



Nicox to transfer Commercial Operations to new pan-European Ophthalmic Specialty Pharmaceutical Company led by GHO Capital

- Transaction values Nicox's European and International commercial operations and related late-stage development programs at up to €26 million
- Nicox to receive a €9 million upfront cash payment and a minority stake in the new company
- Nicox to focus resources on unencumbered R&D pipeline in ophthalmology

July 5, 2016

Sophia Antipolis, France.

Nicox S.A. (Euronext Paris: FR0013018124, COX), the international ophthalmic company, today announced an agreement with GHO Capital, a European specialist investor in healthcare, to transfer its European and International commercial operations, for a value of up to €26 million, to a newly-founded private company focused on the commercialisation of a portfolio of ophthalmic products in Europe. The new company will combine Nicox's existing European and International commercial infrastructure and portfolio including some products in late-stage development for Europe only with the financial resources and capabilities of GHO Capital. All rights to Nicox's unencumbered R&D pipeline programs, including AC-170, and rights under the latanoprostene bunod agreement with Bausch + Lomb remain entirely with Nicox.

"This transaction brings significant external financial investment to Nicox's commercial operations in Europe, supporting the future growth of the business and allowing Nicox to focus on its global therapeutic R&D pipeline. Importantly, it enables us to remain involved in and benefit from the future value of the European and International commercial business that we have worked hard to develop over the last 3 years, without any further direct financial investment by Nicox in the commercial activities," commented Michele Garufi, Chairman and CEO of Nicox, adding, "We see this agreement as a true collaboration, bringing together GHO Capital's long-standing investment expertise and Nicox's commercial and therapeutic

knowledge in the ophthalmology space. Nicox will remain involved in the new organisation as an equity stakeholder and as a business partner.”

This transaction is the result of Nicox’s previously announced review of strategic opportunities for its European and International commercial operations, and is a key step in refocusing the Company’s resources on its R&D pipeline in ophthalmology including AC-170 for allergic conjunctivitis (FDA PDUFA date 18 October 2016), NCX 4251 for blepharitis, NCX 470 for lowering intraocular pressure in patients with glaucoma and ocular hypertension and the new generation of nitric oxide stand-alone donors in glaucoma. We will also continue to support our partner Bausch + Lomb in progressing the nitric oxide-donating prostaglandin F2-alpha analog latanoprostene bunod, which has an FDA PDUFA date of 21 July 2016.

The commercial organisation covered by this transaction currently markets over 25 products directly in the top five European markets and through its distributors in over 40 other markets. These assets will all be transferred to the new company.

Terms of the Transaction

The transaction values Nicox’s European and International operations, portfolio and late-stage European development programs at up to €26 million. Under the terms of the transaction, Nicox will assign related product and trademark rights to the new company (or, as the case may be, the corresponding agreements with third parties), including rights to its commercial portfolio of ophthalmology products and rights to some development candidates in Europe. In exchange for these assets, and upon closing of the transaction, Nicox will receive €9 million in cash and a combination of ordinary shares and interest-bearing loan notes valued at an aggregate of €12 million. Nicox will also gain the right to receive up to €5 million in additional loan notes on the achievement by the new company of agreed business and commercial milestones.

The new company, which will include Nicox Pharma (France), together with its Spanish and UK operations, Nicox GmbH (Germany), Laboratoires Nicox (France) and Nicox Farma (Italy), is currently being structured by GHO Capital. It plans to acquire and in-license additional assets in the future. As a minority shareholder, Nicox will retain one seat on the Board of the new company.

Under the terms of the transaction, Nicox will be responsible for completing, at its own cost, the development and regulatory approval in Europe of product candidates transferred to the new company. Nicox is eligible to receive reimbursement of some costs upon achievement of regulatory and commercial milestones associated with these product candidates. Nicox will also provide a number of transitional services to the new company.

The transaction is subject to closing conditions, including the absence of material adverse events, and the receipt of third party approvals.

Orrick, Herrington and Sutcliffe provided legal advice, Cazals, Manzo, Pichot provided tax advice and Michel Dyens provided financial advisory services to Nicox.

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, Nicox is building a diversified portfolio of ophthalmic products that can help people enhance their sight.

Nicox's advanced pipeline features latanoprostene bunod for the lowering of intra-ocular pressure (IOP) in patients with open angle glaucoma or ocular hypertension, for which a New Drug Application (NDA) was submitted to the FDA by the Company's licensee Bausch + Lomb, Valeant Pharmaceuticals International, Inc.'s, wholly owned subsidiary. The Company's pipeline also features AC-170, for which the FDA granted priority review for the NDA for the treatment of ocular itching associated with allergic conjunctivitis, as well as two pre-MAA candidates in Europe: AzaSite® for bacterial conjunctivitis and BromSite™ for pain and inflammation after cataract surgery. Beyond these late-stage candidates, Nicox is developing a pipeline of next generation ophthalmology-focused candidates, which utilize its proprietary nitric oxide (NO)-donating research platform. The Group has operations in Europe and the United States.

Nicox is listed on Euronext Paris (Category B: Mid Caps) and is part of the Russell Global, CAC Healthcare, CAC Pharma & Bio and Next 150 indexes. For more information on Nicox, its commercial products or pipeline, please visit: www.nicox.com.

About GHO Capital

Global Healthcare Opportunities, or GHO Capital Partners LLP, was founded in 2014 as a specialist healthcare investment adviser based in London. Its vision is to apply global capabilities and perspectives to build a world-class healthcare specialist private equity firm by recognising and seizing the highly attractive and underpenetrated European market opportunity. GHO Capital has a powerful combination of transaction, investment, and industry skills which sets it apart from traditional private equity firms. For further information please visit www.ghocapital.com.

Analyst coverage

Bryan, Garnier & Co	Hugo Solvet	Paris, France
Invest Securities	Martial Descoutures	Paris, France
Gilbert Dupont	Damien Choplain	Paris, France



Upcoming 2016 events

Financial and business conferences

July 12-13	Cantor Fitzgerald's 2 nd Annual Healthcare conference	New York, US
September 11-13	Rodman & Renshaw Annual Global Investment conference	New York, US
October 5-6	Large et Midcap Event	Paris, France

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This press 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 French Autorité des Marchés Financiers (AMF) on April 15, 2016, which is available on Nicox's website (www.nicox.com).