



PAION Earnings Call – Financial Results H1 2023

Tilmann Bur, CEO | Sebastian Werner, CFO

29 September 2023



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Agenda

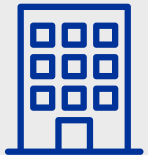
01 Corporate Overview

02 Products

03 Financials

PAION AG at a glance

PAION AG is a specialty pharmaceutical company headquartered in Aachen, Germany, founded in 2000 with currently over 60 employees focusing on anesthesia and critical care products



3 innovative products:
Lead drug **Byfavo®** (sedative/anesthetic)
GIAPREZA® (septic shock)
XERAVA® (antibiotic)



Approval for lead drug **Byfavo®** in all major pharmaceutical markets, **Market launch in Europe, Japan, South Korea, Taiwan and the USA**, plus licensing in Latin America and Southeast Asia.

Distribution agreements for all drugs in West-, South- and East Europe



Listed on the Frankfurt Stock Exchange (since 2005)
Prime Standard
Ticker symbol: PA8
Freefloat: above 90 %



Management Board: Proven track record in the pharma industry



Tilmann Bur, CEO

Commercial Executive with international management experience with a focus on sales and marketing.

Key Expertise: Extensive experience in professional relationship management with decision makers in clinics as well as in setting up and managing national and international sales organizations and dealer networks. He knows the purchasing structures in the European hospital market and is well-versed in KOL management and clinical marketing.

Since 09/2023	Chief Executive Officer at PAION
2019–2023	CEO at CO.DON
2011–2019	Member of the Management Board at R-Biopharm
2009–2011	Director Global Sales & Marketing at Biosafe
1999–2009	Managing Director, Director Marketing Europe at Haemonetics
1990–1999	Divisional Head, Anaesthesia and ICU at Darmstadt Hospital



Sebastian Werner, CFO

Finance Executive with proven track record in the pharma industry

Key Expertise: Extensive experience in finance. Senior positions in the pharmaceutical and life science industry for over 20 years. He started this international career at Hoffmann La Roche where, among other things, he worked for 6 years as Chief Financial Officer for the Corporate Operations Division. Most recently he worked for Zimmer Biomet Deutschland GmbH, where he was Chief Financial Officer and Managing Director for Central Europe for 9 years.

Since 06/2022	Chief Financial Officer at PAION
2013–2022	Managing Director & CFO for Central Europe Zimmer Biomet
1996–2013	CFO Corporate Operational Divisional Group at Hoffmann La Roche



PAION's Mission Statement



Our mission is to be a leading specialty pharmaceutical company in the fields of anaesthesia & critical care by bringing our innovative products Byfavo[®], GIAPREZA[®] & XERAVA[®] to market – to benefit patients, doctors & other stakeholders in healthcare.

PAION's strategy



PAION's commercial pathway

Gross margin potential, total peak sales potential at €200m

Market access (pricing approval) and technical sales readiness achieved in main markets

Long-term patent validity of 10+ years, just at the beginning

Attractive sales target group addressed by specialty portfolio in anesthesia and intensive care

High potential for product portfolio; green field chance for the product portfolio with huge potential due to low market penetration

Strong partner network:

- Viatris
- Medis
- Cristália
- Eagle Pharma
- Hana Pharm etc.
- Mundipharma
- TTY



Solid foundation for the rapid execution of strategy

Important achievements in 2023

Submission of NDA for Byfavo® by CRISTÁLIA in Brasil

Extraordinary General Meeting resolves on capital reduction as requisite for further equity financing

TTY Biopharm (Taiwan) **has filed** Byfavo® in general anesthesia in March 2023 and is expecting approval by the end of 2023

Approval of Byfavo® in general anesthesia in the EU/UK

The CMS (Centers for Medicare & Medicaid Services) has established a „J-code“ for Byfavo® in the U.S. that will be effective on July 1, 2023 – In Aug. Eagle reported that Byfavo® sales doubled during the last quarter

Hana Pharm has received market approval in general anesthesia in the Philippines

Pricing and reimbursement agreement achieved with The “German Spitzenverband der GKV” for XERAVA®

