

Press Release

Nicox Restructures Debt, Streamlines Operations to Extend Cash Runway and Focus Resources on NCX 470 Pivotal Trial

- **Agreement in principle for an amendment to debt agreements for outstanding bonds**
- **Streamline corporate structure to focus on the completion of the second NCX 470 Phase 3 trial, Denali; concomitant reduction in the size of the Board of directors**
- **Cash runway extended to November 2024**
- **Extraordinary General Meeting to be called for 10 April 2024 on first convening**

February 28, 2024 – release at 7:30 am CET
Sophia Antipolis, France

Nicox SA (Euronext Growth Paris: FR0013018124, ALCOX), an international ophthalmology company, today announced that it has signed an agreement in principle to amend its debt agreements with funds and accounts managed by BlackRock, Inc. and its affiliates ("BlackRock")¹. The debt restructuring is intended to facilitate future financing and in parallel pursue strategic options which would allow the completion of the NCX 470 Phase 3 clinical trial, Denali.

The debt restructuring and related signature of the amended debt agreements (the "Closing") will come into effect upon: Nicox initiating the Board-approved streamlining of its operating costs to focus on the completion of the Denali trial; and calling an Extraordinary General Meeting ("EGM") to enable future financing.

The debt restructuring together with a reduction in operating costs allows for the interest-only period on the entire outstanding debt to be continued to 30 September 2024, extending the Company's cash runway to November 2024. Subsequently such interest only period would be further extended proportionally with future increases in the cash runway, provided however that the Company raises at least €3 million in equity financing by 30 September 2024, which would extend the cash runway into Q1 2025.

The Company's core ophthalmology development and key corporate functions will focus on the ongoing clinical development of NCX 470 in the pivotal Denali trial, preparation of a New Drug Application (NDA) and discussions on partnering and other strategic opportunities.

"The additional cash runway and the overall reduction in cash needs gives us the flexibility to advance our core asset and continue partnering and strategic discussions. Specifically, this provides an opportunity to deliver on the promise of NCX 470 in glaucoma, and thereby to preserve and create value. We trust that our shareholders will recognize this at the Extraordinary General Meeting." said **Jean-François Labbé, Chairman of the Board of Directors of Nicox**. *"We sincerely thank our departing employees for their dedication and service, and wish them every success in their future endeavors. We would also like to thank the three Board members who are leaving us at this time for their contributions to the Company."*

¹ BlackRock Inc. announced the completion of its acquisition of Kreos, a leading provider of growth and venture debt financing to companies in the technology and healthcare industries, on 2 August 2023.

Debt Restructuring

Current Debt

Nicox has a total amount of €16.9 million² debt outstanding from Kreos Capital VI (UK) Limited (together with its affiliates “Kreos”), in the form of amortizing and non-amortizing bonds (the Amortizing Bond and the Non-Amortizing Bonds respectively) as of 28 February 2024. Further details of the debt are given in Section 23.2.1 of the consolidated annual accounts in the Company’s Annual Report.

Payments up to 31 December 2025

- Under the current bond agreement, Nicox was due to begin repaying the Amortizing Bond to Kreos from 1 February 2024.
- Under the agreed terms of the amendment announced today, Nicox will make payments of interest only on the entire debt to Kreos until 30 September 2024, based on a cash runway until November 2024. Provided that Nicox raises at least €3 million in equity by 30 September 2024, the interest-only period will be extended each time the cash runway is increased, and no later than 31 December 2025.
- Nicox has the option to make capital repayments as part of paying down the Amortizing Bond. If Nicox decides not to make these payments, the interest rate on the entire debt would increase to 13.5% (from 9.25%) until such payments are made.
- Nicox will pay Kreos a 3% restructuring fee upon Closing.

Payments from 1 January 2026

- The Non-amortizing Bonds are currently due to be repaid on 1 January 2026.
- Under the amended agreement, Nicox may, at its sole discretion, repay only part of these amounts, on 1 January 2026, and pay a fee on any unpaid amount, in which case Nicox will continue to pay interest on the remaining amount until 1 July 2026, which will be the final term of the debt.
- The settlement fee of 3% due on repayment of the entire debt due on 1 July 2026 shall be increased to 8% regardless of any pre-payments.
- Subject to a favorable vote at the EGM, the existing Non-amortizing Convertible Bond shall be cancelled and replaced with a new Convertible Bond at a revised conversion price (€0.4312, the 30-day VWAP prior to signature of the term sheet, subject to realignment with the next equity raise). If such a vote is not obtained, Nicox would pay back the loan in cash at the term together with a premium, which would be calculated as if the new pricing has been set for the convertible loan i.e. based on the share price increase at the time of repayment. The repayment may be made in cash or cash and shares, at Kreos’ discretion.
- Kreos still holds 100,000 warrants to acquire Nicox shares at €4.2344 from a previous debt restructuring in January 2021.

