

Company Registration No. 08018355 (England and Wales)

ALIMERA SCIENCES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

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ALIMERA SCIENCES LIMITED

COMPANY INFORMATION

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|--------------------------|---|---|
| Directors | Mr P Ashman Mr R Eiswirth Jr Mr J P Jones Mr R Skibsted | (Resigned 28 November 2022) (Appointed 1 February 2023 and resigned 1 January 2024) |
| Company number | 08018355 | |
| Registered office | Royal Pavilion Wellesley Road Aldershot Hampshire GU11 1PZ | |
| Auditor | Grant Thornton Chartered Accountants & Statutory Auditors 13-18 City Quay Dublin 2 D02 ED70 | |
| Business address | 5 New Street Square London EC4A 3TW | |

ALIMERA SCIENCES LIMITED

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ALIMERA SCIENCES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

Alimera Sciences Limited (the company) is a pharmaceutical company that specialises in the commercialization of prescription ophthalmic pharmaceuticals. The company's only commercially approved product is ILUVIEN, which has been developed to treat diabetic macular oedema (DMO). The company is headquartered in Aldershot in the United Kingdom.

In the prior year, Alimera Sciences Limited entered into a License Agreement with Ocumension Limited (Ocumension) in which Ocumension was granted an exclusive license for the development and commercialization of the 190 microgram fluocinolone acetonide intravitreal implant applicator for the treatment and prevention of eye diseases in humans, other than uveitis, in China, East Asia, and the Western Pacific, in exchange for an upfront payment of \$10.0 million or approximately €9.2 million. The Company may in the future receive additional sales-based milestone payments totaling up to \$89.0 million or approximately €81.9 million upon the achievement of certain specified sales milestones during the term of the License Agreement. This contract was assigned to the Company as the non-US IP rights for the group company are held within that entity.

The company recorded turnover of €12,361,749 (2021: €21,845,174). In the period the entity received subsidisation income from group undertakings of €7,934,740 (2021: €8,503,329). As at the year ended 31 December 2022, the company had cash and cash equivalents of €819,706 (2021: €1,461,581).

The principal activity of the company is that of sales & marketing, distribution and logistics of ILUVIEN.

Principal risks and uncertainties

The board continually reviews the risks facing the business and ensures those risks are managed appropriately. The key risks identified to the board in relation to the UK business are:

- Reliance on a single product - the company has only one product available for commercial sale, because there is currently not any other products or product candidates available for sale or in clinical development, the future success of the company depends on successful commercialisation of ILUVIEN.
- Positioning versus competitors in the current market place - the development and commercialisation of new drugs is highly competitive, and the commercial success of ILUVIEN or any future products or product candidates depends on several factors, including the ability to differentiate ILUVIEN or any future products or product candidates from competitors current or future products. The company will face competition from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide with respect to ILUVIEN and to any future products or product candidates that may be developed or commercialised in the future.
- Need for additional financing - additional financing may be needed to fund operations and support growth. It is not certain whether additional financing will be available when needed or that, if available, the additional financing could be obtained on terms that are not significantly detrimental to the company.
- Inability to achieve our strategic objectives - if the company is not able to achieve its strategic objectives it may cause material impacts to the company's future revenues and thus its annual results.

The key risks are regularly assessed by the board and appropriate processes and controls have been put in place to monitor and mitigate them.

Key performance indicators

A number of Key Performance Indicators (KPI's) are used by the company in managing and monitoring business performance. Financial KPI's include liquidity, turnover and overall profitability. As at the year ended 31 December 2022, the company had current assets of €9,924,420 (2021: €13,187,746) compared to current liabilities of €69,193,950 (2021: €5,381,058). In 2022 the company recorded turnover of €12,361,749 (2021: €21,845,174) and suffered a net loss of €15,419,524 (2021: €5,774,506).