Launch of Byfavo® in the Netherlands in GA as the first European country








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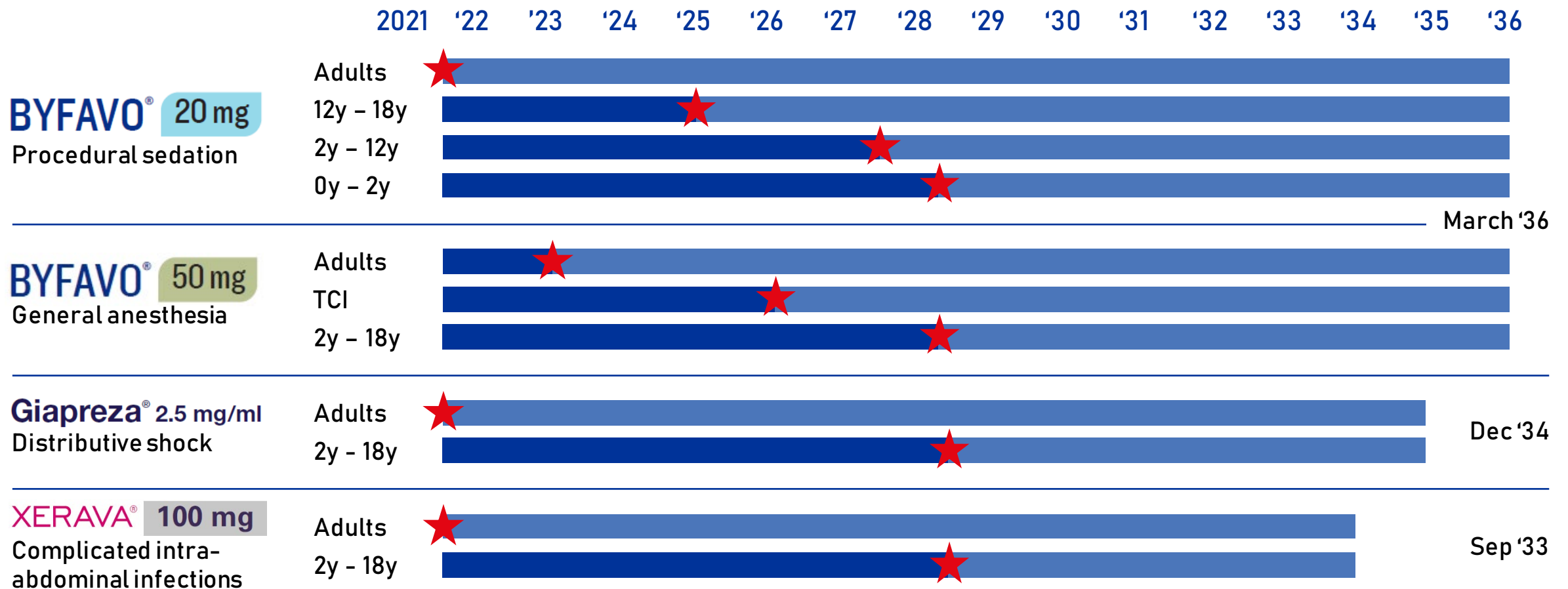
03 Financials

Three innovative products for acute care in hospitals worldwide

	PAION's IP rights	Clinical status	EU <small>(peak sales potential p.a.)</small>	RoW <small>(peak revenue potential p.a.)</small>
Byfavo [®]	 World wide (without China)	Market approvals in the US, EU, Japan, China, Taiwan, the Philippines and South Korea	€ 40 to 50 million (procedural sedation) € 50 to 60 million (general anesthesia)	€ 35 million (potential partner royalties)
GIAPREZA [®]	 Europe	Market approval in Europe	€ 50 million	Licensed from La Jolla (Innoviva)
XERAVA [®]	 Europe	Market approval in Europe	€ 25 to 35 million	Licensed from La Jolla (Innoviva)

Peak sales potential takes into account revenue from own sales and revenue shares from sales by Medis, Viatrix and TTY Biopharm, and, with respect to RoW, royalty and milestone payments from our collaboration partners

Lifecycle Management: Patent term until 2036 – long term opportunity for all three products



★ Year of first launch in Europe; ■ development phase; ■ commercial phase; arrow ends at expiry of latest granted patent;
 EMA market protection ends as follows: Xerava 2028, Giapreza 2029, Byfavo 2031 | TCI – computer in pump controls rate of infusion

PAION's commercialization strategy

	PAION's IP rights	Commercialization	Outlicensing
		Sales	Royalties
Byfavo®	 World wide (without China)	<ul style="list-style-type: none"> ▪ DACH, NL, UK, SK (PAION) ▪ Eastern Europe (Medis) ▪ Western/Southern Europe (Viatris) ▪ Taiwan (TTY BIOPHARM) 	<ul style="list-style-type: none"> ▪ Japan (Mundipharma) ▪ Latin America (Cristália) ▪ North America (Eagle Pharma) ▪ South Korea / Southeast Asia (Hana Pharm)
GIAPREZA®	 Europe	<ul style="list-style-type: none"> ▪ DACH, NL, UK, SK (PAION) ▪ Eastern Europe (Medis) ▪ Western/Southern Europe (Viatris) 	
XERAVA®	 Europe	<ul style="list-style-type: none"> ▪ DACH, NL, UK, SK (PAION) ▪ Eastern Europe (Medis) ▪ Western/Southern Europe (Viatris) 	

