



Nicox 2014 Financial Results and Business Update

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- A year of strategic progress:
 - Positive phase 3 results for Vesneo™ (Bausch + Lomb); NDA submission on track for Q2 2015
 - Significant strengthening of ophthalmic therapeutics pipeline
 - Acquisition of Acix Therapeutics, Doliage and Carragelose® eye drop (Xailin Viral)
 - In-licensing of AzaSite® and BromSite™ in Europe (Q1 2015)
 - 2014 revenues €6.0 million vs. €0.4 million in 2013 reflecting growing EU & RoW sales
 - Completion of €27 million financing supports growth strategy to become a leading global specialty ophthalmic company
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March 30, 2015.

Sophia Antipolis, France.

Nicox S.A. (Euronext Paris: FR0000074130, COX), the international ophthalmic company, today announced its financial and operating results for the year ended December 31, 2014, as approved by the Board of Directors on March 27, 2015, and provided an overview of its activities.

“We have made considerable progress in delivering our strategy to build a leading global specialty ophthalmic company, by expanding and advancing our pipeline of promising late-stage therapeutics, investing in our own commercial operations and signing distribution agreements in multiple new markets,” said **Michele Garufi, Chairman and CEO of Nicox**. *“Vesneo continues to make rapid progress, with a US NDA submission for glaucoma by our partner Bausch + Lomb / Valeant anticipated before the end of the first half of 2015. Should the forecasted peak sales by Bausch + Lomb be achieved, Nicox could receive total net milestones and royalties from Vesneo™ of up to \$1 billion over the estimated life of the agreement. We believe Vesneo will play a significant role in supporting Nicox’s future development as we prepare to submit three additional products for approval, AC-170 in the US and AzaSite and BromSite in Europe, over the next 15 months. We view the successful financing completed in March 2015, supported by leading US and*

European institutional investors, as a major endorsement of our strategy and growth potential and we look to the future with confidence.”

2014 operational highlights

Positive phase 3 results for Vesneo™ confirmed potential of Nicox’s lead compound

- Nicox’s licensee Bausch + Lomb (Valeant) plans to submit a New Drug Application (NDA) to the US Food and Drug Administration (FDA) for Vesneo™ in Q2 2015.

Three acquisitions successfully completed

- Acix Therapeutics, Inc., a US R&D company which significantly strengthened Nicox’s therapeutic pipeline, including the advanced allergic conjunctivitis candidate AC-170.
- Doliage, a French company with a portfolio of marketed products dedicated to major eye diseases such dry eye syndrome, glaucoma and eye infections (2014 sales €2.4 million).
- Xailin Viral, an innovative Carragelose® eye drop in development for the management of viral conjunctivitis.

Direct commercial operations expanded in Europe complemented by exclusive international distribution agreements

- Commercial operations launched by Nicox in the five major European markets: Germany, France, UK, Italy and Spain.
- Seven new products launched, including the Xailin™ range and AdenoPlus®.
- Exclusive distribution agreements now covering approximately 40 countries, including Switzerland, Benelux, Turkey, South Africa, Australia and Japan, to market Nicox’s portfolio and increase its international commercial footprint.

US diagnostics business divested to Valeant, enabling enhanced focus on growing pipeline of ophthalmic therapeutics

- Acquisition by Valeant Pharmaceuticals International, Inc. of Nicox Inc. for up to \$20 million (\$10 million upfront, potential milestone payments \$10 million)

Strengthening of Management and Board

- Three new appointments to the Board of Directors: Adrienne Graves, former CEO of Santen Inc. to replace Vicente Anido; Luzi von Bidder, former Chairman of Acino Holding AG and former Chairman and CEO of Novartis Ophthalmics AG, to replace Vaughn Kailian; and Les Kaplan, former Executive Chairman of Acix Therapeutics, Inc.
- Appointment of Michael Bergamini, Ph.D. as Chief Scientific Officer and Executive Vice President of Nicox, with more than 30 years in ophthalmology including in the discovery, translation, development, registration and launch of more than a dozen ophthalmic drug and device products.
- Appointment of Sandrine Gestin as Finance Director of Nicox, joining the Company’s Executive Committee. Sandrine has over 25 years of experience in accounting and finance and joined Nicox in 1999.