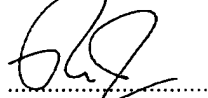
The revenue decline of 43% is driven by the exceptional revenue recognised in the prior year for the license rights of €9,493,116. The loss realised is due to increased personnel, consultant costs & marketing costs and interest payable on promissory note with Alimera Sciences, Inc. (the company's ultimate parent company). The change in liquidity was driven by a decrease in cash as well as changes in amounts due to and from debtors and creditors. The change in current assets is due to a loan from the group due in 2023 classified as current in 2022 but not 2021. The maturity date was extended to 2028 subsequent to year end.

ALIMERA SCIENCES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board



Mr R Eiswirth Jr

Director

Date: 16 February 2024

ALIMERA SCIENCES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after taxation, amounted to €15,419,524 (2021: €5,774,506).

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Ashman
Mr R Eiswirth Jr
Mr J P Jones
Mr R Skibsted

(Resigned 28 November 2022)
(Appointed 1 February 2023 and resigned 1 January 2024)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Post reporting date events

At the year end, the company had promissory loan notes with Alimera Sciences, Inc. to the value of €65,998,497 included within amounts due to fellow group undertakings within one year. On 28 March 2023, the promissory note's maturity date was extended to 1 May 2028. There were no other significant events to note subsequent to the year end which require adjustments to, or disclosure in the financial statements.

Auditor

The auditor, Grant Thornton, will be proposed for reappointment under section 485 of the Companies Act 2006.

Matters covered in the Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by small companies to include the business review, principal risks and uncertainties, and key performance indicators.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

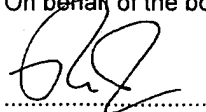
At the end of the financial year the company had been incurring losses of €15,419,524 (2021: €5,774,506) and reported net current liabilities of €59,269,530 (2021: net current assets of €7,806,688) indicating that it may not be in a position to meet its current liabilities as they fall due. However, the majority of the company's current payables includes an interest-bearing loan from its ultimate parent company amounting to €65,998,497 (2021: €nil - loan presented as non-current payable). On 1 May 2023, the loan's maturity was extended to 1 May 2028. In addition, the company's ultimate parent company, Alimera Sciences Inc., has sufficient cash and cash equivalents to meet all foreseeable financial obligations of the company, and has provided the directors with written assurances of its intention to provide such support and have agreed not to recall group balances for a period of 12 months from the approval of the financial statement. On this basis, the directors have adopted the going concern basis of preparation for the financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

ALIMERA SCIENCES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board



.....
Mr R Eiswirth Jr
Director

Date: 16 February 2024

ALIMERA SCIENCES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALIMERA SCIENCES LIMITED

Opinion

We have audited the financial statements of Alimera Sciences Limited ("Company"), which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity for the year ended 31 December 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Alimera Sciences Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and the Strategic Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have/has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALIMERA SCIENCES LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including 102, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the local law and tax Companies Act 2006 and UK tax legislation. The Audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALIMERA SCIENCES LIMITED (CONTINUED)

Responsibilities of the auditor for the audit of the financial statements (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company's regulatory and legal correspondence to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing
- challenging assumptions and judgements made by management in their significant accounting estimates, including impairment assessment of intangible assets and revenue recognition.
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cathal Kelly (Senior Statutory Auditor)

For an on behalf of
Grant Thornton
Chartered Accountants & Statutory Auditors
Dublin

16 February 2024

ALIMERA SCIENCES LIMITED

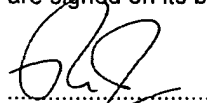
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 € | 2021 € |
|--|-------|---------------------|--------------------|
| Turnover | 3 | 12,361,749 | 21,845,174 |
| Cost of sales | | (962,493) | (1,102,806) |
| Gross profit | | 11,399,256 | 20,742,368 |
| Administrative expenses | | (22,809,565) | (22,562,760) |
| Other operating income | | 773,146 | - |
| Operating loss | 7 | (10,637,163) | (1,820,392) |
| Interest receivable and similar income | | 201 | 426 |
| Interest payable and similar expenses | 9 | (4,686,301) | (3,866,682) |
| Loss before taxation | | (15,323,263) | (5,686,648) |
| Tax on loss | 10 | (96,261) | (87,858) |
| Loss for the financial year | | (15,419,524) | (5,774,506) |