PAION's partners – excellent partner network worldwide

U.S. – Eagle Pharma

- BYFAVO™ launched in procedural sedation 2021
- Royalties 20-25%



Japan – Mundipharma

- Mundipharma launched Anerem® in general anesthesia in 2020
- Current royalties: 5%



South Korea + Southeast Asia – Hana Pharm

- Lead indication: general anesthesia
- Market launch in 2021 in SK
- Expansion of the license area to include Southeast Asia in 2020
- License fee: Low double digits



Latin America (Cristália)

- Exclusive license agreement signed with Cristália in 2022
- Market approval expected in 2024
- Royalties 20%



Taiwan – TTYBIOPHARM

- Agreement signed in 2021
- Approval received 2022 and launched in 2023
- Supply of medicinal products at a percentage of the net selling price



West-/South Europe Viatris

- Exclusive cooperation agreement with Viatris signed in 2022
- Viatris is responsible for the launch, marketing and commercial distribution of PAION's products in a total of 7 European markets, particularly in Southern Europe



Eastern Europe – Medis

- Exclusive cooperation agreement signed with Medis in 2022
- Supply, distribution, marketing and sales of remimazolam, angiotensin II and eravacycline
- Medis pays PAION a transfer price for the finished products



Approval granted by European Medical Agency (EMA)



byfavo®
remimazolam besylate

 **XERAVA™**
(eravacycline) for injection

 **GIAPREZA™**
(angiotensin II)
injection for intravenous infusion

Regulatory hurdle passed

Market Access achieved in the Netherlands



byfavo®
remimazolam besylate

 **XERAVA™**
(eravacycline) for injection

 **GIAPREZA™**
(angiotensin II)
injection for intravenous infusion

In some countries, market access is easier than in others –

PAION is currently focusing on the easier countries and has recently launched Byfavo in the Netherlands and UK in general anesthesia

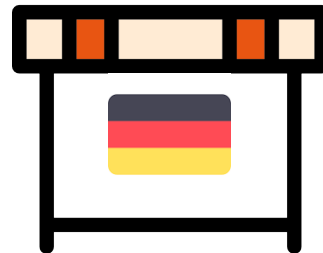
Market Access Germany



Additional benefit confirmed & Price negotiations completed



Price negotiations completed



User-Assessment of Pharmaceuticals in Germany a Challenge

- Since 2011, the Federal Joint Committee (G-BA) has had the task of conducting an (additional) benefit assessment for all newly approved drugs immediately after market entry
 - It is examined whether the new drug has advantages over the previous standard therapy because, for example, it is associated with significantly fewer side effects
 - The result of the additional benefit assessment is the basis for deciding how much the statutory health insurance (SHI) will pay for a new drug
-
- The current Byfavo® study results against propofol may not be accepted for reimbursement
 - Market launch of Byfavo® in Germany will be postponed for the time being until additional study data may be available to demonstrate the additional benefit



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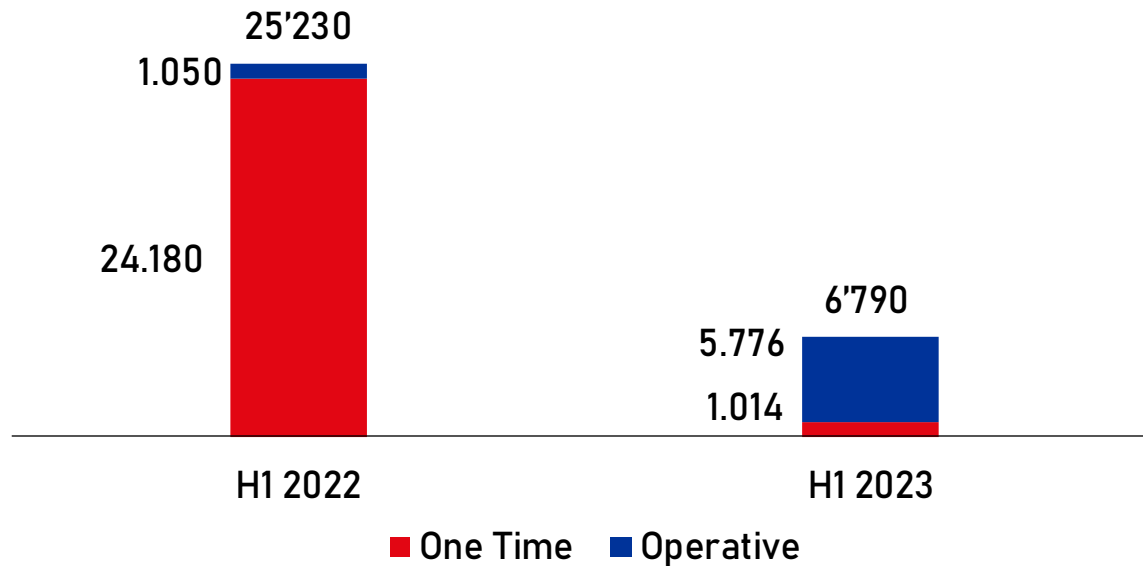
02 Products

