining regulatory approval to market pharmaceutical products. Our competitors may also have significantly greater financial resources, established presence in the markets in which we hope to compete, expertise in research and development, manufacturing, preclinical and clinical testing, obtaining regulatory approvals and reimbursement and marketing approved products. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and registering patients for clinical trials, entering into agreements with CMOs for the manufacture of our product candidates, as well as in acquiring technologies complementary to, or necessary for, our programs.

Business combination with European Biotech Acquisition Corp ("*EBAC*")

On March 2, 2023, we consummated a business combination with EBAC (the "*Business Combination*") pursuant to the Business Combination Agreement (*"BCA"*) between Legacy Oculis and EBAC dated as of October 17, 2022. We received gross proceeds of CHF 97.6 million or $103.7 million comprising CHF 12.0 million or $12.8 million of cash held in EBAC's trust account and CHF 85.6 million or $90.9 million from private placement ("*PIPE*") investments and conversion of notes issued under Convertible Loan Agreements ("*CLA*") into our ordinary shares. As a result of the transaction, each issued and outstanding EBAC public warrant ("*BCA Public Warrants*") and EBAC private placement warrant ("*BCA Private Warrants*") ceased to be a warrant with respect to EBAC ordinary shares and were assumed by Oculis as warrants with respect to ordinary shares on substantially the same terms (the BCA Public Warrants and the BCA Private Warrants collectively the "*Warrants*"). In connection with the Business Combination, Oculis became listed on the United States Nasdaq Global Market with the ticker symbol "OCS" for its ordinary shares and "OCSAW" for its public warrants.

Earnout consideration

As a result of the BCA, Legacy Oculis preferred, ordinary and option holders (collectively "*equity holders*") received consideration in the form of 3,793,995 earnout shares and 369,737 earnout options with an exercise price of CHF 0.01.

The earnout consideration is subject to forfeiture in the event of a failure to achieve the price targets during the earnout period defined as follows: (i) 1,500,000, (ii) 1,500,000 and (iii) 1,000,000 earned based on the achievement of post acquisition-closing share volume weighted average price targets of $15.00, $20.00 and $25.00, respectively, in each case, for any 20 trading days within any consecutive 30 trading day period commencing after the acquisition closing date and ending on or prior to March 2, 2028 (the "*Earnout Period*"). A given share price target described above will also be deemed to be achieved if there is a change of control, as defined in the BCA, during the Earnout Period.

The price targets of $15.00, $20.00 and $25.00 were met in November 2024, February 2025 and February 2026, respectively, resulting in an aggregate of 2,845,446 earnout shares vested and 159,453 earnout options outstanding and exercisable as of December 31, 2025, and an additional 948,549 earnout shares vested and 55,487 earnout options becoming exercisable in February 2026.

May 2023 Public Offering

On May 31, 2023, we entered into an underwriting agreement with BofA Securities Inc. and SVB Securities, LLC, as representatives of several underwriters. On June 5, 2023 and June 13, 2023, we closed a public offering for the aggregate issuance and sale of 3,654,234 ordinary shares at a price of CHF 10.45 or $11.50 per share, for total gross proceeds of CHF 38.2 million or $42.0 million before deducting underwriting discounts, commissions and offering expenses.

Registered Direct Offering and Nasdaq Iceland Main Market listing

On April 22, 2024, we closed a registered direct offering with gross proceeds of CHF 53.5 million or $58.8 million through the issuance and sale of 5,000,000 of our ordinary shares, at a purchase price of CHF 10.70 or $11.75 per share, and commenced trading of our ordinary shares on the Nasdaq Iceland Main Market under the ticker symbol "OCS" on April 23, 2024.

At-the-Market Offering Program

On May 8, 2024, we entered into a sales agreement with Leerink Partners, LLC ("*Leerink Partners*") with respect to an at-the-market offering program (the "*ATM Offering Program*") under which we may offer and sell, from time to time at our sole discretion, ordinary shares having an aggregate offering price of up to $100.0 million (CHF 79.3 million) through Leerink Partners as our sales agent. On October 29, 2025, in conjunction with the November 2025 Underwritten Offering, discussed below, the Company suspended and terminated the ATM Offering Program. As of the date hereof, we have not sold any ordinary shares under the ATM Offering Program. We will not make any sales of our ordinary shares pursuant to the sales agreement unless and until a new prospectus, prospectus supplement or registration statement is filed. Other than the termination of the ATM Offering Program, the sales agreement remains in full force and effect.

Loan Facility

On July 31, 2025, the Company entered into an amended and restated agreement for its existing loan facility (the *"Amended Loan Agreement"*) with Kreos Capital VII (UK) Limited (the *"Lender"*), which are funds and accounts managed by BlackRock, Inc. The Amended Loan Agreement replaces the prior loan agreement between the Company and the Lender dated May 29, 2024, with an upsized structure to provide the EUR equivalent of up to CHF 75.0 million in borrowing capacity (which may be increased to up to CHF 100.0 million) (the "*Loan*"), comprising tranches 1, 2 and 3, in the amounts of the EUR equivalents of CHF 25.0 million each, as well as an additional loan of the EUR equivalent of up to CHF 25.0 million, which may be made available by the Lender to the Company if mutually agreed in writing by the Lender and the Company. No amounts were drawn under the Amended Loan Agreement during the year ended December 31, 2025.