ALIMERA SCIENCES LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

| | Notes | 2022 € | € | 2021 € | € |
|--|-------|---------------------|---|-------------------|---|
| Fixed assets | | | | | |
| Intangible assets | 11 | 48,924,875 | | 55,040,485 | |
| Tangible assets | 12 | 25,215 | | 40,611 | |
| | | <u>48,950,090</u> | | <u>55,081,096</u> | |
| Current assets | | | | | |
| Stocks | 13 | 347,181 | | 379,562 | |
| Debtors | 14 | 8,757,533 | | 11,346,603 | |
| Cash at bank and in hand | 15 | 819,706 | | 1,461,581 | |
| | | <u>9,924,420</u> | | <u>13,187,746</u> | |
| Creditors: amounts falling due within one year | 16 | (69,193,950) | | (5,381,058) | |
| Net current (liabilities)/assets | | <u>(59,269,530)</u> | | <u>7,806,688</u> | |
| Total assets less current liabilities | | <u>(10,319,440)</u> | | <u>62,887,784</u> | |
| Creditors: amounts falling due after more than one year | 17 | - | | (57,787,700) | |
| Net (liabilities)/assets | | <u>(10,319,440)</u> | | <u>5,100,084</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 19 | 10,382 | | 10,382 | |
| Share premium account | 20 | 6,760,005 | | 6,760,005 | |
| Other reserves | 20 | 3,939,537 | | 3,939,537 | |
| Profit and loss reserves | 20 | (21,029,364) | | (5,609,840) | |
| Total (deficit)/equity | | <u>(10,319,440)</u> | | <u>5,100,084</u> | |

The financial statements were approved by the board of directors and authorised for issue on 16 February 2024 and are signed on its behalf by:



Mr R Eiswirth Jr
Director

ALIMERA SCIENCES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

| | Share capital € | Share premium account € | Other reserve € | Profit and loss reserves € | Total € |
|---|-----------------------|----------------------------------|-----------------------|-------------------------------------|--------------|
| Balance at 1 January 2021 | 10,382 | 6,760,005 | 3,795,073 | 164,666 | 10,730,126 |
| Year ended 31 December 2021: | | | | | |
| Loss and total comprehensive income for the year | - | - | - | (5,774,506) | (5,774,506) |
| Capital contribution | - | - | 144,464 | - | 144,464 |
| Balance at 31 December 2021 | 10,382 | 6,760,005 | 3,939,537 | (5,609,840) | 5,100,084 |
| Year ended 31 December 2022: | | | | | |
| Loss and total comprehensive income for the year | - | - | - | (15,419,524) | (15,419,524) |
| Balance at 31 December 2022 | 10,382 | 6,760,005 | 3,939,537 | (21,029,364) | (10,319,440) |

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Alimera Sciences Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.

The company's principal activities and nature of its operations are disclosed in the Strategic Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Alimera Sciences Inc. These consolidated financial statements are available from its website, www.alimerasciences.com.

Going concern

At the end of the financial year the company had been incurring losses of €15,419,524 (2021: €5,774,506) and reported net current liabilities of €59,269,530 (2021: net current assets of €7,806,688) indicating that it may not be in a position to meet its current liabilities as they fall due. However, the majority of the company's current payables includes an interest-bearing loan from its ultimate parent company amounting to €65,998,497 (2021: €nil - loan presented as non-current payable). On 1 May 2023, the loan's maturity was extended to 1 May 2028. In addition, the company's ultimate parent company, Alimera Sciences Inc., has sufficient cash and cash equivalents to meet all foreseeable financial obligations of the company, and has provided the directors with written assurances of its intention to provide such support and have agreed not to recall group balances for a period of 12 months from the approval of the financial statement. On this basis, the directors have adopted the going concern basis of preparation for the financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Turnover

The Company performs sales & marketing, distribution and logistics functions. Turnover is recognised in the profit and loss account when goods and services are supplied or made available to customers against orders received and significant risks and rewards of ownership have been transferred to the customer and the amount of turnover can be measured reliably.