Post Reporting Period Events

- Financing successfully completed in March 2015 with the participation of institutional investors specialized in life sciences, mainly from the US. The gross proceeds of the financing are approximately €27 million. Net proceeds 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; and strengthening the Company's commercial organization in Europe and the United States.
- Two positive pre-NDA meetings held with the US FDA regarding AC-170, cetirizine ophthalmic solution for the treatment of ocular itching associated with allergic conjunctivitis.
- Exclusive license agreement signed with InSite Vision for AzaSite[®] and BromSite[™] in Europe, Middle East and Africa.
- Orphan Drug Designation (ODD) granted by the FDA to naproxcinod for the treatment of Duchenne Muscular Dystrophy (DMD). Naproxcinod is currently under evaluation by an undisclosed financial partner for potential clinical development in DMD.

2014 Financial Summary

- In accordance with IFRS5, 2014 and 2013 revenues and expenses set out below do not include Nicox Inc., which was divested to Valeant in November 2014.
- Nicox's revenues totaled €6.0 million in 2014, compared to €0.4 million in 2013. This significant increase reflects the launch of new products, acquisitions and investment in the Group's commercial operations. This does not include the 2014 revenues recorded by Nicox Inc., which totaled €1.0 million at the time of its acquisition by Valeant in November 2014 (2013: €0.3 million).
- Selling, Administrative and Research and Development costs amounted to €28.7 million in 2014, compared to €15.0 million in 2013, mostly due to continued investment in building international commercial infrastructure in Europe's five largest markets. The Group generated an operating loss of €21.8 million in 2014, compared to €11.0 million in 2013.
- On December 31, 2014, the Group's cash, cash equivalents and financial instruments were €32.0 million, compared to €58.4 million on December 31, 2013. In March 2015, Nicox completed a €27 million financing, strengthening its cash position which stood at approximately €48 million as of March 10, 2015.

Nicox's development strategy and key upcoming milestones

- Q2 2015: Planned Vesneo[™] NDA submission by Bausch + Lomb (Valeant). Bausch + Lomb estimates potential peak sales in the US alone of more than \$500 million should the product be approved by the FDA.
- Mid-2015: Update on naproxcinod evaluation in Duchenne Muscular Dystrophy.
- Q1 2016: Planned AzaSite[®] and BromSite[™] MAA filings in Europe.
- The AC-170 NDA submission timing is currently being evaluated, with the objective of obtaining FDA approval by the end of 2016.
- 2015-onwards: Additional product launches in Europe and RoW

Nicox's objective is to become a leading global specialty ophthalmic company, with an international commercial presence, a diversified product portfolio and an advanced development pipeline. The Group's strategy is based around three synergistic and complementary axes: a partnership with Bausch + Lomb (Valeant) on Vesneo™ in glaucoma, which could generate significant revenue through milestones and royalties for Nicox; an advanced proprietary therapeutic pipeline which notably includes AC-170, a novel cetirizine eye drop for allergic conjunctivitis; and growing international commercial operations, directly in the five largest European markets and through distribution agreements in the rest of the world. Nicox intends to continue strengthening its product portfolio and development pipeline through further acquisition and licensing opportunities in the US and in Europe. Following a year marked by numerous achievements and a successful €27 million financing completed in the first quarter of 2015, Nicox is well positioned to continue achieving its growth objectives.



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.

Upcoming events

Financial and business conferences

April 14-15	Needham Healthcare conference	New York, US	Presentation on April 15, 2015, 3.40pm EST
May 21	Gilbert Dupont Forum Santé	Paris, France	

Scientific conferences

May 9-12	Société Française d'Ophtalmologie (SFO)	Paris, France	Booth PO2
May 3-7	Association for Research in Vision and Ophthalmology (ARVO)	Denver, US	
May 14-16	Sociedad Española de Cirugía Ocular Implanto Refractiva (SECOIR)	Gran Canaria, Spain	Booth tbc
May 19-21	Royal College of Ophthalmologists (RCO)	Liverpool, United Kingdom	Booth 33
June 6-9	European Society of Ophthalmology (SOE)	Vienna, Austria	
June 28-30	MaculArt	Paris, France	Booth tbc

