

Press Release

Nicox and Soleus Sign \$16.5 million Royalty and Equity Financing

- **Gross proceeds of \$15 million (€13.7 million) for the sale of Nicox's net share of the VYZULTA royalty to Soleus**
- **Soleus investing \$1.5 million (€1.37 million) in Nicox shares, issued at €0.3144 per share, representing a 20% premium to the closing price on October 11, 2024, with attached warrants valued at \$0.75 million (€0.69 million) at an exercise price of €0.5240 per share, representing a 100% premium to the closing price on October 11, 2024**
- **Repayment of €5.2 million of Nicox's principal debt by June 2025, significantly reducing the Company's debt burden**
- **The Company estimates that this transaction will finance it into Q3 2025**
- **Nicox remains a late-stage clinical development company with revenue from ZERVIAE, expected to launch in China shortly, and strong partnerships with Glaukos, Ocumension and Kowa**
- **Topline results from the NCX 470 Denali Phase 3 trial now expected in Q3 2025**
- **Nicox retains 100% of NCX 470 rights outside the Chinese, Japanese and Southeast Asian markets**

October 14, 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 entered into a royalty purchase agreement with Soleus Capital Credit Opportunities Fund I, L.P. (and any affiliated entity, "Soleus"), an investment fund managed by Soleus Capital Management, L.P. ("Soleus Capital"), a US-based life sciences investment firm. Soleus will acquire Nicox's VYZULTA royalty (net of payments to Pfizer), for \$15 million (€13.7 million), together with a subscription of \$1.5 million (€1.37 million) for Units comprised of one share with one attached warrant (the "Units") at €0.3144 per Unit, representing 120% of Nicox's closing share price on 11 October 2024, on the terms set out below. The warrants (the "Warrants") give the right to acquire a maximum of 1,308,077 Nicox shares at a price of €0.5240 per share, which is a 100% premium to the closing price of Nicox's ordinary shares on October 11, 2024. Exercise of the warrants would result in additional gross proceeds of €0.69 million. The Company has also entered into agreement with its existing lenders to release the guarantee held over VYZULTA, including, amongst other obligations, the repayment of €5.2 million of outstanding debt by June 2025, as set out below.

"VYZULTA was the first nitric oxide donating compound from Nicox's research to be marketed. The agreements announced today allow us to effectively monetize our VYZULTA revenue stream, creating an immediate source of cash to finance the development of our

*lead asset, NCX 470, whilst also bringing in a new, specialist investor, investing at a premium, to accompany our future development.” said **Gavin Spencer, Chief Executive Officer of Nicox.** “In addition, we are able to announce that the accelerated recruitment of patients in the Denali Phase 3 clinical trial of NCX 470 has brought the expected date of topline data into Q3 2025. With our financing needs addressed until Q3 2025, we look forward to the completion of recruitment in the Denali trial, together with the launch of ZERVIATE in China, where it was recently approved, bringing a new revenue stream to the Company.”*

*“We are excited to partner with Nicox on this transaction, providing the company runway towards its key value inflection point of clinical data for its Phase 3 Denali trial. In addition to providing non-dilutive capital in the form of the VYZULTA royalty monetization, we also look forward to accompanying Nicox as shareholders as they continue their work to bring NCX 470 to the market and develop their partnerships,” said **Benjamin Lund, Partner at Soleus Capital.***

Soleus Capital is an investment firm based in Greenwich, CT focused on the innovative areas of life sciences, including biopharmaceuticals, medical technologies, life sciences tools and diagnostics. With approximately \$2.2 billion in total assets under management as of October 1, 2024, Soleus Capital invests across the healthcare lifecycle from developmental-stage through commercial, and partners with life science companies across the capital structure.

Nicox was advised by Bourne Partners with Lexelians and Farber LLC law firms serving as legal advisors. Soleus was advised by Morgan Lewis & Bockius LLP and Racine.

Cash Runway

Based on the cash and cash equivalents held by the Company, the net proceeds from the transactions announced today, after deduction of legal, banking and other fees, and expected milestone income from existing agreements, the Company estimates that it is financed into Q3 2025. If any of the assumptions around estimated income, recovery of taxes or costs change, this may impact the cash runway of the Company.

The Company continues to evaluate all options for non-dilutive and dilutive financing to extend its cash runway. In particular, the Company is actively exploring multiple strategic options which could facilitate the development and commercialization of its drug candidate NCX 470 and the future growth of the Company.