Turnover excludes value added tax and other similar taxes. Turnover is stated after the deduction of discounts and allowances for estimated future rebates and returns. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

The company enters into agreements in which it licenses certain rights to its products to partner companies that act as distributors. The terms of these arrangements may include payment to the company of one or more of the following: non-refundable up-front license fees, milestone payments if specified objectives are achieved, and/or royalties on product sales. The company recognises revenue when it is probable that the economic benefits associated with the license agreement will be realised by the company.

In addition, the company recognises turnover related to subsidisation income from group undertakings. This turnover is primarily related to sales of ILUVIEN in the rest of Europe that originate with its parent company, Alimera Sciences Europe Limited.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

| | |
|----------------------|------------------------|
| Software | 3 years straight line |
| Patents and licences | 10 years straight line |

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------------|-----------------------|
| Leasehold land and buildings | 5 years straight line |
| Fixtures and fittings | 5 years straight line |
| Computers | 3 years straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by fellow group companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Retirement benefits

The company contributes to defined contribution schemes in respect of its employees. The schemes are managed independently of the company and the assets of the scheme are held separately in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Share-based payments

The company participates in a group share option plan whereby the parent company grants options and restricted stock units to employees of the company. The grant date fair value of the options applicable to employees of the company is charged to the Statement of Comprehensive Income over the vesting period. The fair value of awards is estimated at grant date using a Black-Scholes pricing model, taking into account the terms and conditions attached to the grant. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expenses are not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Statement of Comprehensive Income over the remaining vesting period.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Intercompany receivable recoverability

Management assesses the recoverability of intercompany debtors and record a provision to the extent that they are not considered recoverable. To assess impairment, the recoverable amount is assessed by reviewing the net asset position, operating results and future plans. Judgment is used in the assessment of the future prospects. During the current and prior year, management did not identify any impairments during their review and continue to monitor progress.

Useful life of Intellectual Property

The annual amortisation charge for Intellectual Property is based on expected pattern of economic benefits consumed. It is also sensitive to changes in the estimated useful economic life. The useful economic life is reassessed and amended when necessary to reflect current estimates, based on technological advancement, economic utilisation of the asset.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Share-based payments

The fair value of share options and restricted stock units awarded to employees is calculated using the Black-Scholes model. Calculation assumptions are based on management's best estimate and suitable benchmarks. Compensation expense is recognized for all share-based awards based on the grant date fair value.

3 Turnover and other revenue

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | € | € |
| Turnover analysed by class of business | | |
| Sale of goods | 4,427,009 | 3,848,729 |
| License revenue | - | 9,493,116 |
| Subsidisation | 7,934,740 | 8,503,329 |
| | <u>12,361,749</u> | <u>21,845,174</u> |

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue (Continued)

| | 2022 € | 2021 € |
|---|-------------------|-------------------|
| Other revenue | | |
| Interest income | 201 | 426 |
| | <u>201</u> | <u>426</u> |
| | 2022 € | 2021 € |
| Turnover analysed by geographical market | | |
| United Kingdom | 11,420,574 | 12,851,495 |
| Rest of Europe | 127,976 | 8,639,091 |
| Rest of the world | 813,199 | 354,588 |
| | <u>12,361,749</u> | <u>21,845,174</u> |

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2022 Number | 2021 Number |
|--------------------------|----------------|----------------|
| Sales and administrative | 32 | 30 |
| | <u>32</u> | <u>30</u> |