Analyst coverage

Bryan, Garnier & Co	Hugo Solvet	Paris
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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; the 5th chapter of the 'Seconde Actualisation du Document de Référence 2013' filed with the AMF on March 6, 2015 and the chapter 2 of the 'Note d'opération' filed with the AMF on March 6, 2015 (visa n°15-080). All these documents are available on Nicox's website (www.nicox.com).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – DECEMBER 31, 2014

	As of December 31,	
	2014	2013 restated ¹
	<i>(in thousands of € except for per share data)</i>	
Revenues	5 982	436
Cost of sales	(3,938)	(318)
Selling expenses	(13,552)	(3,937)
Administrative expenses	(10,721)	(7,490)
Research and development expenses	(4,413)	(3,634)
Other income	5,845	4,561
Other expense	(983)	(622)
Operating loss	(21,779)	(11,003)
Finance income	1,087	263
Finance expense	(857)	(675)
Share of Profit (loss) of associates	-	-
Loss before income tax	(21,550)	(11,416)
Income tax expense	(170)	46
Net loss before discontinued operations	(21,720)	(11,369)
Discontinued operations	(1,172)	(6,776)
Net loss of the year	(22,892)	(18,145)
Exchange differences on translation of foreign operations	6,897	352
Other comprehensive income (loss) for the period, net of tax	6,897	352
Total comprehensive income (loss) for the period, net of tax	(15,995)	(17,793)
Attributable to:		
- Equity holders of the parent	(15,995)	(17,793)
- Non-controlling interests	-	-
Basic and diluted loss per share attributable to equity holders of the parent	(0.28)	(0.25)

¹ Following Nicox Inc. divestment

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – DECEMBER 31, 2014

	As of December 31,	
	2014	2013 Restated ²
	<i>(in thousands of €)</i>	
ASSETS		
Non-current assets		
Property, plant & equipment	902	614
Goodwill	80,672 ³	2,026
Intangible assets	10,816	7,301
Financial assets	95	824
Deferred income tax assets	1	89
Total non-current assets	92,486	10,855
Current assets		
Inventories	1,504	1,111
Trade receivables	1,675	294
Government subsidies receivable	1,238	500
Current assets	2,098	739
Current financial assets	9,253	6,111
Prepaid expenses	367	205
Cash and cash equivalents	22,619	52,363
Total current assets	38,755	61,323
TOTAL ASSETS	131,240	72,178
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Common shares	19,848	14,863
Other reserves	84,150	46,519
Non-controlling interests	-	-
Total Equity	103,998	61,382
Non-current liabilities		
Other contingencies and liabilities	548	421
Deferred income tax liabilities	1,548	1,548
Finance lease	323	104
Other financial liabilities	15,860	-
Other non-current financial liabilities	152	-
Total non-current liabilities	18,431	2,073
Current liabilities		
Other contingencies and liabilities	-	60
Finance lease	213	47
Current financial liabilities	327	2,014
Trade payables	3,635	2,896
Social security and other taxes	4,297	3,450
Other liabilities	339	255
Total current liabilities	8,811	8,722
TOTAL EQUITY AND LIABILITIES	131,240	72,178

² Following purchase price allocation of Nicox Farma S.r.l

³ Including goodwill of Aciex and Doliage amounting to €78.6 million for which the purchase price allocation will be performed in 2015.

Review of the consolidated financial results as of December 31, 2014 and 2013

Consolidated statement of comprehensive income

In November 2014, Nicox announced the acquisition of its US ophthalmic diagnostics subsidiary by Valeant. In accordance with the standard IFRS5, the net loss impact of the US ophthalmic diagnostic business in the consolidated comprehensive income of the Group has been summarized in the line “discontinued operation” and the year 2013 restated accordingly. For the sake of clarity, comments related to the comparison between the years 2014 and 2013 in the consolidated statements of comprehensive income exclude the US ophthalmic diagnostic subsidiary.

