



Nicox announces financing of €27 million to support its growth strategy

Participation of life science specialized investors, mainly from the US, strengthens shareholder base

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March 6, 2015

Sophia Antipolis, France.

Nicox S.A. (Euronext Paris: COX), the international ophthalmic company, today announced a reserved capital increase of ordinary shares of the Company to specific categories of investors. The proceeds from the financing will be used to finance Nicox's growth strategy to become a leading global specialty ophthalmic company, through advancing its late-stage pipeline of two pre-NDA¹ (United States) and two pre-MAA² (Europe) products and supporting its commercial activities. The gross proceeds of the financing are approximately €27 million, for a total of 15 million new shares.

New institutional investors specialized in life sciences have participated in this financing, strengthening the shareholding structure. Overall, approximately 72% of the new investors are from the United States and 28% from Europe.

The share capital increase strengthens Nicox's net cash balance to approximately €48 million as of the closing date.

Michele Garufi, Chairman and Chief Executive Officer of Nicox, said: *"The financing attracted significant demand from major institutional investors, particularly in the US, exceeding our maximum offering size. We are very pleased with this vote of confidence in our strategy of building a major international ophthalmic company. We are now in a strong position to continue to drive the growth of Nicox, through achieving the full potential of our advanced therapeutic pipeline and our rapidly growing European and International commercial presence. In addition, this financing will help Nicox to support its development in the United*

States, where we already have two highly promising products which could be launched within the next 24 months, Vesneo and AC-170.”

Nicox's strategy is based around three synergistic and complementary axes. These include:

- A partnership with Bausch + Lomb (Valeant) on Vesneo™ in glaucoma, which could generate significant revenue through milestones (up to \$132.5³ million mainly on commercial sales targets) and royalties (potential net tiered royalties on sales from 6% to 11%⁴) for Nicox. Following positive phase 3 results, filing with the US FDA⁵ is expected in Q2 2015 and US potential launch is expected in H1 2016. Estimated peak sales in the US are over \$500 million.
- A proprietary therapeutic pipeline which notably includes another innovative advanced drug-candidate, AC-170 (cetirizine ophthalmic solution), a novel eye drop for the potential treatment of ocular itching associated with allergic conjunctivitis. Nicox has held a successful clinical pre-NDA meeting for AC-170 and will update the market in due course regarding its planned NDA submission date.
- Strengthening of commercial operations, directly in the five largest European markets and through distribution agreements in the rest of the world. A number of product launches are planned in the next 18-24 months, with two European regulatory applications expected to be filed by Q1 2016 for the recently in-licensed therapeutics, AzaSite® (azithromycin ophthalmic solution) eye drop for bacterial conjunctivitis and BromSite™ (bromfenac ophthalmic solution) eye drop for pain and inflammation after cataract surgery.

Main terms of the financing

The share capital increase, by issuance of 15 million new ordinary shares (the "New Shares"), was reserved for subscription by French or foreign companies or mutual funds investing in the pharmaceutical biotechnology sector (*sociétés ou fonds gestionnaires d'épargne collective de droit français ou de droit étranger investissant dans le secteur pharmaceutique/biotechnologique*).

The subscription price of the New Shares has been set at €1.80 per New Share. Following the completion of the capital increase, the 15,000,000 New Shares will represent approximately 15% of the issued share capital of the Company before the capital increase and 13% after the capital increase.

Directors and Executive Committee members of Nicox have agreed to certain customary lock-up arrangements with the Placement Agents on the shares they hold in Nicox for a 90-day period.

Use of proceeds

The net proceeds from the sale of the Shares are intended to provide additional resources to the Company to finance its strategy, in particular:

- Working capital and general corporate purposes,
- Clinical development and regulatory filings related to pipeline candidates,
- Strengthening the Company's commercial organization in Europe and the United States.

Listing of new shares

An application will be made for the admission to listing of the New Shares on Euronext Paris. A listing prospectus, comprising the Company's *Document de Référence 2013*, filed with the *Autorité des marchés financiers* ("AMF") on 2 April 2014 under number D.14-0271, the first update to the *Document de Référence 2013* filed with the AMF on 30 September 2014 under number D.14-0271-A01, the second update to the *Document de Référence 2013* to be filed with the AMF and a securities note (including a summary of the listing prospectus), has been prepared and will be submitted for approval to the AMF. The attention of the public is drawn to the risk factors section that will be presented at section 2 of the listing prospectus. The settlement-delivery of the New Shares is expected to take place on March 10, 2015.

