

Press Release

Nicox Restructures Kreos Capital Bond Financing Agreement and Raises €15 Million in Private Placement

- **Net proceeds from the private placement together with the restructuring of the Kreos Capital debt expected to extend the cash runway to Q4 2023**
- **Warrants to be issued in the private placement could provide an additional €16.4 million in gross proceeds if they were to be fully exercised**

December 9, 2021 – release at 8:45 am CET
Sophia Antipolis, France

Nicox SA (Euronext Paris: FR0013018124, COX), an international ophthalmology company, today announced a financing through a private placement via the issuance of 6,000,000 new ordinary shares, each share with an attached warrant to acquire 5,100,000 additional new ordinary shares, at an offering price of €2.50 per share and associated warrant exercisable at a price of €3.21 (unit), with anticipated gross proceeds of €15 million, representing net proceeds of approximately €13.7 million, excluding the potential exercise of the associated warrants. The Company has also amended its bond financing agreement with Kreos Capital, which was for an initial amount of €20 million, introducing an additional interest only period and an extension of the maturity to up to 24 months on 70% of the outstanding debt with part of the remaining portion of the debt becoming convertible, as further described below. The amendment of the Kreos agreement allows the Company to decrease its cash-out in the next two years by €10.4 million compared to the previous agreement due to the delay in the repayment of the principal of the loan.

The Company was previously financed for 12 months. Proceeds from this equity financing and the restructuring of the Kreos bond financing agreement are expected to extend the cash runway to Q4 2023. This cash runway is based on the development of NCX 470 alone. The calculation does not include any potential proceeds from the exercise of the warrants included in the private placement (the exercise of which are not under the company's control), which could provide an additional €16.4 million in gross proceeds if they were to be fully exercised.

Cash Position

The Nicox Group had cash and cash equivalents of €31.6 million (excluding the proceeds of this financing) as of 31 October, 2021 and outstanding debt of €19.4 million (including €16.1 million in the form of a bond financing agreement with Kreos signed in January 2019, a €2.0 million credit agreement guaranteed by the French State, and granted in August 2020 in the context of the COVID-19 pandemic, and financial lease agreements for €1.3 million). The Nicox Group's cash position after this private placement would amount to approximately €45.3 million.

All of the figures related to the cash and debt position of the Nicox Group as of 31 October, 2021 are unaudited.

Nicox has carried out a specific review of its liquidity risk and considers that the Company has sufficient net working capital to meet its cash requirements for the next twelve months. It is anticipated that neither the proceeds of the private placement nor the Kreos financing, as modified by the amendment, are included in the calculation of the net working capital. The net proceeds from the issue of units (as defined below) are expected to extend the cash runway until the fourth quarter of 2023 on the basis of development activities dedicated only to NCX 470. It is expected that the potential gross proceeds related to the exercise of warrants (which are not under the control of the Company), if any, is not taken into account in this analysis.

Upcoming milestones on key development programs

- **NCX 470 in glaucoma:** Phase 3 clinical trials Mont Blanc and Denali results are expected to be communicated in Q1 2023 and by the end of 2023, respectively. The delay of the Denali trial is linked to a revision of the schedule taking into account the experience in recruiting patients in the U.S. part of the Mont

Blanc trial, a delay mainly due to the COVID pandemic, and the Company's discussions with Ocumension and with the various providers for the Chinese part of the trial.

- NCX 4251 in blepharitis: Meeting with the U.S. Food and Drug Administration (FDA) in early 2022 to discuss next development steps based on the Phase 2b clinical trial results announced in September 2021.
- ZERVIATE™ in allergic conjunctivitis (China): A Phase 3 clinical trial intended to support an application for regulatory approval in China, conducted and financed by our partner Ocumension, is ongoing.

We continue to monitor the spread and impact of the COVID-19 pandemic closely. Some clinical trials of Nicox's product candidates are ongoing and any potential impact of the pandemic on them cannot be fully assessed at this time. We do not currently anticipate further major delays in our clinical timelines, but we are monitoring the situation and will provide an update when needed.

Principal terms of the equity financing

The share capital increase without preferential rights, by issuance of 6,000,000 new ordinary shares, each with an attached warrant to acquire 5,100,000 additional new ordinary shares, (the warrants, and together with the new shares, the units) was reserved for subscription by (i) one or more French or foreign companies or mutual funds investing in the pharmaceutical/biotechnology sector (*une ou plusieurs sociétés ou fonds gestionnaires d'épargne collective de droit français ou de droit étranger investissant dans le secteur pharmaceutique/biotechnologique*) or (ii) one or more credit institutions or any authorized investment services provider undertaking to acquire them for resale to the persons mentioned in (i) above (*un ou plusieurs établissements de crédit ou tout prestataire de services d'investissement habilité s'engageant à les acquérir pour les revendre aux personnes visées au (i) ci-dessus*), pursuant to the 8th resolution of the Extraordinary General Meeting of Nicox dated April 28, 2021.