Loan 1 will be available for drawdown from closing until November 15, 2026, which period may be shortened upon the occurrence of a development milestone. Loans 2 and 3 will be available for drawdown prior to November 15, 2026 and December 31, 2026, respectively, in each case subject to satisfaction of certain pre-specified conditions. The availability of any funds under a drawdown of Loans 1, Loan 2 or Loan 3 is conditional upon, together with other conditions, the Company having a debt-to-market cap ratio (where debt includes the amount of all amounts drawn down to date and the proposed drawdown) equal to or less than 15% at the time of each draw down.

Borrowings under Loan 1, 2 and 3 will bear interest at a fixed rate (cash and PIK) of 9.7%, 9.6% and 9.5% per annum, respectively. The Loan will have an interest-only period of, in respect of Loans 1, 2 and 3, from the relevant drawdown date until December 31, 2027, March 31, 2028 and June 30, 2028, respectively. The interest-only periods for each of Loans 1 and 2 will be shortened to December 31, 2026 if certain conditions are not met. In the event the interest-only periods for Loans 1 and 2 are shortened, Loans 1 and 2 will mature on 30 June 2029. In the event the interest-only periods are not shortened, Loans 1, 2 and 3 will expire on 31 December 2029.

The Company may prepay all, but not part, of the term loan amounts at any time other than, unless the Lender agrees otherwise, by notifying the Lender in advance. The Loan is subject to mandatory prepayment in the event of a change of control or specified asset dispositions or licenses, subject to certain exceptions and thresholds. There are additional fees (including prepayment premia) payable to the Lender in the event the loan is prepaid either mandatorily or voluntarily. The Lender received a restatement fee of CHF 0.5 million in connection with the Amended Loan Agreement. The Lender is eligible to receive an aggregate of approximately CHF 0.6 million in additional transaction fees payable upon the Company's eligibility to receive and actual receipt of future drawdowns. The Lender will be eligible to receive certain non-utilisation fees. On the date on which the Loan is prepaid or falls due for repayment in full, the Lender is eligible to receive an end of loan fee of, in relation to each of Loans 1, 2 and 3, 4.5% of the amount drawn down under the relevant loan. The Loan contains customary affirmative and negative covenants.

As additional consideration for the Loan, Kreos Capital VII Aggregator SCSp, an affiliate of the Lender (the "*Holder*"), and the Company entered into an amended warrant (the "*Amended Warrant*") to purchase up to 494,259

of the Company's ordinary shares, subject to vesting, at a price per ordinary share equal to $12.17 with respect to 361,011 shares from the prior warrant agreement, and $18.64 with respect to the remaining 133,248 shares reflecting the upsized facility, subject to adjustment. The Amended Warrant amends the prior warrant issued to Holder on May 29, 2024. As of the signing date, the Amended Warrant is exercisable for 59,310 ordinary shares, of which 43,321 shares were previously granted. Following the drawdown of each of Loans 1, 2 and 3, the Amended Warrant will become exercisable for additional amounts of ordinary shares ratably based on the amounts of Loans 1, 2 and 3 that are drawn. Each tranche of the Amended Warrant will be exercisable for a period of up to seven years from the date of vesting and the Amended Warrant will terminate at the earliest of (i) December 31, 2033, (ii) such earlier date on which the Amended Warrant is no longer exercisable for any warrant shares in accordance with its terms and (iii) the acceptance by the Company's shareholders of a third-party bona fide offer for all outstanding shares of the Company (subject to any prior exercise by the Holder, if applicable). The Amended Warrant also includes customary F-3 resale and piggyback registration rights and anti-dilution provisions.

The Amended Warrant had not been exercised in part or in full as of December 31, 2025.

February 2025 Underwritten Offering

On February 14, 2025, we entered into an underwriting agreement with BofA Securities Inc. and Leerink Partners LLC, as a representative of the several underwriters in connection with an offering of 5,000,000 of our ordinary shares, CHF 0.01 nominal value per share, at a price of $20.00 (CHF 18.05) per share, for total gross proceeds of $100.0 million (CHF 90.2 million), before deducting underwriting discounts, commissions and offering expenses. The offering closed on February 18, 2025.

November 2025 Underwritten Offering and Registered Direct Offering

On November 3, 2025, we closed offerings of an aggregate of 5,432,098 ordinary shares, CHF 0.01 nominal value per share, at a price of $20.25 (CHF 16.33) per share for total gross proceeds of $110.0 million (CHF 88.7 million) before deducting underwriting discounts, commissions and offering expenses. This offering was carried out with 2,635,801 shares out of the Company's existing capital band and 2,796,297 shares previously held in treasury by the Company.

Components of Results of Operations

Revenue

We have not generated any revenue from product sales since our inception and do not expect to generate any revenue from the sale of products in the near future. If our development efforts for our product candidates are successful and result in regulatory approval or if we enter into collaboration or licensing agreements with third parties, we may generate revenue in the future from a combination of product sales and payments from such collaboration or licensing agreements. However, there can be no assurance as to when we will generate such revenue, if at all.