NCX 470 (bimatoprost grenod) Development update

NCX 470 is a novel nitric oxide (NO)-donating bimatoprost eye drop, based on the same technology as VYZULTA, and is currently in a second pivotal Phase 3 trial, Denali, in the U.S. and China for the lowering of intraocular pressure (IOP) in patients with open angle glaucoma or ocular hypertension. The topline data from the Denali trial is now expected in Q3 2025 and the Company intends to commercialize NCX 470 in the U.S. through a partnership. NCX 470 is already partnered in China and Southeast Asia with Ocumension, who expects to be able to file a Chinese New Drug Application following completion of the Denali trial, and with Kowa in Japan, where additional clinical trials will be required.

Upcoming milestones

- **Launch of ZERVIATE in China by Nicox's partner, Ocumension Therapeutics:** Approval announced in September 2024.
- **Whistler Phase 3b clinical trial, initiated in December 2023, investigating NCX 470's dual mechanism of action (nitric oxide and prostaglandin analog) in intraocular pressure lowering:** results are currently expected in Q1 2025.
- **Denali Phase 3 clinical trial evaluating NCX 470 in patients with open-angle glaucoma or ocular hypertension:** recruitment of the last patient in the U.S. in the Denali trial was announced last July when overall study recruitment was approaching the 95% level. Considering the rate of recruitment in China, topline results are now expected in Q3 2025. The Company cannot guarantee that it is financed to the topline results of the Denali trial, and completion of the Denali trial may require additional financing.

About VYZULTA

VYZULTA, exclusively licensed worldwide to Bausch + Lomb, is a prostaglandin analog with one of its metabolites being NO. VYZULTA is indicated for the reduction of IOP in patients with open-angle glaucoma or ocular hypertension in the U.S. At approval, VYZULTA was the first eye drop approved in the past 20 years with a novel approach to reduce IOP. VYZULTA is commercialized in more than 15 countries, including the U.S. where it is covered by a composition of matter patent to 2029.

VYZULTA was licensed exclusively to Bausch + Lomb globally in 2010 and was launched in the U.S. in 2017. Prior to the transaction with Soleus, Nicox received 6% net royalties on global sales, net of royalties payable to Pfizer, per the terms of the contract signed with Pfizer in August 2009, with a \$5 million net milestone payable to Nicox at \$100 million net sales. Nicox received net royalty revenue of over €4 million in 2023, the majority of which was from VYZULTA sales.

Terms of the VYZULTA Royalty Sale to Soleus

Under the terms of the agreement, Nicox will receive a payment from Soleus of \$15 million (€13.7 million), less certain expenses. In exchange for this payment, Soleus will receive all royalties and milestone payments due to Nicox from VYZULTA sales since 1 July 2024 and in the future, net of payments to Pfizer, per the terms of the contract signed with Pfizer in August 2009. Payments to Pfizer and to Soleus will be made by Bausch + Lomb at the direction of Soleus and Nicox. The agreement includes other customary provisions for a transaction of this nature. The agreement with Soleus only covers VYZULTA revenue and does not include any other Nicox products nor product candidates.

In addition to this payment of \$15 million Nicox will receive a \$1.5 million (€1.37 million) equity financing as detailed below.

Terms of the Amendment to the existing Debt Agreement

Nicox will make debt repayments of €5.2 million to its existing lender Kreos Capital VI (UK) Limited (together with its affiliates “Kreos”¹) by June 2025 and the interest rate on the outstanding debt shall remain at 9.25%. Such repayments will reduce the amortizable portion of the debt, currently representing €11.8 million, out of a total debt with Kreos of €19.4 million. Nicox will also pay a 1% restructuring fee on capital outstanding to Kreos. Kreos will release the security held over VYZULTA and will take an additional security over NCX 470. The other elements of the debt, set out in the Company’s Annual Report 2023, remain unchanged, except as explained below.

In addition, Kreos shall be entitled to:

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

Terms of the Capital Increase by Soleus

Capital stock before the Transaction

Nicox's paid-in capital consists of 64,233,248 fully subscribed and paid-up shares with a par value of €0.01 each.

Nature and legal basis of the Transaction

Using the authorization granted under the eighth resolution of the Extraordinary Shareholders' Meeting of May 6, 2024, the Company's Board of Directors, meeting on October 11, 2024, voted to make a share capital increase without pre-emptive rights through the issue of Units consisting of shares with attached warrants, in the manner described in this announcement.

Number of shares to be issued

The total number of Units, each including one share with a par value of €0.01, to be issued is 4,360,256, at a unit subscription price of €0.3144, giving gross proceeds of €1.37 million (representing €43,602.56 of par value plus €1,327,261.93 of new issue premium).

Each Unit will carry one Warrant, which is immediately detachable. 10 Warrants will be worth 3 new shares if exercised before 10 October 2034, at the strike price of €0.5240. Exercise of all the warrants would represent additional gross proceeds of around €0.69 million.

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.

Subscription price

The subscription price for a Unit is €0.3144 i.e. 120% of the closing Nicox share price on October 11, 2024 (€0.2620).