Additional obligations upon Nicox

Under the proposed amendment, Nicox undertakes to:

- Immediately initiate implementation of the Board decision to reduce its operations in France and Italy to reduce operating costs and optimize the structure of the Company for the completion of the second phase 3 trial, Denali.

² This figure is the contractual amount of the debt which is different from that reported using IFRS accounting standards.
www.nicox.com

- Call an EGM to vote on future financing resolutions and the changes to the Convertible Bond noted above.

Execution of the loan agreement

- The agreement between Nicox and Kreos is subject to Closing, which is expected to take place by 31 March 2024.
- Nicox has proposed a business plan for the remaining term of the Bonds based on estimations of costs and expected revenue and are required to meet and discuss if there are any material changes to such budget. Any significant deviation from the plan would trigger a discussion with Kreos.
- Kreos will appoint two Observers (“*censeurs*”) to the Nicox Board of Directors, subject to EGM approval.

Cash Runway and Cash Needs

The debt restructuring and cost reductions extend the Company’s cash runway to November 2024, based on focusing exclusively on the development of NCX 470.

The Company is pursuing business development discussions, including the sale or license of certain assets, and exploring multiple strategic options which could further extend the cash runway. The Company is evaluating all options for financing and will use the most appropriate at the time.

If the Company is unable to continue extending the cash runway and hence the interest-only period of the Amortizing Bond, the Company would be required to start repaying the capital of the Amortizing Bond, and may not have sufficient financial resources to do so, which could require the Company to sell assets or take other necessary steps to safeguard the situation in case it is unable to make the debt repayments.

Corporate Cost Reductions

The Company is planning to reduce its operational costs to focus on the activities related to the Denali Phase 3 trial only. The implementation by the Company of their cost-reduction plan is a key feature of the debt restructuring agreement. As such, the Company and its Italian subsidiary will be reducing the number of employees. The development team in the U.S., considered essential for the completion of the Denali trial, is not impacted by these changes.

Corporate Governance Changes

In the context of the cost reduction and downsizing, the following members of the Nicox Board of Directors have tendered their resignation, effective immediately: Adrienne Graves, Lauren Silvernail and Luzi von Bidder. These members will not be replaced on the Board of Directors.

The Company will no longer be reporting Consolidated Financial Statements under IFRS and will limit its communication to statutory financial statements under French Gaap. Further details will be given in the full year 2023 accounts, currently expected to be published in April 2024.

About Nicox

Nicox SA is an international ophthalmology company developing innovative solutions to help maintain vision and improve ocular health. Nicox’s lead program in clinical development is NCX 470, a novel nitric oxide-donating bimatoprost eye drop, for lowering intraocular pressure in patients with open-angle glaucoma or ocular hypertension. Nicox generates revenue from VYZULTA® in glaucoma, licensed exclusively worldwide to Bausch + Lomb, and ZERVIA® in allergic conjunctivitis, licensed in multiple geographies, including to Harrow, Inc. in the U.S., and Ocumension Therapeutics in the Chinese and in the majority of Southeast Asian markets.

Nicox, headquartered in Sophia Antipolis, France, is listed on Euronext Growth Paris (Ticker symbol: ALCOX) and is part of the CAC Healthcare index.

For more information on Nicox, its products or pipeline, please visit: www.nicox.com.

Analyst coverage

Bryan, Garnier & Co
H.C. Wainwright & Co

Eric Yoo
Yi Chen

Paris, France
New York, U.S.



The views expressed by analysts in their coverage of Nicox are those of the author and do not reflect the views of Nicox. Additionally, the information contained in their reports may not be correct or current. Nicox disavows any obligation to correct or to update the information contained in analyst reports.

Contacts

Nicox Gavin Spencer Chief Executive Officer T +33 (0)4 97 24 53 00 communications@nicox.com	Media / Investors Sophie Baumont Cohesion Bureau +33 6 27 74 74 49 sophie.baumont@cohesionbureau.com
--	--

Forward-Looking Statements

The information contained in this document may be modified without prior notice. This information includes forward-looking statements. Such forward-looking statements are not guarantees of future performance. These statements are based on current expectations or beliefs of the management of Nicox S.A. and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Nicox S.A. and its affiliates, directors, officers, employees, advisers or agents, do not undertake, nor do they have any obligation, to provide updates or to revise any forward-looking statements.

Risks factors which are likely to have a material effect on Nicox's business are presented in section 2.7 of the "Rapport Annuel 2022" and in section 4 of the "Rapport semestriel financier et d'activité 2023" which are available on Nicox's website (www.nicox.com).

Nicox S.A.

Sundesk Sophia Antipolis, Bâtiment C, Emerald Square, Rue Evariste Galois, 06410 Biot, France
T +33 (0)4 97 24 53 00