Grant Income

Grant income reflects reimbursement of research and development expenses and income from certain research projects managed by Icelandic governmental institutions. We maintain a subsidiary in Iceland that provides research and development for our product candidates. Certain expenses qualify for incentives from the Icelandic government in the form of tax credits or cash reimbursements. We do not anticipate generating significant grant income in the near future.

Operating Expenses

Research and Development expenses

Research and development expenses consist primarily of costs incurred in connection with the research and development of our product candidates and programs. We expense research and development costs and the cost of acquired intangible assets used in research and development activities as incurred. Research and development expenditures are capitalized only if they meet the recognition criteria of IAS 38 ("*Intangible Assets*"). Capitalization does not result in amortization until the related product is approved for commercialization, where a finite useful economic life can be more reliably determined. To date, all capitalized R&D intangible assets remain unamortized.

Research and development expenses include:

- personnel-related expenses, including salaries, related benefits and equity-based compensation expense, for employees and third-party consultants engaged in research and development functions;
- expenses incurred in connection with the preclinical and clinical development of our product candidates and programs, including under agreements with clinical research organizations ("*CROs*"), as well as clinical trial investigative sites and consultants that conduct our clinical trials;
- costs related to contract manufacturing organizations ("*CMOs*") that are primarily engaged to provide drug substance and product for our clinical trials, research and development programs, as well as costs of acquiring and manufacturing non-clinical and clinical trial materials, including manufacturing registration and validation batches;
- costs related to non-clinical studies and other scientific development services;
- costs related to compliance with quality and regulatory requirements; and
- costs related to formulation research, IP expenses, facilities, overhead, depreciation and amortization of laboratory equipment and other expenses.

For the years ended December 31, 2025 and 2024, no research and development costs were capitalized by the Company.

Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will increase substantially in connection with our ongoing

and planned clinical development activities in the near term and in the future. At this time, we cannot accurately estimate or know the nature, timing and costs of the efforts that will be necessary to complete the clinical development of any current or future product candidates.

General and Administrative expenses

General and administrative expenses consist primarily of internal and external costs related to executive management, finance and accounting functions, legal, business development, corporate insurance, corporate and investor communications, pre-commercial and other administrative functions and operating costs.

Finance Income (Expense)

Finance income (expense) consists primarily of interest income on fixed term deposits.

Fair value adjustment on warrant liabilities

Fair value adjustment on warrant liabilities reflects the changes in fair value of our warrant instruments. The fair value of our public and private placement warrants ("*BCA Warrants*") is dependent on the change in the underlying market price of the public warrants and the number of outstanding warrants at the reporting date. This fair value is, in general, directly correlated with the market price of our warrants. Assuming the number of outstanding warrants remains constant, we would expect a fair value loss due to an increase in the market price of the warrants, and a fair value gain due to a decrease in the market price of the warrants. The fair value of the BlackRock Warrant is dependent on the change in the Black-Scholes fair value and the number of outstanding warrants at the reporting date.

Foreign Currency Exchange Gain (Loss)

Foreign currency exchange gains and losses consist of currency exchange differences that arise from transactions denominated in currencies other than Swiss Francs.

Income Tax Expense

We are subject to corporate Swiss federal, cantonal and communal taxation, respectively, in Switzerland, Canton of Zug, and Commune of Zug, as well as in the Canton of Vaud, and Commune of Lausanne. We are also subject to taxation in other jurisdictions in which we operate, in particular the United States, France, Hong Kong and Iceland where our wholly owned subsidiaries are incorporated.

We are entitled, under Swiss laws, to carry forward any losses incurred for a period of seven years and can offset our losses carried forward against future taxes owed. As of December 31, 2025, we had tax loss carry-forwards totaling CHF 106.9 million. There is no certainty that we will make sufficient profits to be able to utilize tax loss carry-forwards in full and no deferred tax assets have been recognized in the financial statements.

A. Operating Results

The following table summarizes our results of operations for the periods presented:

	For the years ended December 31,			
	2025	**2024**	**Change**	**% Change**
Grant income	1,199	686	513	74.8%
Operating income	**1,199**	**686**	**513**	**74.8%**
Research and development expenses	(57,085)	(52,083)	(5,002)	(9.6%)
General and administrative expenses	(25,786)	(21,807)	(3,979)	(18.2%)
Operating expenses	**(82,871)**	**(73,890)**	**(8,981)**	**(12.2%)**
Operating loss	**(81,672)**	**(73,204)**	**(8,468)**	**(11.6%)**
Finance income	1,770	2,168	(398)	(18.4%)
Finance expense	(833)	(639)	(194)	30.4%
Fair value adjustment on warrant liabilities	(12,294)	(15,531)	3,237	(20.8%)
Foreign currency exchange gain (loss)	(6,114)	1,269	(7,383)	(581.8%)
Finance result	**(17,471)**	**(12,733)**	**(4,738)**	**(37.2%)**
Loss before tax for the period	**(99,143)**	**(85,937)**	**(13,206)**	**(15.4%)**
Income tax benefit (expense)	186	160	26	(16.3%)
Loss for the period	**(98,957)**	**(85,777)**	**(13,180)**	**(15.4%)**

Comparison of the Years Ended December 31, 2025 and 2024

Grant Income

Grant income for the years ended December 31, 2025 and 2024 were CHF 1.2 million and CHF 0.7 million, respectively. The grant income is dependent upon the Icelandic government making such reimbursement available for qualified research and development activities. While certain of our research and development expenses have historically qualified for reimbursement and we anticipate incurring a similar level of costs in the future, there is no assurance that the Icelandic government will continue with the tax reimbursement program.