Their aggregate remuneration comprised:

| | 2022 € | 2021 € |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,835,441 | 2,778,990 |
| Social security costs | 344,364 | 377,272 |
| Share based payments | 165,547 | 144,464 |
| Pension costs | 138,548 | 175,492 |
| | <u>3,483,900</u> | <u>3,476,218</u> |

5 Directors' remuneration

| | 2022 € | 2021 € |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | 417,180 | 395,954 |
| | <u>417,180</u> | <u>395,954</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021: 1).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 1 (2021: 1).

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

| | 2022 € | 2021 € |
|---|----------------|----------------|
| Remuneration for qualifying services | 348,738 | 329,688 |
| Amounts receivable under long term incentive schemes | 44,429 | 47,181 |
| Company pension contributions to defined contribution schemes | 24,013 | 19,085 |
| | <u>417,180</u> | <u>395,954</u> |

During the year ended 31 December 2022, all other directors of the company were remunerated through other group companies. The directors do not consider that their services to the company occupied a significant amount of their time and so they do not consider that they received any remuneration for their incidental services to the company in the current year.

6 Share-based payment transactions

Liabilities and expenses

Certain employees of the company have been granted options over the shares in Alimera Sciences Limited. The options are granted with a fixed exercise price, are exercisable 4 years after the date of the grant and expire after 4 years after date of grant. Employees are required to remain in employment with the company.

During the year the company granted 63,700 (2021: 55,100) options to staff, at an average price of €3.38 (2021: €3.22) per share.

During the year, the company recognised total expenses of €165,547 (2021: €144,463) which related to cash settled share based payment transactions.

As at 31 December 2022, there were 206,783 (2021: 126,582) outstanding options in issue.

7 Operating loss

| | 2022 € | 2021 € |
|--|-----------|-----------|
| Operating loss for the year is stated after charging: | | |
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | 3,694,361 | 4,242,295 |
| Research and development costs | 2,785,542 | 347,206 |
| Fees payable to the company's auditor for the audit of the company's financial statements | 42,750 | 76,365 |
| Depreciation of owned tangible fixed assets | 18,315 | 18,250 |
| Amortisation of intangible assets | 6,115,610 | 6,115,610 |
| Share-based payments | 165,547 | 144,464 |
| Operating lease charges | 134,962 | 152,639 |
| | <u></u> | <u></u> |

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Auditor's remuneration

| | 2022 € | 2021 € |
|---|-----------|-----------|
| Fees payable to the company's auditor and its associates: | | |
| For audit services | | |
| Audit of the financial statements of the company | 42,750 | 76,365 |
| For other services | | |
| Audit-related assurance services | - | 2,600 |
| Taxation compliance services | 23,176 | 39,800 |
| | 23,176 | 42,400 |

9 Interest payable and similar expenses

| | 2022 € | 2021 € |
|---|-----------|-----------|
| Interest payable to group undertakings | 4,674,840 | 3,866,682 |
| Other interest on financial liabilities | 11,461 | - |
| | 4,686,301 | 3,866,682 |

The company holds a promissory note issued by the group on which interest expense of 7.5% per annum is incurred monthly.

10 Taxation

| | 2022 € | 2021 € |
|---|-----------|-----------|
| Current tax | | |
| UK corporation tax on profits for the current period | 92,320 | (82,059) |
| Adjustments in respect of prior periods | - | (411,825) |
| Total UK current tax | 92,320 | (493,884) |
| Foreign current tax on profits for the current period | 3,941 | 1,382 |
| Total current tax | 96,261 | (492,502) |
| Deferred tax | | |
| Origination and reversal of timing differences | - | 763,631 |
| Changes in tax rates | - | (183,271) |
| Total deferred tax | - | 580,360 |
| Total tax charge | 96,261 | 87,858 |