Guggenheim Securities, LLC acted as Lead Placement Agent for the offering, and Bryan, Garnier & Co and Needham & Company, LLC acted as placement agents.

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Notes:

1. NDA: New Drug Application (regulatory application in the United States)
 2. MAA: Marketing Authorisation Application (regulatory application in Europe)
 3. Potential net milestones from Bausch + Lomb to Nicox following payments due to Pfizer as part of 2009 agreement
 4. Potential net royalties from Bausch + Lomb to Nicox following payments due to Pfizer as part of 2009 agreement
 5. FDA: Food and Drug Administration
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About Nicox

Nicox (Bloomberg: COX:FP, Reuters: NCOX.PA) is an international commercial-stage company focused on the ophthalmic market. With a heritage of innovative R&D, business development and marketing expertise, we are building a diversified portfolio of ophthalmic products that can help people to enhance their sight.

Nicox's advanced pipeline features two pre-NDA candidates (Vesneo™ for glaucoma, partnered with Bausch + Lomb / Valeant and AC-170 for allergic conjunctivitis) as well as two pre-MAA candidates (AzaSite® for bacterial conjunctivitis and BromSite™ for pain and inflammation after cataract surgery). The Group operates directly in six countries, including the United States. It has proprietary commercial operations in Europe's five largest markets complemented by an expanding international network of distributors.

Nicox is headquartered in France and has more than 120 staff worldwide. It is listed on Euronext Paris (Category B: Mid Caps) and is part of the CAC Healthcare, CAC Pharma & Bio and Next 150 indexes.

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

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This press release contains certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in the forward-looking statements.

Risks factors which are likely to have a material effect on Nicox's business are presented in: the 4th chapter of the "*Document de référence, rapport financier annuel et rapport de gestion 2013*" filed with the French *Autorité des Marchés Financiers* (AMF) on April 2nd, 2014; the "*Rapport semestriel financier et d'activité au 30 juin 2014*"; the 5th chapter of the "*Actualisation du Document de Référence 2013*" filed with the AMF on September 30, 2014; the Section B.1 of the "*Document E*" registered with the AMF on September 30, 2014. All these documents are available on Nicox's website (www.nicox.com).

In addition, the attention of the public is drawn to the “Updated and additional risk factors” available on Nicox’s website in the Investor Information / Annual Report section (<http://www.nicox.com/investor-information/annual-report/>). These risk factors have been updated to take into account recently acquired and in-licensed pipeline candidates.



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The securities referred to herein (the "Shares") could not be and have not been 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 Articles L. 411-2-II, D. 411-1 and D. 411-4 of the French Monetary and Financial Code.

In each of the various Member States of the European Economic Area other than France which has implemented the Prospectus Directive (the "Relevant Member States"), no action has been undertaken to make an offer to the public of the Shares requiring the publication of a prospectus in any Relevant Member State. As a result, the Shares may only be offered in Relevant Member States:

- a) *to qualified investors, as defined in the Prospectus Directive (as defined below); or*
- b) *in any other circumstances that do not require the publication by Nicox of a prospectus pursuant to Article 3(2) of the Prospectus Directive.*

For the purposes of this paragraph, (i) the notion of an "offer to the public of Shares" in any Relevant Member State, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the Shares to be offered, thereby enabling an investor to decide to purchase or subscribe for the Shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive, (ii) the expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council of 4 November 2003 (and amendments thereto, including the PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and (iii) the expression "PD Amending Directive" means Directive 2010/73/EU of the European Parliament and Council dated 24 November 2010.

This selling restriction supplements the other selling restrictions applicable in the Member States which have implemented the Prospectus Directive.

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 Shares 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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In accordance with Article 211-3 of the General Regulation of the Autorité des marchés financiers (the "AMF"), it is recalled that:

- the offer does not require a prospectus to be submitted for approval to the AMF. However, a prospectus will be submitted to the approval of the AMF in connection with the admission of the shares to trading on the regulated market of Euronext Paris;*
- persons or entities referred to in Point 2, Section II of Article L. 411-2 of the French Monetary and Financial Code may take part in the offer solely for their own account, as provided in Articles D. 411-1, D.411-4, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code.*
- the Shares thus subscribed or acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.*

The distribution of this announcement in certain countries may be subject to specific regulations. The persons in possession of this announcement shall then get knowledge of any local restrictions and shall comply with these restrictions.

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

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