Research and Development Expenses

	For the years ended December 31,			
	2025	**2024**	**Change**	**% Change**
Personnel expenses	**18,849**	**11,114**	**7,735**	**69.6%**
Payroll and related expenses	9,851	6,085	3,766	61.9%
Share-based compensation	8,998	5,029	3,969	78.9%
Other operating expenses	**38,236**	**40,969**	**(2,733)**	**(6.7%)**
External service providers	36,818	40,127	(3,309)	(8.2%)
Other operating expenses	1,077	573	504	88.0%
Depreciation expense	341	269	72	26.8%
Total research and development expenses	**57,085**	**52,083**	**5,002**	**9.6%**

Research and development expenses were CHF 57.1 million for the year ended December 31, 2025 compared to CHF 52.1 million for the year ended December 31, 2024. The net increase of CHF 5.0 million, or 9.6%, was primarily due to advancements in our late-stage development portfolio, including Privosegtor development activities and the DIAMOND clinical program. The cost increases were partially offset by a decline in Licaminlimab development costs due to the completion of RELIEF Phase 2 trial in 2024 and commencement of PREDICT registrational trial in late 2025.

The table below represents the breakdown of research and development expenses by project:

	For the years ended December 31,			
	2025	2024	Change	% Change
OCS-01	35,497	32,400	3,097	9.6%
Licaminlimab	7,666	11,931	(4,265)	(35.7%)
Privosegtor	10,938	4,266	6,672	156.4%
Other development projects	2,984	3,486	(502)	(14.4%)
Total research and development expenses	**57,085**	**52,083**	**5,002**	**9.6%**

For the year ended December 31, 2025, research and development expenses were driven by increased development costs related to the advancement of Privosegtor, as well as the OCS-01 Phase 3 DIAMOND-1 and DIAMOND-2 clinical trials in DME which completed enrollment in April 2025 and for which we expect topline results in Q2 2026.

General and Administrative Expenses

	For the years ended December 31,			
	2025	2024	Change	% Change
Personnel expenses	**14,997**	**11,476**	**3,521**	**30.7%**
Payroll and related expenses	7,951	6,723	1,228	18.3%
Share-based compensation	7,046	4,753	2,293	48.2%
Other operating expenses	**10,789**	**10,331**	**458**	**4.4%**
External service providers	8,200	7,445	755	10.1%
Other operating expenses	2,384	2,749	(365)	(13.3%)
Depreciation expense	205	137	68	49.6%
Total general and administrative expenses	**25,786**	**21,807**	**3,979**	**18.2%**

General and administrative expenses were CHF 25.8 million for the year ended December 31, 2025, compared to CHF 21.8 million for the year ended December 31, 2024. The increase of CHF 4.0 million, or 18.2%, was primarily driven by an increase in share-based compensation expense due to new equity grants and increased grant value for equity awards granted in 2025.

Finance Income and Finance Expense

	For the years ended December 31,			
	2025	2024	Change	% Change
Finance income	1,770	2,168	(398)	(18.4%)
Finance expense	(833)	(639)	(194)	30.4%
Total finance income	**937**	**1,529**	**(592)**	**(38.7%)**

We realized net finance income of CHF 0.9 million for the year ended December 31, 2025 compared to CHF 1.5 million for the year ended December 31, 2024. Finance income decreased CHF 0.4 million due to lower interest income from our short-term bank deposits in 2025 compared to 2024. Finance expense increased CHF 0.2 million due to the amortization of transaction costs related to the July 2025 Amended Loan Agreement.

Fair Value Adjustment on Warrant Liabilities

	For the years ended December 31,			
	2025	2024	Change	% Change
Fair value adjustment on warrant liabilities	(12,294)	(15,531)	3,237	(20.8)%

We recorded fair value adjustment losses on warrant liabilities of CHF 12.3 million and CHF 15.5 million, respectively, for the years ended December 31, 2025 and 2024, primarily due to increases in the market price of the BCA Warrants during the periods.

Foreign Currency Exchange Gain (Loss)

	For the years ended December 31,			
	2025	**2024**	**Change**	**% Change**
Foreign currency exchange gain (loss)	(6,114)	1,269	(7,383)	(581.8%)

We recorded a foreign currency exchange loss of CHF 6.1 million for the year ended December 31, 2025, compared to a gain of CHF 1.3 million for the year ended December 31, 2024. The foreign currency exchange activity reflects fluctuations of the U.S. dollar against the Swiss Franc impacting our cash and short-term financial assets balances, which were net unfavorable in 2025 and favorable in 2024.

