

**Release issued pursuant to
the position-recommendation No. 2015-05 from the French *Autorité des marchés financiers***

On July 4, 2016, Nicox S.A. (« **Nicox** ») and a company controlled by GHO Capital (the « **Partner** ») entered into a sale and purchase agreement pursuant to which the Partner undertook to acquire from Nicox its European commercial activities (the « **Transaction** »). For more information on the Transaction, please refer to the press release issued today by Nicox and available at www.nicox.com.

The position-recommendation No. 2015-05 from the *Autorité des marchés financiers* (the « **Recommendation** ») recommends, *inter alia*, that a listed company conducts a prior consultation of its shareholders whenever contemplating the disposal of major assets, if and when the concerned assets represent at least half of its total assets on average over the past two financial years. Of the five ratios « *generally considered as relevant* » by the Recommendation, the Transaction exceeds two of them, as described below.

Ratios generally considered as relevant pursuant to the Recommendation	Last 2 financial years average
<u>Revenues generated by the assets transferred</u> Consolidated revenue	98.1%
<u>Sale price of the assets transferred</u> Market capitalization of the group	13.2%
<u>Net value of the assets transferred</u> Total of the consolidated balance sheet	9.9%
<u>Earnings before tax of the assets transferred</u> Consolidated earnings before tax	43.4%
<u>Employees associated to the assets transferred</u> Aggregate number of employees	60.7%

Nonetheless, Nicox does not intend to consult its shareholders on the Transaction for the following reasons.

Relevance of the retained criteria:

Nicox considers that the revenue criteria should not be considered as relevant criteria to appreciate whether the Transaction involves the majority of its assets in light of the company's situation and that of the contemplated transaction.

It indeed appears irrelevant, as of the date hereof, to evaluate the Transaction in light of the volume of sales without taking into account the specificity of the company's main activity, research and development, which – by definition – generates no revenue. Proceeding otherwise would be denying the existence of the company's core business.

To illustrate the foregoing, if one considers the company's revenue forecasts from latanoprostène bunod only, being the most advanced Nicox product (not included within the Transaction perimeter) and for which approval is expected from the U.S. Food & Drug Administration on July 21, such forecasts allow an expectation of revenue generation of up to 132.5 million U.S. dollars over the next five years from milestone payments only, i.e. even before taking into consideration royalties from upcoming sales. This data should be compared to the extrapolation over five years of the revenue average of the past two financial years of the transferred assets, or 39 million euros (i.e., 22.7% of the sum).

Alternative criteria:

On the other hand, Nicox considers that the analyst consensus, which reflects an average valuation of the Transaction perimeter equal to 6% of the aggregate Nicox product portfolio, appears particularly relevant in light of the situation of the company. Indeed, such analysts report take into account, and reflect, the optional value of the Nicox's core business, its research and development products¹.

Compliance with Nicox's corporate interest (intérêt social):

Lastly, Nicox considers that not consulting its general meeting of shareholders complies with its corporate interest since:

- without prejudice to the satisfaction of the other conditions precedent to the Transaction, such a consultation would result in postponing completion of the Transaction by approximately two months with absolute certainty. In light of the cash burn of the transferred assets, which amounts to approximately half a million per month, postponing completion to September would result in about one million euros in charges to the company, to be compared to the 9 million euros to receive in the Transaction. Consulting the shareholders in a general meeting could, accordingly, lead, in and of itself, to reduce such cash proceeds by over 11% of their amount;
- such a consultation could not take place before the month of August in light of applicable regulation regarding convening of a general meeting of a listed company. Apart from the

¹ Five analyst research reports issued between June 2015 and April 2016, including four from independent analysts and one from a financial advisor at Nicox's request.

difficulty of mobilizing its shareholders during the summer, Nicox notes that the last general meeting held by the company on June 7, 2016 did not meet the required quorum and had to be reconvened on second call on June 21, 2016, where shareholders representing 6.5% of the share capital voted upon the proposed resolutions. Beyond the low participation rate, the time required to convene such a general meeting supports not consulting the shareholders in light of the foregoing financial considerations.

Context of the Transaction:

The principle of the Transaction, as currently contemplated, has been announced since 2015. Following such announcements, Nicox started to receive letters of intent for its European commercial operations throughout 2015. Contacts were made during the third quarter of 2015, at a point where the company opted to engage a specialized investment bank, which proceeded to a thorough analysis of potential investors and coordinated an open bid to a limited number of participants.

This process led Nicox to receive several offers by end of 2015, including two which the company considered with the utmost interest. A third, the only one to offer an outright sale of the European commercial activities, was not pursued in light of the low price offered and the high execution risk due to several reorganization steps that would have had to be implemented.

The offer from the Partner was accepted by Nicox in light, among other factors, of (i) its financial characteristics, (ii) Nicox holding a minority stake in the share capital of the new company and (iii) the transfer of the concerned employees. Each of those factors proved essential in Nicox's decision to proceed with such investor since:

- the European commercial activities cost approximately half a million euros per month to Nicox, such that a transaction enabling to stop such cash burn but also to receive an immediate payment of 9 million euros was considered positive by the company;
- the prospect of being associated to the Partner's project, who intends to use the new company as the parent company of a pan-European group, champion in the marketing and sale of ophthalmic products, including by way of external growth;
- the conditions under which the employees of the transferred Nicox entities transfer was also a key element in the company's decision to proceed with the Partner.

Instruction process by the Board of Directors:

The Nicox Board of Directors followed the Transaction closely from the outset, thoroughly analyzed it, together with the assistance of Nicox's financial advisor, and did the same with the other bids received. It was accordingly able to make an enlightened decision on the Transaction and decided to

support it after having acknowledged the lack of potential conflict of interest, in light of the fact that no member of Nicox's management or its Board of Directors has any link with the Partner.

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This release contains certain forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these 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 2015' filed with the Autorité des marchés financiers on April 15, 2016 under number D. 16-0351 and available on Nicox's website (www.nicox.com).