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

| | 2022 € | 2021 € |
|--|--------------|-------------|
| Loss before taxation | (15,323,263) | (5,686,648) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | (2,911,420) | (1,080,463) |
| Adjustments in respect of prior years | 92,320 | (493,884) |
| Foreign tax credits | 3,941 | 1,382 |
| Tax effect of expenses that are not deductible in determining taxable profit | 444,986 | 185,577 |
| Other non-reversing timing differences | 125,816 | 186,083 |
| Fixed asset differences | (166) | (165) |
| Movement in deferred tax not recognised | 3,079,979 | 3,166,835 |
| Remeasurement of deferred tax for changes in tax rates | (739,195) | (2,084,442) |
| Tax effect of utilisation of tax losses not previously recognised | - | 213,520 |
| Other permanent differences | - | (6,585) |
| Taxation charge for the year | 96,261 | 87,858 |

The company has unrecognised and other deductible temporary differences at 31 December 2022 of €11,764,873 (2021: €8,685,177) that may be used against future taxable income.

In the budget on 3 March 2021, the Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Intangible fixed assets

| | Software € | Patents and licences € | Total € |
|--|---------------|------------------------------|------------|
| Cost | | | |
| At 1 January 2022 and 31 December 2022 | 130,933 | 61,156,095 | 61,287,028 |
| Amortisation and impairment | | | |
| At 1 January 2022 | 130,933 | 6,115,610 | 6,246,543 |
| Amortisation charged for the year | - | 6,115,610 | 6,115,610 |
| At 31 December 2022 | 130,933 | 12,231,220 | 12,362,153 |
| Carrying amount | | | |
| At 31 December 2022 | - | 48,924,875 | 48,924,875 |
| At 31 December 2021 | - | 55,040,485 | 55,040,485 |

Amortisation on intangible assets is charged to administrative expenses. The carrying value of the Intellectual property as at 31 December 2022 is €48,924,875 (2021: €55,040,485) and the remaining useful life is 8 years.

12 Tangible fixed assets

| | Leasehold land and buildings € | Fixtures and fittings € | Computers € | Total € |
|------------------------------------|---|-------------------------------|----------------|------------|
| Cost | | | | |
| At 1 January 2022 | 151,450 | 80,987 | 92,596 | 325,033 |
| Additions | - | - | 2,919 | 2,919 |
| At 31 December 2022 | 151,450 | 80,987 | 95,515 | 327,952 |
| Depreciation and impairment | | | | |
| At 1 January 2022 | 151,450 | 48,487 | 84,485 | 284,422 |
| Depreciation charged in the year | - | 12,000 | 6,315 | 18,315 |
| At 31 December 2022 | 151,450 | 60,487 | 90,800 | 302,737 |
| Carrying amount | | | | |
| At 31 December 2022 | - | 20,500 | 4,715 | 25,215 |
| At 31 December 2021 | - | 32,500 | 8,111 | 40,611 |

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Stocks

| | 2022 € | 2021 € |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 347,181 | 379,562 |

Stocks recognised as an expense in profit and loss in the year are €734,894 (2021: €471,635).

No losses to inventory were realised in the year (2021: €nil).

14 Debtors

| | 2022 € | 2021 € |
|---|-----------|------------|
| Amounts falling due within one year: | | |
| Trade debtors | 365,482 | 659,549 |
| Corporation tax recoverable | 128,114 | 124,617 |
| Amounts owed by group undertakings | 6,783,622 | 8,961,200 |
| Other debtors | 967,984 | 1,574,850 |
| Prepayments and accrued income | 512,331 | 26,387 |
| | 8,757,533 | 11,346,603 |

Amounts owed by group undertakings are not interest bearing and are payable on demand.

Other debtors includes travel advances, deposits and withholding tax receivable that are due to be recovered in the short term.

Prepayments and accrued income mainly relates to royalties due on shipped units to customers that is being billed to the distributor.