Comparison of Years Ended December 31, 2024 and 2023

For a discussion of the financial results and condition for the fiscal year ended December 31, 2023, please refer to our Annual Report on Form 20-F for the year ended December 31, 2023 filed on March 19, 2024. For a comparison of years ended December 31, 2024 and 2023 please refer to our Annual Report on Form 20-F for the year ended December 31, 2024 filed on March 11, 2025.

B. Liquidity and Capital Resources

Overview

Since our inception, we have incurred significant operating losses. We have not yet commercialized any products and we do not expect to generate revenue from sales of products in the near future. We incurred a loss of CHF 99.0 million and a cash outflow from operations of CHF 66.3 million for the year ended December 31, 2025. As of December 31, 2025 and 2024, we had cash, cash equivalents and short-term investments of CHF 213.0 million and CHF 98.7 million, respectively. We had accumulated losses of CHF 384.5 million and CHF 285.6 million as of December 31, 2025 and 2024, respectively.

On April 22, 2024, we closed a registered direct offering with gross proceeds of CHF 53.5 million or $58.8 million through the issuance of 5,000,000 ordinary shares, nominal value CHF 0.01 per share, at a purchase price of CHF 10.70 or $11.75 per share, and commenced trading of our ordinary shares on the Nasdaq Iceland Main Market under the ticker symbol "OCS" on April 23, 2024.

On May 8, 2024, we entered into a sales agreement with Leerink Partners with respect to an ATM Offering Program under which we may offer and sell, from time to time at our sole discretion, ordinary shares having an aggregate offering price of up to $100.0 million (CHF 79.3 million) through Leerink Partners as our sales agent. On October 29, 2025, in conjunction with the November 2025 Underwritten Offering, the Company suspended and terminated the ATM Offering Program. As of the date hereof, we have not sold any ordinary shares under the ATM Offering Program. We will not make any sales of our ordinary shares pursuant to the sales agreement unless and until a new prospectus, prospectus supplement or registration statement is filed. Other than the termination of the ATM Offering Program, the sales agreement remains in full force and effect.

On February 18, 2025, we closed an underwritten offering for the issuance and sale of 5,000,000 ordinary shares, CHF 0.01 nominal value per share, at a price of $20.00 or CHF 18.05 per share, for total gross proceeds of CHF 90.2 million or $100.0 million.

On July 31, 2025, we amended our existing loan facility with Kreos Capital VII (UK) Limited (the "*Lender*"), which are funds and accounts managed by BlackRock, Inc. (the "*Amended Loan Agreement*"). The Amended Loan Agreement is structured to provide the EUR equivalent of up to CHF 75.0 million in borrowing capacity (which may be increased to up to CHF 100.0 million), comprising tranches 1, 2 and 3, in the amounts of the EUR equivalents of

CHF 25.0 million each, as well as an additional loan of the EUR equivalent of up to CHF 25.0 million, which may be made available by the Lender to us if mutually agreed in writing between us and the Lender.

On November 3, 2025, we closed concurrent underwritten and registered direct offerings of an aggregate of 5,432,098 ordinary shares, CHF 0.01 nominal value per share, at a price per share of $20.25 (CHF 16.33) for total gross proceeds of $110.0 million (CHF 88.7 million) before deducting underwriting discounts and commissions and offering expenses.

We expect to incur additional operating losses in the near future and our operating expenses will increase as we continue invest in the development of our product candidates through additional research and development activities, including clinical trials. See "*Risk Factors—Risks related to development and regulatory approval of our investigational therapies*." We will continue to incur additional costs associated with operating as a public company, including expenses related to legal, accounting, financial reporting and regulatory matters, maintaining compliance with exchange listing and SEC requirements, director and officer insurance premiums and investor relations.

Based on our current operating plan, we believe that our existing cash, cash equivalents and short-term financial assets will be sufficient to fund our operations and capital expenses through at least the next twelve months from the date that this Annual Report is filed with the SEC without additional capital or drawdown from our loan facility. We have based our estimate on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. We may require additional capital resources due to underestimation of the nature, timing and costs of the efforts that will be necessary to complete the development of our product candidates. We may also need to raise additional funds more quickly if we choose to expand our development activities, our portfolio or if we consider acquisitions or other strategic transactions, including licensing transactions. For more information regarding these risks and factors that could influence our future capital requirements and the timing thereof, please see the section entitled "*Risk Factors*."

Future Funding Requirements

Product development is expensive and involves a high degree of risk. Only a small number of research and development programs result in the commercialization of a product. We will not generate revenue from product sales unless and until we successfully complete clinical development and are able to obtain regulatory approval for and successfully commercialize the product candidates we are currently developing or that we may develop.

Our product candidates, currently under development or that we may develop, will require significant additional research and development efforts, including extensive clinical testing and regulatory approval prior to commercialization.

If we obtain regulatory approval for one or more of our product candidates, we have the options of seeking strategic partnerships or commercializing such products ourselves. If we decide to pursue direct commercialization, we expect to incur significant expenses to develop our commercialization capabilities to support product sales, medical affairs, market access, and marketing and distribution activities, either alone or in collaboration with others. As a result, we may need substantial additional funding to support our continuing operations and pursue our growth strategy.