Features of the new shares

The new shares, which will be subject to all the provisions of the Articles of Association, will be issued with dividend rights. They will be treated in the same way as existing shares as soon as they are issued.

Application will be made for the shares to be admitted to trading on Euronext Growth Paris. They will be listed on the same line as existing shares and will be fully equivalent to them as soon as they are admitted to trading.

Clearing/settlement and listing of the new shares on Euronext Growth Paris is expected by October 17, 2024.

Features of the Warrants

The Warrants will be detached from the shares when the Units are issued. The exercise price of the warrants will be €0.5240, i.e. 200% of the closing Nicox share price on October 11, 2024 (€0.262), and the warrants may be exercised between October 11, 2024 and October 10, 2034. The warrants will not be listed on Euronext Growth nor any other exchange. 10 Warrants gives the right to 3 shares at the exercise price, which would result in total additional gross proceeds of €0.69 million if all the warrants were exercised.

Shareholder structure

For your information, to the best knowledge of the Company, the equity and voting rights of the Company, before and after the issuance of 4,360,256 Units, are distributed as follows:

Shareholders	Before transaction		After completion of the transaction	
	Number of shares	% of equity	Number of shares	% of equity
Ocumension	3,049,056	4.75%	3,049,056	4.45%
HBM Healthcare Investments	1,992,649	3.10%	1,992,649	2.91%
Soleus	-	-	4,360,256	6.36%
Treasury stock	311,067	0.48%	311,067	0.45%
Public	58,880,476	91.67%	58,880,476	85.84%
Total	64,233,248	100.00 %	68,593,504	100.00%

Impact of the offering on shareholders' equity, per share

By way of illustration, the impact of the issue on shareholders' equity per share (calculated on the basis of shareholders' equity at September 30, 2024 and the number of shares in the Company's equity at the same date) would look as follows:

Portion of shareholders' equity per share (in €)	Undiluted basis*	Diluted basis**
Before issuing new shares	€0.31	€0.57
After issuing 4,360,256 new shares	€0.31	€0.56
After issuing 4,360,256 new shares and 1,308,077 new shares from exercise of the Warrants	€0.32	€0.56

* Based on the 64,233,248 shares existing as of September 30, 2024

** Taking into account the issue of 34,325,201 new shares issuable at the date of this press release on the exercise of stock options (1,655,501 shares), the vesting of restricted stock (1,498,741 shares), the exercise of warrants (17,970,959 shares) and the conversion of bonds convertible into equity (13,200,000 shares).

Impact of the transaction on existing shareholders

As an example, the impact of the offering on the situation of a shareholder holding 1% of Nicox's common stock prior to the offering (calculated on the basis of the number of shares comprising the Company's common stock on September 30, 2024) would be as follows:

Shareholder's % ownership	Undiluted basis*	Diluted basis**
Before issuing new shares	1.00%	0.65%
After issuing 4,360,256 new shares	0.94%	0.62%
After issuing 4,360,256 new shares and 1,308,077 new shares from exercise of the Warrants	0.92%	0.62%

* Based on the 64,233,248 shares existing as of September 30, 2024

** Taking into account the issue of 34,325,201 new shares issuable at the date of this press release on the exercise of stock options (1,655,501 shares), the vesting of restricted stock (1,498,741 shares), the exercise of warrants (17,970,959 shares) and the conversion of bonds convertible into equity (13,200,000 shares).

Risk factors

The Company wishes to alert the public to the risk factors relating to the Company and its activities presented in Section 3 of its 2023 Annual Report, available on the Company's website (www.nicox.com).

In particular, the Company is financed through at least February 2025 focusing exclusively on the development of NCX 470. Upon completion of this transaction, the Company estimates that it will be financed through Q3 2025, not counting the possible exercise of the warrants.

Notice

Inasmuch as the offering is for less than €8 million over a 12-month period, this issue will not require an AMF-approved prospectus.

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 (bimatoprost grenod), a novel nitric oxide-donating bimatoprost eye drop, for lowering intraocular pressure in patients with open-angle glaucoma or ocular hypertension. Nicox also has a preclinical research program on NCX 1728, a nitric oxide-donating phosphodiesterase-5 inhibitor, with Glaukos. Nicox's first product, VYZULTA® in glaucoma, licensed exclusively worldwide to Bausch + Lomb, is available commercially in the U.S. and over 15 other territories. Nicox generates revenue from 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 www.nicox.com

Analyst coverage

H.C. Wainwright & Co Yi Chen 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.

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Risk factors that could have a significant impact on Nicox’s business are described in section 3 of the 2024 Annual Report, which is available on Nicox’s website (www.nicox.com).

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Finally, this press release may be drafted in the French and English languages. If both versions are interpreted differently, the French language version shall prevail.

Nicox S.A.

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