The board of Directors set the issue price of the units at 2.50 euros (1 euro nominal value and 1.50 euros issue premium) and the exercise price of the warrants at 3.21 euros on December 8, 2021. In accordance with the methods for determination of the subscription price set in the 8th resolution of the extraordinary general meeting of shareholders of April 28, 2021, the issue price shows (i) a discount of 15% compared to the Volume Weighted Average Share Price of the Company on the regulated market of Euronext Paris during the last three trading days preceding the setting of the issue price, i.e. 2.94 euros and (ii) a discount of 35.5% compared to this average including the theoretical value of a warrant (ie 0.60 euros, the theoretical value of the warrant having been obtained using the method Black Sholes and assuming volatility of 32.6%). The subscription price of each share resulting from the exercise of the warrants will be 3.21 euros, which is a premium of 10% compared to the Volume Weighted Average Share Price of the Company on the regulated market of Euronext in Paris during the last three trading days preceding the setting of the issue price. Following the completion of the capital increase, the 6,000,000 new shares will represent 16.2% of the Company's issued share capital before the capital increase and 13.9% after the capital increase. The settlement of the new shares is expected to occur on or about December 13, 2021, subject to the satisfaction of customary closing conditions.

If the warrants associated with this private placement were exercised in their entirety, the total gross proceeds would be approximately €16.4million.

The impact of this share capital increase, and of the warrants, should they be exercised, and of the Issue of the new convertible bonds, should they be converted by Kreos on (i) the stake held in the Company's share capital by a shareholder holding 1%, and (ii) the share of equity (on a consolidated and per-share basis) as on June 30, 2021, in each case calculated on a non-diluted and fully-diluted basis, i.e. taking into account the issuance of a maximum of 2,959,198 new shares upon (x) exercise of all outstanding other warrants and stock options, and (y) the definitive acquisition of all free shares outstanding and (z) the conversion into shares of the Kreos convertible bonds is as follows:

	SHAREHOLDERS INTEREST (%)		SHARE OF EQUITY PER SHARE BASIS (IN €)	
	Non-diluted basis	Fully-diluted basis *	Non-diluted basis	Fully-diluted basis*
Before issue of new shares	1 % of the share capital	0.93%	€2.44	€2.61
After issue of 6,000,000 new shares	0.86%	0.81%	€2.44	€2.57
After issue of 6,000,000 new shares and 5,100,000 shares resulting from warrants resulting from the exercise of all the warrants (according to the exercise parity of 1.18 warrants giving the right to subscribe to 1 share of the Company)	0.77%	0.73%	€2.52	€2.63

**The calculations are based on the assumption that 766,848 warrants and 1,046,950 stock options will be exercised and that 245,400 free shares granted will be vested and that all KREOS convertible bonds will be converted into 900,000 shares.*

Directors and Executive Committee members of Nicox, including the Chief Executive Officer, have agreed to certain customary lock-up arrangements with the Placement Agents (as defined below) on the shares they hold in Nicox for a 90-day period from the settlement date (subject to certain customary exemptions).

Use of proceeds

The proceeds of the private placement will be fully allocated to NCX 470. The Company intends to use the proceeds of the private placement, by order of priority, to complete the Mont Blanc trial (approximately 40%), continue to progress the Denali trial (approximately 33%) and to finance certain pharmaceutical activities (stability and manufacturing validation) to generate information for the preparation of a New Drug Application to the U.S. FDA (approximately 27%), it being expected that the cash available, before the proceeds of the private placement, is sufficient to cover the fixed costs of the Company for two years. Therefore, the proceeds of the private placement will not be used to cover these costs.

Proceeds from this financing are not intended to be used to repay, in whole or in part, neither capital or interest, the debt from Kreos nor the loan agreement guaranteed by the French State, which are financed by the revenues generated by the license contracts.

The potential proceeds from the exercise of the warrants, if any, will allow the Company to finance the development activities for NCX 470, in particular to complete the preparation of the marketing authorization application file with the FDA and to finance pre-commercial activities in preparation for the launch of the product. As an indication, the estimate of the net proceeds from the issue of the new shares is approximately 13,700,000 euros. In the event that all of the warrants are exercised, the net proceeds from the issuance of shares resulting from the warrants are estimated at approximately 16,400,000 euros, or a maximum total net income of 30,100,000 euros.