Revenues

Nicox’s revenues totaled €6.0 million in 2014, compared to €0.4 million in 2013 and concern exclusively the European and international commercial operations.

Revenues significantly increased in 2014 driven by the acquisition of the two wholly-owned ophthalmic companies Eupharmed in December 2013 (renamed Nicox Farma S.r.l.) and Doliage in September 2014. In addition to these acquisitions, Nicox launched AdenoPlus[®] and the Xailin[™] range in Europe in the first quarter 2014.

Selling, Administrative and Research and Development costs

Selling, Administrative and Research and Development costs amounted to €28.7 million in 2014 compared to €15.0 million in 2013. This significant increase is principally related to the sales force deployment in Europe to sustain the launch of AdenoPlus[®] and Xailin[™]. Administrative expenses also include €4.0 million related to the costs of the acquisitions performed in 2014 and other Corporate Development expenses. At the end of 2014, the Group employed 127 people, compared to 77 in 2013.

Other income

In 2014, other income amounted to €5.8 million compared to €4.6 million in 2013 and includes €4.5 million of gain due to the change of the fair value of the earn-out to be paid to Aciex’s former shareholders. In 2013, other income included €4.0 million of accrual cancellation from the previous year linked to an agreement signed in 2009 as Nicox assumed the payment linked to an earn-out was unlikely.

Operating loss

The Group generated an operating loss of €21.8 million in 2014, compared to €11.0 million in 2013. The significant increase in the operating loss reflects the substantial commercial investments made in Europe in 2014 to transform Nicox into a commercial ophthalmic company.

The operating loss by operating segments is summarized as follows:

	EU & ROW commercial operations		Non-commercial operations (R&D, admin., business development etc.)		Total operating loss		Discontinued operations	
	2014	2013	2014	2013	2014	2013	2014	2013
Operational Result (in million €)	(10.7)	(3.4)	(11.1)	(7.6)	(21.8)	(11)	(1.4)	(6.8)

Total net loss for the period

Nicox recorded a net loss of €22.9 million in 2014, compared to a loss of €18.1 million in 2013. The moderate increase in the net loss in 2014, despite the significant investments made in Europe to transform Nicox into a commercial ophthalmic company, is explained by the acquisition of the US ophthalmic diagnostic business by Valeant in November 2014. As a result, the net loss pertaining to the concerned American affiliate amounted to €1.2 million in 2014 compared to €6.7 million in 2013.

Consolidated statement of financial position

According to IFRS3 "Business combination", the year 2013 of the statement of financial position has been restated to reflect the purchase price allocation of the company Eupharmed acquired in December 2013 (renamed Nicox Farma S.r.l.).

Intangible assets totaled €10.9 million at the end of 2014 and included (i) €3.7 million corresponding to the fair-value of the Carragelose[®] eye drop (Xailin Viral) following its acquisition from Marinomed in September 2014 (ii) €5.4 million corresponding to the fair value of intangible assets accounted for in Nicox Farma S.r.l. following the purchase price allocation of the goodwill recognized in 2013 to acquire this company.

Goodwill amounted to €80.7 million in 2014 compared to €2.0 million in 2013 and is summarized as follows: €4.5 million corresponding to the acquisition of Doliage laboratories in September 2014; €2 million corresponding to Nicox Farma S.r.l. residual goodwill after the purchase price allocation; €74.2 million corresponding to the acquisition of Aciex Inc in October 2014 including the fair value of an earn-out of €19.7 million. The earn-out is subject to the achievement of certain regulatory objectives by Aciex. In 2013, the goodwill of €2.0 million was linked to the acquisition of Eupharmed.

On December 31, 2014, the Group's cash, cash equivalents and financial instruments were €32.0 million, compared to €58.4 million on December 31, 2013.

Deferred taxes amounted to €1,5 million in 2014 and 2013 and correspond to the deferred taxes on intangible assets recognized on Nicox Farma S.r.l. following the allocation of the purchase price paid to acquire this company in December 2013.

Non-current financial debt amounted to €15.9 million in 2014 against €0 million in 2013 and mainly corresponds to the fair value of the earn-out to pay to the former shareholders of Aciex at the end of December 2014.