

ALIMERA SCIENCES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

to EyePoint Parent for years 2025 to 2028 is included in the cost of the intangible the Company recorded. The estimated royalties will continue to be revalued at each reporting date until they are settled.

Concurrently in May 2023, the Company also entered into a commercial supply agreement (the "Supply Agreement") with EyePoint Parent pursuant to which, during the term of the Product Rights Agreement, EyePoint Parent will be responsible for manufacturing and exclusively supplying (subject to certain exceptions) to agreed-upon quantities of YUTIQ necessary for the Company to commercialize YUTIQ in the U.S. at certain cost-plus amounts, subject to adjustments. EyePoint Parent's manufacture and supply of YUTIQ will be exclusive (subject to certain exceptions) until the Company has the ability to manufacture and supply YUTIQ for commercialization in the U.S. The term of the Supply Agreement is for a period of two years through May 2025 and thereafter automatically renews for successive one-year terms unless either party provides notice of non-renewal to the other party within a specified period of time prior to the beginning of the next automatic renewal term, provided that the Supply Agreement automatically terminates upon the successful completion of the transfer of manufacturing for YUTIQ to the Company or its designee. The Supply Agreement also automatically terminates upon termination of the Product Rights Agreement.

The Company's license rights to EyePoint's proprietary delivery device could revert to EyePoint if the Company were to: (i) fail twice to cure its breach of an obligation to make certain payments to EyePoint following receipt of written notice thereof; (ii) fail to cure other breaches of material terms of the EyePoint Agreement within 30 days after notice of such breaches or such longer period (up to 90 days) as may be reasonably necessary if the breach cannot be cured within such 30-day period; (iii) file for protection under the bankruptcy laws, make an assignment for the benefit of creditors, appoint or suffer appointment of a receiver or trustee over its property, file a petition under any bankruptcy or insolvency act or have any such petition filed against it and such proceeding remains undismissed or unstayed for a period of more than 60 days; or (iv) notify EyePoint in writing of its decision to abandon its license with respect to a certain product using EyePoint's proprietary insert technology.

Ocumension License Agreement

On April 14, 2021, the Company entered into an exclusive license agreement (the "License Agreement") with Ocumension (Hong Kong) Limited ("Ocumension HK"), a wholly owned subsidiary of Ocumension, for the development and commercialization under Ocumension HK's own brand name(s), either directly or through its affiliates or approved third-party sublicensees, of the Company's 190 microgram fluocinolone acetonide intravitreal implant in applicator (the "Product," currently marketed in the United States, Europe, and the Middle East as ILUVIEN) for the treatment and prevention of eye diseases in humans, other than uveitis, in a specified territory. The Territory is defined as the People's Republic of China, including Hong Kong SAR and Macau SAR, region of Taiwan, South Korea, Brunei, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.

The Company received a nonrefundable upfront payment of \$10.0 million from Ocumension HK and may in the future receive additional sales-based milestone payments totaling up to \$89.0 million upon the achievements by Ocumension HK of certain specified sales milestones during the term of the License Agreement of the Product. The Company's receipt of future milestone payments depends upon whether Ocumension HK is able to successfully complete product development and commercialization in the Territory, which requires, among other things, obtaining necessary regulatory approvals and appropriate reimbursement pricing in the various countries and jurisdictions in the Territory, a process that may take several years. In 2021, the Company recognized \$11.0 million in license revenue from the Ocumension transaction (including the value of a warrant subscription agreement, which the Company received as consideration, to purchase 1,000,000 shares of Ocumension during a period of four years). As of December 31, 2023 and 2022, the Company has approximately \$0.4 million and \$0.3 million, respectively, of deferred revenue under the Ocumension license agreement that will be recognized over the remaining term of the agreement once Ocumension begins to sell the covered products under the license agreement.

The term of the License will continue (a) until the 10th anniversary of the latest first commercial sale of the Product in any country or jurisdiction in the Territory or (b) for as long as Ocumension HK is commercializing the Product in any part of the Territory, whichever is later. The term is subject to the Company's right to partially terminate the Agreement beginning on the 10th anniversary of the effective date with respect to any country or jurisdiction in the Territory in which Ocumension has not achieved at the time of termination first commercial sale and is not continuing to commercialize the Product. Ocumension will purchase Product from the Company at a fixed transfer price without royalty obligation on future sale (other than milestone payments as described above). Ocumension HK is responsible for all costs of development and commercialization in the Territory.

Ocumension Share Purchase Agreement

When the Company entered into the license agreement in April 2021, it also entered into a share purchase agreement ("Share Purchase Agreement") with Ocumension, pursuant to which the Company offered and sold to Ocumension 1,144,945 shares of common stock at a purchase price of \$8.734044 per share and aggregate gross proceeds of \$10.0 million from the sale of the shares.