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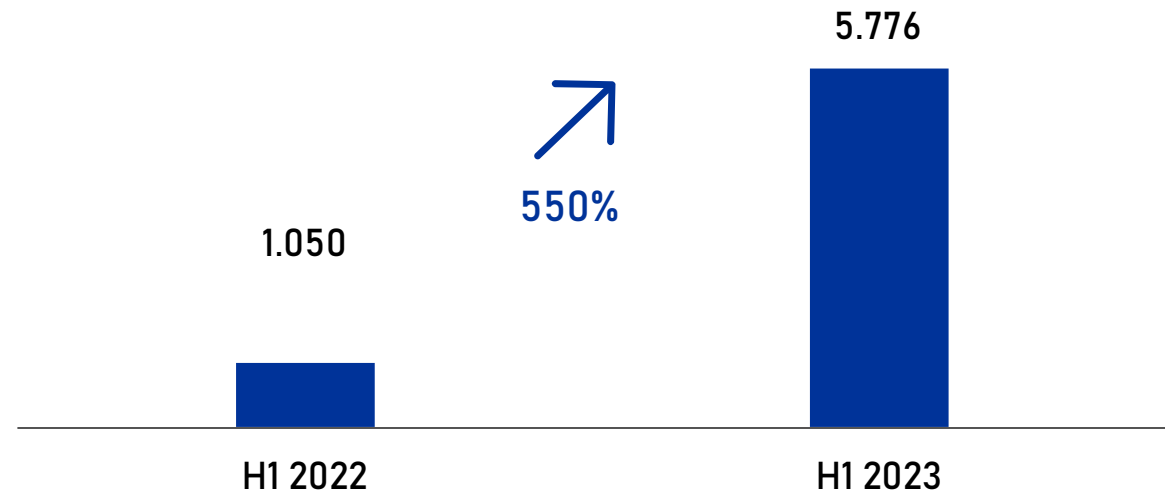
Consolidated statement of comprehensive income H1 2023

In accordance with IFRS (unaudited figures in EUR k)

Total Revenues (incl. one time effects)



Revenues (Operative)



H1 2022 revenues were driven by patent sale to Humanwell (€ 20.5m)

Operative revenues start to grow

Consolidated statement of comprehensive income H1 2023

In accordance with IFRS (unaudited figures in EUR k)

SG&A Expenses

H1 2022



-10.294

H1 2023



-9.350

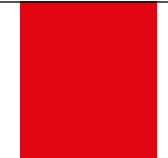
EBIT

H1 2022

11.112



H1 2023



-7.957

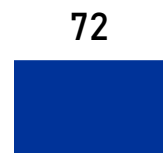
SG&A expenses decreased due to rigorous cost management

H1 2022 EBITDA driven by patent sale to Humanwell (€ 20.5m)

Cash and employees H1 2023

In accordance with IFRS (unaudited figures in EUR k, if not otherwise noted)

Employees (reporting date) in the Group



FY 2022



H1 2023

Cash and cash equivalents

10.629



31 Dec. 2022

5.982



Total Cash Flow

4.647



30 Jun. 2023

Financial Outlook 2023

Revenues

€ 13m ↔ € 19m



EBITDA

€ -15m ↔ € -13m



Financing concept up to break-even (based on current planning)

Source

Cash of €4.6 million (as of June 30, 2023)

- "Going Concern" until Q3 2024

Additional funds required in 2023

- Expected payments from revenues, potential financings and/or outlicensings
- Rigorous cost control

The planned financing measures mainly comprise:

- Partnering (40 - 50%)
- Equity capital measures (35 - 40%)
- Debt financing (15 - 20%) ✓

New bank engagement since June 2023: Revolving credit facility in the amount of € 5m

Intended use

Mid-term financing need of approx. € 30m until break even

- Funds to be used for further commercialization & obligatory study execution

PAION is executing its strategy



PAION is a **commercial stage specialty pharma company** with a distribution platform serving their worldwide network



3 strong innovative and complementary products exhibiting market need & use all over the world



Funding
progressing



Streamline supply chain,
commercialization
capabilities & launches



High profit margin business
in the near to mid-term

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