The proceeds from the issue should make it possible to extend the liquidity horizon until the fourth quarter of 2023 on the basis of development activities dedicated solely to NCX 470. It is expected that the potential gross proceeds related to the exercise of the warrants (which are not in the control of the Company), if any, is not taken into account in this analysis.

Listing of new shares

An application will be made for the admission to listing of the new shares on Euronext Paris. The settlement of the new shares is expected to occur on or about December 13, 2021, subject to the satisfaction of customary closing conditions.

The Company will submit to the French *Autorité des Marchés Financiers* (AMF) for approval a listing prospectus (the "Listing Prospectus"), composed of (i) the "*Document d'Enregistrement Universel, rapport financier annuel et rapport de gestion 2020*" filed with the French *Autorité des Marchés Financiers* (AMF) on March 1, 2021 under number D.21-0083, available on Nicox SA's website (www.nicox.com) ("Universal Registration Document") with (ii) its amendment and (iii) a *Note d'Opération* in connection with the admission to trading and listing of the new shares on Euronext Paris and which will include a summary of the Prospectus.

Risks factors that are likely to have a material effect on Nicox's business are presented in the 3rd chapter of the Universal Registration Document 2020, as may be amended or supplemented from time to time.

H.C. Wainwright & Co., LLC, Bryan, Garnier & Co. Limited and Bryan, Garnier Securities SAS are acting as joint lead placement agents for the private placement (collectively, the "Placement Agents").

Composition of Nicox's Share Capital

The table below reflects the positions to the best of the Company's knowledge.

Shareholders	Before issue (as of 8 December 2021)*				After issue				After issue and entirety of the warrants			
	On a non-diluted basis		On a fully diluted basis**		On a non-diluted basis		On a fully diluted basis**		On a non-diluted basis		On a fully diluted basis**	
	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights
HBM ¹	2,619,102	7.1%	2,619,102	6.7%	3,019,102	7%	3,019,102	6.5%	3,359,102	7%	3,359,102	6.6%
Armistice Capital	-	-	-	-	3,200,000	7.4%	3,200,000	6.9%	5,920,000	12.3%	5,920,000	11.6%
Other investors in the capital increase	-	-	-	-	2,400,000	5.6%	2,400,000	5.2%	4,440,000	9.2%	4,440,000	8.7%
Michele Garufi (PDG de Nicox S.A.)	577,051	1.6%	577,051	1.5%	577,051	1.3%	577,051	1.3%	577,051	1.2%	577,051	1.1%
Banque Publique d'Investissement	384,300	1%	384,300	1%	384,300	0.9%	384,300	0.8%	384,300	0.8%	384,300	0.8%
Elizabeth Robinson (Présidente de Nicox Srl)	74,060	0.2%	74,060	0.2%	74,060	0.2%	74,060	0.2%	74,060	0.2%	74,060	0.1%
Auto-détenués	223,406	0.6%	223,406	0.6%	223,406	0.5%	223,406	0.5%	223,406	0.5%	223,406	0.4%
Public	33,260,266	89.6%	33,260,266	84.9%	33,260,266	77.1%	33,260,266	72.2%	33,260,266	69.0%	33,260,266	65.0%
Total	37,138,185	100.0%	39,197,383	100.0%	43,138,185	100.0%	46,097,383	100.0%	48,238,185	100.0%	51,197,383	100.0%

¹ HBM Healthcare Investments (Cayman) Ltd, a company registered in the Cayman Islands with its registered office at Governors

Square, Suite #4-212-2, 23 Limie Tree Bay Avenue, West Bay, Grand Cayman, Cayman Islands, is a subsidiary of HBM Healthcare Investments Ltd, a company listed on the SIX Swiss Exchange under ISIN code CH0012627250 and mnemonic HBMN.

* Based on the statutory and legal declarations received by the Company.

** The calculations are based on the assumption that 766,848 warrants and 1,046,950 stock options will be exercised and that 245,400 free shares granted will be vested and that all Kreos convertible bonds will be converted into 900,000 shares.

HBM Healthcare Investments, which held 2,619,102 shares as of December 8, 2021 representing 7.1% of the share capital, subscribed 400,000 units as part of this transaction.