15 Cash and cash equivalents

| | 2022 € | 2021 € |
|--------------------------|-----------|-----------|
| Cash at bank and in hand | 819,706 | 1,461,581 |
| | 819,706 | 1,461,581 |

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Creditors: amounts falling due within one year

| | 2022 € | 2021 € |
|------------------------------------|-------------------|------------------|
| Trade creditors | 505,376 | 501,792 |
| Amounts owed to group undertakings | 68,070,540 | 4,195,168 |
| Taxation and social security | 171,564 | 199,158 |
| Accruals and deferred income | 446,470 | 484,940 |
| | <u>69,193,950</u> | <u>5,381,058</u> |

Amounts owed to group undertakings of €65,998,497 bear interest at 7.5% per annum and are unsecured and repayable on 1 May 2023. On 28 March 2023 the promissory note's maturity date held by Alimera Sciences Inc. was extended to 1 May 2028.

Amounts owed to group undertakings of €2,072,043 (2021: \$4,195,168) are not interest bearing and are payable on demand.

17 Creditors: amounts falling due after more than one year

| | 2022 € | 2021 € |
|------------------------------------|-----------|------------|
| Amounts owed to group undertakings | - | 57,787,700 |

Amounts owed to group undertakings bear interest at 7.5% per annum and are unsecured and repayable on 1 May 2023. On 28 March 2023 the promissory note's maturity date held by Alimera Sciences Inc. was extended to 1 May 2028.

During the year ended 31 December 2022, €4,674,840 (2021: €3,865,126) of interest was charged to profit or loss for the amount owed to group undertaking. Included within the amounts due to group undertakings relates to the effect of foreign currency translation.

18 Retirement benefit schemes

| | 2022 € | 2021 € |
|---|----------------|----------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>138,548</u> | <u>175,492</u> |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end there was an accrued pension expense of €19,703 (2021: €27,316).

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

19 Share capital

| | 2022 Number | 2021 Number | 2022 € | 2021 € |
|---|----------------|----------------|-----------|-----------|
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary shares of €1 each | 10,382 | 10,382 | 10,382 | 10,382 |

There is a single class of ordinary shares. The shares have attached to them full voting, dividend and capital distribution rights.

20 Reserves

Share capital

Represents the nominal value of shares that have been issued.

Other reserves

Relates to the recognition of the expense implicit in share options and restricted stock units awarded to employees by the ultimate parent of the company for services rendered in the company which has been recognised as an expense in the year. The balance also includes capital contribution from immediate parent with no shares issued.

Profit and loss account

Includes all current and prior period retained profit and losses.

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2022 € | 2021 € |
|----------------------------|----------------|----------------|
| Within one year | 138,617 | 136,783 |
| Between one and five years | 136,770 | 273,566 |
| | <u>275,387</u> | <u>410,349</u> |

22 Events after the reporting date

At the year end, the company had promissory loan notes with Alimera Sciences, Inc. to the value of €65,998,497 included within amounts due to fellow group undertakings within one year. On 28 March 2023, the promissory note's maturity date was extended to 1 May 2028. There were no other significant events to note subsequent to the year end which require adjustments to, or disclosure in the financial statements.

23 Related party transactions

The company has taken advantage of the exemption under FRS 102 Paragraph 33.1A on the basis that the company is a wholly owned subsidiary of Alimera Sciences, Inc.

ALIMERA SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Ultimate controlling party

The company's immediate parent is Alimera Sciences Europe Limited, a company registered in Ireland. The ultimate parent is Alimera Sciences, Inc., a company incorporated in the United States which is listed on NASDAQ. Alimera Sciences Inc heads both the largest and smallest group undertaking for which consolidated financial statements are prepared.

Copies of the financial statements of Alimera Sciences, Inc. can be obtained from their website, www.alimerasciences.com.

25 Approval of financial statement

The financial statements were approved by the Board and authorised for issue on 16 February 2024.