Until such time, if ever, when we can generate substantial product revenue, we may finance our operations through a combination of private or public equity offerings, debt financings, collaborations, strategic alliances, marketing, distribution or licensing arrangements or through other sources of funding. Adequate capital may not be available to us when needed or on acceptable terms. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a holder of ordinary shares. Debt financing, such as the Amended Loan Agreement, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures. Debt financing would also result in fixed payment obligations. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or other arrangements when needed, we may be required to delay, limit, reduce or terminate our research,

product development or future commercialization efforts, grant third parties rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves, obtain funds through arrangements with collaborators on terms unfavorable to us or pursue merger or acquisition strategies, all of which could adversely affect the holdings or the rights of our shareholders. Please see the section entitled *"Risk Factors—Risks related to our business, financial condition, capital requirements, or financial operations"* for additional risks associated with our substantial capital requirements.

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the preclinical activities, manufacturing and clinical development of our product candidates. In addition, we will continue to incur additional costs associated with operating as a dual-listed public company, including significant legal, accounting, investor relations and other expenses. Our expenses will also increase as we:

- progress our Phase 3 clinical trials for OCS-01 for DME;
- advance our Licaminlimab program into the PREDICT-1 clinical trial for DED and related manufacturing development activities;
- advance Privosegtor in ON and NAION into the PIONEER registrational program;
- advance our preclinical stage product candidates into clinical development;
- seek to identify, acquire and develop additional product candidates, including through business development efforts to invest in or in-license other technologies or product candidates;
- hire additional clinical, regulatory, technical development, quality assurance and control, medical, scientific and other technical personnel to support our product development operations;
- expand our operational, financial and management systems and increase personnel to support our operations;
- meet the requirements and demands of being a dual-listed public company, including compliance with regulatory regimes and stock exchange rules in both the U.S. and Iceland;
- maintain, expand, protect and enforce our intellectual property portfolio;
- make milestone, royalty or other payments due under the license agreements with Novartis Technology LLC ("*Novartis*") and Accure Therapeutics SL ("*Accure*"), described below, and any future in-license or collaboration agreements;
- seek regulatory approvals for any product candidates that successfully complete clinical trials; and
- undertake any pre-commercialization activities to establish sales, medical affairs, market access, marketing and distribution capabilities for any product candidates for which we may receive regulatory approval in regions where we choose to commercialize our products on our own or jointly with third parties.

See the section of this Annual Report titled "*Risk Factors*" for additional risks associated with our substantial capital requirements.

Material Cash Requirements for Known Contractual Obligations and Commitments

We have certain payment obligations under existing license and collaboration agreements. Under these agreements, we are required to pay non-refundable, upfront license fees, predefined development and commercial milestone payments and royalties on net sales of licensed products.

License Agreement with Accure for Privosegtor

Pursuant to a license agreement, dated as of January 29, 2022, by and between us and Accure (the "*Accure Agreement*"), we obtained an exclusive, worldwide, sublicensable (subject to certain conditions) and transferable (subject to certain conditions) license under certain patents, know-how and inventory of Accure for any and all uses and purposes, including to perform research, development, manufacturing and commercialization activities in any manner and for any purpose. The licensed patents are co-owned by Accure with third parties who have reserved the right to use the licensed patents for education and research purposes pursuant to an inter-institutional agreement.

As of December 31, 2025, we had paid the full contractual non-refundable upfront fee of CHF 3.0 million and reimbursed costs in the amount of CHF 0.5 million. In December 2024, we achieved two milestones under the agreement for the IND approval and positive topline data readout from the ACUITY trial and recorded a liability of CHF 1.1 million ($1.2 million) in connection with those milestones, which was paid in 2025. The next clinical and regulatory milestone under the Accure Agreement will trigger a payment of CHF 2.1 million ($2.6 million) that the Company expects to pay in 2026. As of December 31, 2025, we could be further obligated to pay Accure (a) up to CHF 87.9 million ($110.9 million at the December 31, 2025 exchange rate) in the aggregate upon the achievement of additional future development, regulatory and sales milestones; (b) tiered royalties ranging from a mid-single digit to a low mid-teen percentage on net sales of licensed products; and (c) high teens on sublicensing revenues received any time after 36 months from the agreement effective date, and a higher percentage on sublicensing revenues received prior to such date, in all cases subject to reduction for any amounts that were previously paid or are concurrently or later paid by us to Accure pursuant to our milestone payment obligations and such amounts received from a sublicensee will be deduced from amounts owed to Accure. Our royalty payment obligations are subject to certain reductions and expire on a licensed product-by-licensed product and country-by-country basis upon the later of (i) the expiration of the last valid claim of any licensed patent covering such licensed product in such country; (ii) the expiration of such licensed product's Orphan Drug status, if any, in such country; or (iii) ten (10) years following the date of first commercial sale of such licensed product in such country (the "*Payment Period*").

Under the Accure Agreement, we are obligated to use commercially reasonable efforts to develop and seek regulatory approval for a licensed product in major countries of the territory as defined in the Accure Agreement.