Amended Conditions of the existing Kreos Capital Term Loan

As of December 31, 2021, the outstanding capital under the bond financing agreement with Kreos signed in January 2019 shall be €16.3 million¹. Nicox currently pays interest-only on this loan until January 2022, and would then repay the capital (with applied interest) in 30 payments up to July 2024, with the last monthly instalment having already been pre-paid. Under the amendment announced today, the interest-only period will be increased by 18 months to July 2023 (against January 2022 previously) and the maturity date of the loan will be increased by 18 months to 1 January 2026. In addition, the Company has the option to further extend the interest-only period and the maturity date by 6 additional months, to respectively January 2024 and July 2026, if the Mont Blanc Phase 3 NCX 470 clinical trial meets the primary endpoint of non-inferiority compared to latanoprost. These changes apply to 70% of the outstanding principal, excluding pre-payments of €0.6 million (the “Term Loan”). The Company will pay to Kreos a restructuring commission of € 339,156.44. The interest rate remains unchanged.

Conditions of the new Kreos Capital Convertible Loan

Also under the amendment announced today, 30% of the outstanding principal equivalent to €5,1 million excluding pre-payments will be structured as below: €3.3 million will be issued as convertible bonds (the “Convertible Loan”). The term will be 1 January 2026 with the same interest rate of 9.25% per annum, payable in cash. The Convertible Loan will be secured against the same securities already in place for the Term Loan. This portion of the debt can be converted into shares at Kreos’s discretion at any time (after an initial 60-day period) up to the maturity date of 1 January 2026. The conversion price is €3.67 which is a 25% premium over the VWAP calculated on the 3-days trading prior to the pricing of the private placement detailed above. If Kreos has not converted the Convertible Loan by the end of the repayment period of the Term Loan, the entire amount of the Convertible Loan remaining is due as a single payment at that time.

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

The amendment to the Kreos agreement is subject to the closing of the equity financing above. All other contract terms of agreement with Kreos remain unchanged. Full details of the bond agreement can be found in the press release January 29, 2021 - https://www.nicox.com/wp-content/uploads/EN_Kreos-Amendment-PR_20210129_F.pdf.

The table below provides a comparison between the situation prior to the amendment and the situation after:

¹ €16.3 million is the debt recorded in Nicox’s accounts under IFRS, which takes into account the pre-payments of the final monthly instalments on the debt. The figure used to calculate the 30% of the debt which shall be restructured uses a total debt of €16.9 million, which does not take into account the pre-payments. The net cash effect is the same in both cases.
www.nicox.com

Main terms of the Kreos bond financing	Before amendment	After amendment
Term loan		
Outstanding capital	€16.9 million	€11.9 million
Pre-payment	- €0.6 million	- €0.6 million
Interest rate	9.25 %	9.25 %
Interest-only period	From February 1, 2021 to January 31, 2022	Extended to July 31, 2023*
Maturity date	June 1, 2024	January 1, 2026*
Convertible bonds		
Capital		€3.3 million
Coupon		9.25 %
Maturity date		January 1, 2026
Non-convertible bonds		
Capital		1.8 millions**
Coupon		9.25 %
Term		January 1, 2026

* option to extend the period for an additional six months if the Mont Blanc Phase 3 clinical trial with NCX 470 meets its primary endpoint of non-inferiority compared to latanoprost.

** a payment of 1.75 times the capital applies to the new non-convertible bonds.

The main risks specific to securities are as follows:

- Existing shareholders who do not participate in the issue will see their participation in the Company's share capital diluted, this participation may also be diluted in the event of exercise of the warrants, conversion of the convertible bonds, as well as in the event of a new call to the market
- The volatility and liquidity of the Company's shares could fluctuate significantly
- The sales of Company shares could occur on the market and have an unfavorable impact on the Company's share price

About Nicox

Nicox S.A. 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 prostaglandin analog, for lowering intraocular pressure in patients with glaucoma. The company is also developing NCX 4251, a proprietary formulation of fluticasone, for acute exacerbations of blepharitis. Nicox generates revenue from VYZULTA® in glaucoma, licensed exclusively worldwide to Bausch + Lomb, and ZERVIA® in allergic conjunctivitis, licensed in multiple geographies, including to Eye Vance Pharmaceuticals, LLC, in the U.S. and Ocumension Therapeutics in the Chinese and in the majority of South East Asian markets.

Nicox is headquartered in Sophia Antipolis, France, is listed on Euronext Paris (Compartment B: Mid Caps; Ticker symbol: COX) and is part of the CAC Healthcare, CAC Pharma & Bio and Next 150 indexes.

