Nicox acquires Carragelose® anti-viral eye drop program

- Acquires full rights from Marinomed Biotechnologie to Carragelose® anti-viral eye drop for potential application in the management of viral conjunctivitis
- Potential for European launch within 2 years as a medical device
- Acquisition price of up to €5.3 million, including €2.65 million to be funded through newly issued Nicox shares

September 16, 2014.

Sophia Antipolis, France.

Nicox S.A. (NYSE Euronext Paris: COX), the international ophthalmic company, today announced that it has agreed to acquire the Carragelose® anti-viral eye drop program from Marinomed Biotechnologie GmbH of Austria for a total of €2.65 million in newly issued Nicox shares and up to €2.65 million in potential additional cash payments. The acquisition will provide Nicox with an innovative anti-viral ophthalmic product which could be launched in Europe within two years, pending CE marking, and which would complement AdenoPlus®, a diagnostic test for adenoviral conjunctivitis already marketed by the Company.

Gavin Spencer, Executive Vice President Corporate Development of Nicox, commented: “The Carragelose® anti-viral eye drop is an innovative approach to the management of viral conjunctivitis, and will complement our growing expertise in this area with the AdenoPlus® diagnostic test. We believe Carragelose® has the potential to help healthcare professionals manage patients with viral conjunctivitis, an infection where there is currently no approved etiological treatment, and represents an excellent fit for our expanding portfolio of ophthalmic products.”

Dr. Andreas Grassauer, Chief Executive Officer of Marinomed, said: “We have been impressed with the capabilities Nicox has built up in the ophthalmology area in Europe. Through our discussions with them in the course of finalising this transaction, we have been convinced that they are an excellent partner to complete the development and launch the commercialisation of this asset.”
Innovative mechanism of action

Carragelose® (iota-carrageenan) is a sulphated galactose polymer derived from red seaweed with unique anti-viral properties. It inhibits viruses from binding to and entering human cells, reducing viral replication and associated symptoms. Carragelose® is already used in a variety of medical device products for cold and influenza including nasal sprays marketed in more than 17 countries through Marinomed’s commercial partners, including Boehringer Ingelheim.

The anti-viral efficacy of Carragelose® was demonstrated in clinical trials performed with a nasal spray in more than 450 patients with flu syndrome. Carragelose® appeared to significantly reduce the viral load, with shorter duration of the disease and lower frequency of relapses (recurrence of illness after a symptom-free period). In addition, patients showed a very low rate of adverse events.1,2,3

Conjunctivitis is an ocular inflammation which can be caused by a virus, a bacteria or an allergen, with adenovirus accounting for up to 90% of all viral conjunctivitis.4 Carragelose® has demonstrated anti-viral activity in preclinical studies, including with three of the most important adenoviruses causing conjunctivitis5. Nicox plans to conduct clinical studies with the Carragelose® anti-viral eye drop and believes that it could potentially be available in Europe in 2016 as a medical device.

AdenoPlus®, a diagnostic test to identify patients with viral conjunctivitis

Nicox’s growing ophthalmic commercial portfolio includes AdenoPlus®, a point-of-care diagnostic test that aids in the rapid identification of adenovirus to assist in the differential diagnosis of acute conjunctivitis. Nicox in-licensed AdenoPlus® from Rapid Pathogen Screening, Inc. (RPS®) in 2012 and launched it in Europe in the first quarter of 2014.

Nicox believes that the Carragelose® anti-viral eye drop could represent a new option in the management of patients with viral conjunctivitis, including those confirmed by a positive AdenoPlus® result.

About conjunctivitis

Conjunctivitis is an inflammation of the conjunctiva (the thin layer of tissue that covers the white surface of the eye and the inner surface of the eyelids). The number of acute conjunctivitis cases diagnosed each year is estimated to reach 1.3 million in the United Kingdom and 3.3 million in France6. It is a common eye disease especially in children and may affect one or both eyes. Symptoms may include eye redness, excessive watering, itchy burning eyes, discharge, blurred vision and increased sensitivity to light. Viral, bacterial, and allergic conjunctivitis are the most common types and often present similarly. Bacterial conjunctivitis is generally treated with antibiotic eye drops, whereas there is currently no approved treatment targeting the cause of viral conjunctivitis.

Financial terms of the acquisition

Under the terms of the agreement, Nicox will acquire a wholly-owned affiliate of Marinomed which owns the full Carragelose® late-stage anti-viral eye drop program, including all associated global rights (including its intellectual property rights), data, contracts and information. This affiliate is currently 100% owned by Marinomed and Nicox will pay a total of €2.65 million in newly issued Nicox shares to Marinomed for the acquisition of 100% of the shares of the affiliate. The number of shares to be issued will be based on the
average closing prices of Nicox shares during a 60-day period preceding the completion of the acquisition. In addition, Nicox may pay up to €2.65 million in additional cash payments to Marinomed. Such payments would be triggered by appropriate regulatory approval and may be paid as a lump sum or as royalties, at Nicox's discretion. The acquisition remains subject to French regulatory proceedings and approvals and, if such proceedings and approvals are met, is expected to be completed within the coming weeks.

The Nicox shares received by Marinomed will be subject to certain lock-up provisions.

About Marinomed

Marinomed Biotechnologie GmbH, headquartered in Vienna, Austria, is focused on the discovery and development of highly innovative anti-viral and immunological treatments. The Company has developed MAVIREX, a technology platform that targets more than 200 different virus strains based on Carragelose®, a naturally derived, sulphated galactose polymer from red seaweed with unique anti-viral properties. The technology has been successfully commercialized with three anti-viral nasal sprays launched internationally into the OTC market. Marinomed Biotechnologie GmbH was founded in 2006 as a spin-off from the Veterinary University Vienna. For more information, please visit www.marinomed.com.

References

5. Data on file, Marinomed.
6. IMS data.

About Nicox

Nicox (Bloomberg: COX:FP, Reuters: NCOX.PA) is an emerging international company focused on the ophthalmic market. With a heritage of innovative R&D, business development and commercial expertise, the Nicox team is building a diversified portfolio of therapies and diagnostic tools that can help people to enhance their sight. The Company’s commercial portfolio and near-term pipeline already include several innovative diagnostic tests intended for eye care professionals, as well as a range of eye care products. Nicox's key proprietary asset in ophthalmology is latanoprostene bunod, a novel compound based on Nicox’s proprietary nitric oxide (NO)-donating R&D platform, currently in Phase 3 clinical development in collaboration with Bausch + Lomb for the potential treatment of glaucoma and ocular hypertension. Further NO-donors are under development, notably through partners.

Nicox is headquartered in France, with research capabilities in Italy, a growing commercial infrastructure in North America and in the major European markets and an expanding international presence through partners. Nicox S.A. is listed on Euronext Paris (Compartment B: Mid Caps). For more information on Nicox or its products please visit www.nicox.com.
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 2, 2014 and available on Nicox’s website (www.nicox.com) and on the AMF’s website (www.amf-france.org).

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