The Accure Agreement will expire on a licensed product-by-licensed product and country-by-country basis upon the expiration of the applicable Payment Period with respect to such licensed product in such country. We may terminate the Accure Agreement in whole or in part at any time upon advance written notice (a) for documented reasonable scientific, regulatory, commercial reasons related to the licensed product without incurring any penalty or liability to Accure and (b) for no reason. Each party may terminate the Accure Agreement with immediate effect upon written notice to the other party (i) in the event such other party commits a material breach of its obligations under the Accure Agreement and fails to cure that breach within a specified period of time or (ii) with certain exceptions, upon such other party's bankruptcy. Accure may terminate the Accure Agreement with immediate effect upon written notice to us if we file any action to invalidate any of the licensed patents or fail to maintain the licensed patents in major countries of the territory as defined in the Accure Agreement, or, subject to certain exceptions, if we fail to meet certain development obligations and are unable to agree upon modifications to the development plan with Accure.

License Agreement with Novartis for Licaminlimab

Pursuant to a license agreement, dated as of December 19, 2018, as amended, by and between us and Novartis (the "*Novartis Agreement*"), we obtained an exclusive, royalty-bearing, sublicensable (subject to certain conditions), assignable (subject to certain conditions), worldwide license under certain patents, know-how and manufacturing platform technology to develop, manufacture and commercialize pharmaceutical, therapeutic or diagnostic products containing a specified single chain antibody fragment formulation as an active ingredient in the licensed field as defined in the Novartis Agreement. The license granted to us by Novartis includes sublicenses of rights granted to Novartis by certain third parties, and our license to such rights is expressly subject to the applicable terms and conditions of the agreements between Novartis and such third parties.

We originally entered into the Novartis Agreement with Alcon Research, Ltd. ("*Alcon*"), which subsequently assigned its rights and obligations under the Novartis Agreement to Novartis in connection with its spin-off from Novartis.

We are deemed the owner of any inventions that are (a) created solely by or on behalf of us pursuant to the Novartis Agreement and (b) severable from the licensed products, and grant Novartis a first right to negotiate a worldwide, royalty-bearing license under any patents directed at such inventions for purposes outside of the licensed field. We also grant Novartis a worldwide, non-exclusive, perpetual, irrevocable, royalty-free, fully paid-up license back under any patents owned by us that (i) cover inventions arising from the Novartis Agreement, the practice of which would infringe the patents licensed to us by Novartis, or (ii) otherwise incorporate Novartis' proprietary information, in each case, for certain uses outside of the licensed field.

We paid in full the contractual non-refundable upfront payment to Alcon of CHF 4.7 million ($4.7 million at the exchange rate at the time of payment) in cash and issued 401,709 ordinary shares (recast subsequent to the BCA) for the residual between the fair value and the upfront payment. This was accounted for as a share-based payment transaction under IFRS 2. As of December 31, 2025, we could be obligated to pay Novartis up to an additional CHF 76.9 million ($97.0 million at the December 31, 2025 exchange rate) in the aggregate upon the achievement of certain development, regulatory, sales and other milestones and tiered royalties ranging from a mid-single digit to a low mid-teen percentage on net sales. In consideration for the exclusive sublicense from Novartis under certain third-party intellectual property rights, we are obligated to pay a low-single digit royalty on our net sales of the licensed product, however, such payments will be deducted from royalties payable to Novartis. Our royalty payment obligations are subject to certain reductions and expire with respect to any licensed product on a country-by-country basis upon the later of (a) the expiration of the last to expire valid claim of any licensed patent covering any such licensed product in such country; (b) the expiration of the period of data exclusivity in any country worldwide; or (c) twelve (12) years after first commercial sale of such licensed product in such country ("*Royalty Term*").

Under the Novartis Agreement, we are obligated to use diligent efforts to develop, manufacture or have manufactured, and commercialize the licensed products in the licensed field worldwide. The Novartis Agreement will expire upon the last-to-expire Royalty Term. We may terminate the Novartis Agreement without cause at any time upon advance written notice to Novartis. Upon written notice to Novartis, we may terminate the Novartis Agreement for cause due to the following events: (a) an insolvency event occurs; (b) Novartis materially breaches its obligations under the Novartis Agreement and fails to cure such breach within a specified period of time; or (c) upon advance written notice for material scientific, technical or medical reasons or in case of a material adverse change that renders further continuation of the Novartis Agreement by us commercially unreasonable or otherwise not viable. Upon written notice to us, Novartis may terminate the Novartis Agreement for cause due to the following events: (i) we fail to pay any undisputed amount due under the Novartis Agreement and we fail to remedy such failure within a specified period of time; (ii) an insolvency event occurs; or (iii) we materially breach our obligations under the Novartis Agreement and fail to cure such breach within a specified period of time; or (iv) following negative clinical trial results, we terminate development of the licensed product and do not pursue any further indications in the licensed field.

Other Commitments

The majority of our near term cash needs relate to our clinical and Chemistry, Manufacturing and Controls projects. We have conducted research and development programs through collaborative arrangements that include, among others, arrangements with universities, CROs and clinical research sites. As of December 31, 2025, commitments for external research and development projects totaled CHF 42.0 million, with CHF 31.4 million due within one year and CHF 10.5 million due between one and five years.