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

Contacts

Nicox

Gavin Spencer
Executive Vice President, Chief Business Officer
& Head of Corporate Development
T +33 (0)4 97 24 53 00
communications@nicox.com

Investors & Media

United States & Europe
LifeSci Advisors, LLC
Sandy von der Weid
T +41 78 680 05 38
svonderweid@lifesciadvisors.com

Media

France
LifeSci Advisors, LLC
Sophie Baumont
M +33 (0)6 27 74 74 49
sophie@lifesciadvisors.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 the 3rd chapter of the '*Document d'enregistrement universel, rapport financier annuel et rapport de gestion 2020*' (the "*Document d'Enregistrement*"), as may be amended or supplemented from time to time. The Document d'Enregistrement was filed with the French *Autorité des Marchés Financiers* (AMF) on March 1, 2021 under number D.21-0083 and is available on Nicox's website (www.nicox.com).

Nicox S.A.

Drakkar 2
Bât D, 2405 route des Dolines
CS 10313, Sophia Antipolis
06560 Valbonne, France
T +33 (0)4 97 24 53 00
F +33 (0)4 97 24 53 99

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*The securities referred to herein (the "**Securities**") may not be and will not be offered or sold to the public in France except to qualified investors and/or to a restricted circle of investors, acting for their own account, as defined in, and in accordance with the applicable provisions of the Prospectus Regulation and the French Monetary and Financial Code.*

*In each of the various Member States of the European Economic Area, including France, and the United Kingdom (the "**Relevant States**"), no action has been undertaken or will be undertaken to make an offer to the public of the Securities requiring the publication of a prospectus in any Relevant State. Consequently, the Securities cannot be offered and will not be offered in any Relevant State, except in accordance with the exemptions set forth in Article 1(4) of the Prospectus Regulation or in other cases which do not require the publication by Nicox of a prospectus pursuant to Article 3 of the Prospectus Regulation and/or applicable regulations in the Relevant States.*

*For the purposes of this paragraph, the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017, as amended for Member States of the European Economic Area and means Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017, as amended as it forms part of retained EU law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.*

*This announcement and the information it contains do not constitute an offer of securities for sale nor a solicitation of an offer to purchase securities in the United States or in any other jurisdiction. The Securities may not be offered, sold or subscribed in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). The shares of Nicox have not been and will not be registered under the U.S. Securities Act and Nicox does not intend to register any portion of the offering in the United States, or to conduct a public offering of its securities in the United States.*

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Any decision to subscribe for Securities should only be made on the basis of public information about Nicox.

*A listing prospectus will be submitted to the AMF on [●] 2021 (the "**Prospectus**"). It will comprise (i) the 2020 universal registration document of the Nicox filed with the AMF under number D.21-0083 on 1 March 2021 (the "**URD**"), with its amendment to be filed with the AMF on [●] 2021 and (ii) a securities note, including a summary of the Prospectus. Copies of the Prospectus will be available free of charge at Nicox, Drakkar D, 2405 route des*

Dolines, 06560 Valbonne, Sophia-Antipolis, on the website of Nicox (www.nicox.com) and of the AMF (www.amf-france.org). These hyperlinks are included for the convenience of the investors and the contents of these websites is not incorporated by reference into this press release.

No copy of this announcement has been or should be distributed or sent to the United States of America, Canada, Japan or Australia.

MiFID II Product Governance

*According to the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures, the target market assessment in respect of the offered Nicox shares (the "**Offered Securities**") has led to the conclusion that : (i) the target market of the Offered Securities is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Offered Securities are appropriate (the "**Target Market Assessment**"). Any person subsequently offering, selling or recommending the Offered Securities (a "**distributor**") should take into consideration the manufacturer's Target Market Assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Offered Securities (by either adopting or refining the manufacturer's Target Market Assessment) and determining appropriate distribution channels.*

The Target Market Assessment is conducted solely for the purposes of the manufacturer's product approval process and neither constitutes an assessment for any particular client of suitability or appropriateness for the purposes of MiFID II nor a recommendation to invest in, or purchase, or take any other action whatsoever with respect to the Offered Securities.

Notwithstanding the Target Market Assessment, the attention of distributors is drawn to the fact that: the price of the Offered Securities may decline and investors could lose all or part of their investment; the Offered Securities offer no guaranteed income and no capital protection; and that an investment in the Offered Securities is compatible only with investors who do not need a guaranteed income or capital protection, who are capable (either alone or in conjunction with an appropriate financial or other adviser) of evaluating the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result therefrom.