In addition, we enter into agreements in the normal course of business with CROs for clinical trials and with vendors for preclinical studies, manufacturing services, and other services and products for operating purposes, which are generally cancelable upon written notice.

We have entered into three real estate lease agreements for lab and office facilities. At December 31, 2025, these lease agreements have aggregate lease liabilities of CHF 0.6 million due within one year and CHF 2.4 million due in more than one year.

Refer to Notes 10, 18 and 20 to our audited consolidated financial statements included elsewhere in this Annual Report for further details on our obligations and timing of expected future payments.

Cash Flows

The following table summarizes our sources and uses of cash and cash equivalents for each of the periods presented:

	For the years ended December 31,			
	2025	**2024**	**Change**	**% Change**
Net cash outflow for operating activities	(66,304)	(48,919)	(17,385)	35.5%
Net cash outflow for investing activities	(60,934)	(16,083)	(44,851)	278.9%
Net cash inflow for financing activities	186,918	53,976	132,942	246.3%
Increase (decrease) in cash and cash equivalents	**59,680**	**(11,026)**	**70,706**	**(641.3%)**

Total cash, cash equivalents and short-term investments were CHF 213.0 million as of December 31, 2025, which represents an increase of CHF 114.3 million from CHF 98.7 million at December 31, 2024. The increase was primarily due to the February 2025 and November 2025 offerings, partially offset by ongoing operations of the Company.

Operating Activities

For the year ended December 31, 2025, operating activities used CHF 66.3 million of cash, primarily consisting of a loss before tax of CHF 99.1 million, partially offset by non-cash adjustments of CHF 33.0 million and working capital adjustments. Non-cash adjustments primarily consisted of CHF 16.0 million of share-based compensation expense, CHF 12.3 million fair value adjustment loss on warrant liabilities, and CHF 4.0 million of financial result comprised primarily of foreign exchange losses on U.S. dollar liquid asset balances during the period and interest income. Working capital adjustments consisted of a CHF 2.3 million decrease in other current assets, driven by a decrease in prepaid clinical and technical development expenses due to the advancements of clinical trials, primarily the OCS-01 DIAMOND-1 and DIAMOND-2 trials in DME which started in December 2023 and February 2024, respectively, and completed enrollment in April 2025, partially offset by a CHF 1.9 million timing related decrease in payables and accrued liabilities, and a CHF 0.4 million increase in accrued income related to Icelandic government research and development cost reimbursements.

For the year ended December 31, 2024, operating activities used CHF 48.9 million of cash, primarily consisting of a loss before tax of CHF 85.9 million, partially offset by non-cash adjustments of CHF 23.0 million and working capital adjustments of CHF 14.3 million. The decrease in net working capital was driven by an increase of CHF 9.4 million in accrued expenses and other payables, a decrease in other current assets of CHF 5.0 million due to advancements of clinical trials in 2024 that commenced during the fourth quarter of 2023 which resulted in recording of expenses and lowering of prepaid balances and a CHF 0.2 million decrease in accrued income. Non-cash adjustments primarily consisted of CHF 9.8 million of share-based compensation expense, CHF 15.5 million fair value adjustment loss on warrant liabilities, partially offset by CHF 2.7 million of financial result composed of foreign exchange transactions and interest income.

Investing Activities

For the year ended December 31, 2025, investing activities used CHF 60.9 million in cash, primarily driven by CHF 60.8 million for investments in current fixed term bank deposits, net of maturities, as well as a CHF 1.1 million milestone payment to Accure. These outflows were partially offset by CHF 1.2 million of interest received on short term financial assets.

For the year ended December 31, 2024, investing activities used CHF 16.1 million in cash, primarily consisting of CHF 17.3 million for investments in current fixed term bank deposits, net of maturities, partially offset by CHF 1.5 million of interest received on short term financial assets.

Financing Activities

For the year ended December 31, 2025, net cash provided by financing activities was CHF 186.9 million, which primarily consisted of CHF 178.9 million of net proceeds received from the issuance and sale of shares in the February 2025 and November 2025 underwritten offerings, CHF 19.8 million received from the exercise of warrants and CHF 1.9 million of proceeds from the exercise of stock options, partially offset by CHF 13.2 million of transaction costs related to financing activities.

For the year ended December 31, 2024, net cash provided by financing activities was CHF 54.0 million, which primarily consisted of proceeds received from the issuance and sale of shares in a registered direct offering.

For a discussion of our cash flows for the year ended December 31, 2023, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources" in our Annual Report on Form 20-F filed with the SEC on March 11, 2025.

C. Research and Development, Patents and Licenses, etc.

Full details of our research and development activities and expenditures are given in the "Item 4.B. Information on the Company—Business Overview" and "Item 5 Operating and Financial Review and Prospects" sections of this Annual Report.

D. Trend Information

Other than as described elsewhere in this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on our revenue, income from continuing operations, profitability, liquidity or capital resources, or that would cause our reported financial information not necessarily to be indicative of future operating results or financial condition.

E. Critical Accounting Estimates

We prepared our consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB. Refer to Note 3 and 4 to our audited consolidated financial statements included elsewhere in this Annual Report for further details on the most significant accounting policies applied in the preparation of our consolidated financial statements and our critical accounting estimates and judgments.