

PAION

GIAPREZA™ & XERAIVA™ Licensing Agreement



Dr. Jim Phillips, CEO | Abdelghani Omari, CFO

January 2021



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PAION Mission Statement

“PAION’s mission is to be a leading specialty pharmaceutical company in the fields of anesthesia & critical care by bringing novel products to market to benefit patients, doctors & stakeholders in healthcare.”

Corporate overview



PAION AG is an emerging **specialty pharma company** with a focus on anesthesia and critical care products



PAION has commercial partners for Byfavo® in the U.S., China, South Korea, Southeast Asia, Canada, Russia + CIS, Turkey, Japan and the MENA region



Byfavo (Remimazolam), PAION's lead drug candidate, has multiple approvals in U.S. & Asia

Giapreza™ & Xerava™ are highly complementary commercial fits to Byfavo®



cEUR 22 million cash and cash equivalents (12 January 2021)



Supervisory Board

Dr. Jörg Spiekerkötter (Chairman)

Background: Former CFO, Schering AG, Organon

Dr. Karin Dorrepaal

Background: Former Schering AG Board Member

Dr. Dr. Irina Antonijevic

Background: Senior VP Development Triplet Therapeutics

Dr. Chris Tanner

Background: Non-Executive Director Cosmo Pharmaceuticals

Dr. Markus Leyck Dieken

Background: Managing Director Gematik

What the La Jolla Deal does for PAION AG

- Gives Paion a portfolio to become a leader commercialising Critical Care & Anaesthesia products in the EU
 - Gives Paion & its shareholders a clear focus & strategy for success
- De-risks the portfolio across 3 excellent products – we are no longer a 1 product company
- Completes the ability to transform into a commercial business with fast revenue growth
 - Country commercial build ups have started
- Enables Revenues & EBITDA to potentially reach more than €150m & >€75m in 2025 and then rising to over €200m & €100m in 2026 (50% of these revenues from GIAPREZA™ & XERAVA™)
- Potential Peak Revenues with the portfolio of >€300m;
 - Remimazolam Revenues c€150m;
 - GIAPREZA™ & XERAVA™ c€120m ;
 - Remi Royalties ex-EU c€60m

La Jolla – EU In Licence 2 EMA approved products

- GIAPREZA™ for Septic Shock – Estimates Peak EU Sales potential c€75m-90+m pa



- XERAVA™ for complicated Intra Abdo Infections – Estimated Peak EU Sales potential c€25-35+m pa



Multiple synergies exist with our current product

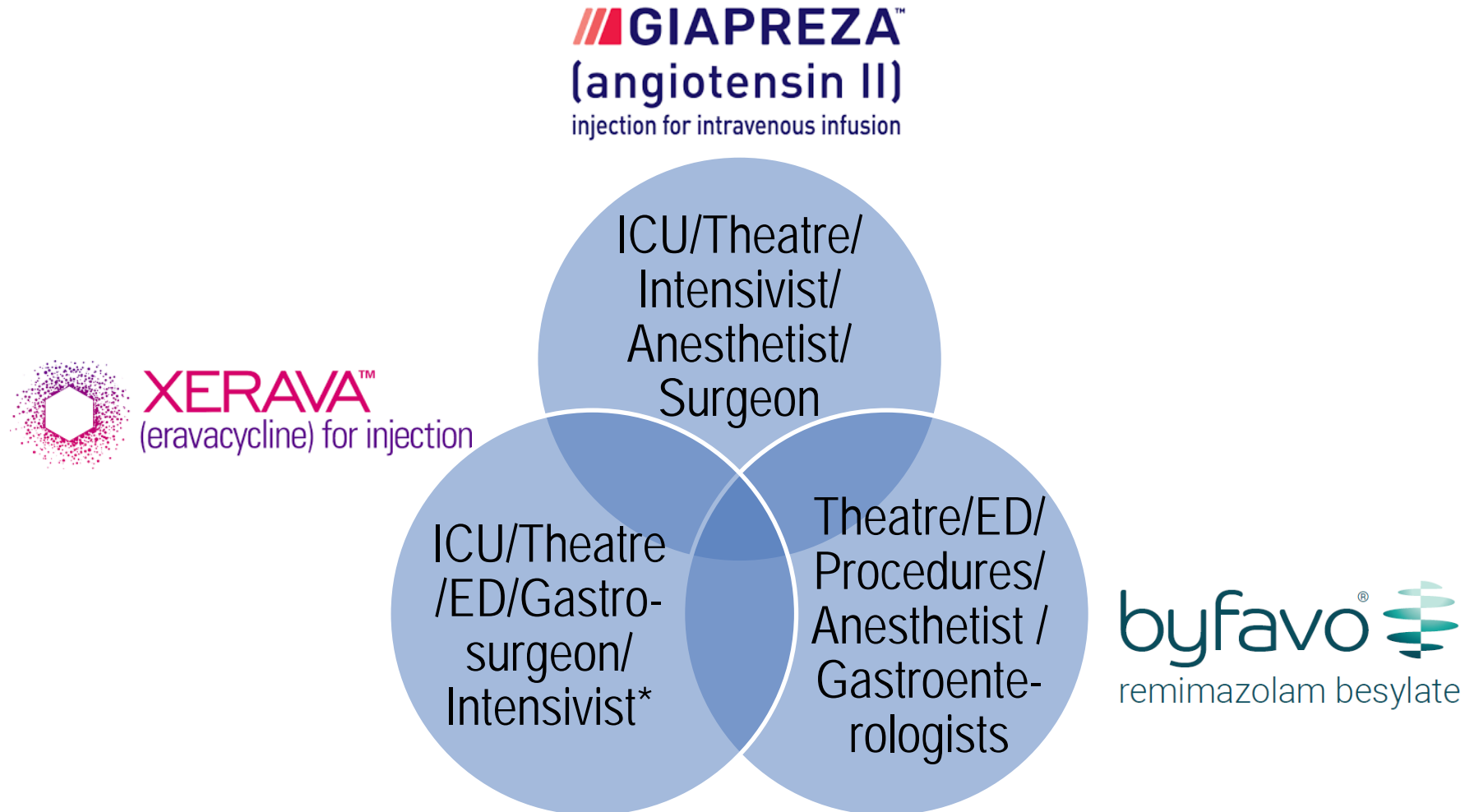
byfavo® 
remimazolam besylate

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

 **XERAVA™**
(eravacycline) for injection



Strong overlap in accounts and target groups



* Other specialties key for formulary listing, eg Infectious disease, Hospital antimicrobial stewardship

Why GIAPREZA™ & XERAVA™ are a great fit

- Highly complementary commercial fit to Byfavo®
 - All products are targeted towards the same key physicians
 - All have a very similar value proposition
- GIAPREZA™ & XERAVA™ enable PAION to further leverage the commercial infrastructure being planned and built out as the key physician targets are very aligned
- Will use the same distribution channels and networks
- PAION expects to operate with substantially the same sales and marketing infrastructure as already planned

Deal Structure

- PAION has licensed the rights to commercialize GIAPREZA™ & XERAIVA™ in Europe from La Jolla Pharmaceutical
- PAION to make USD 22.5 million upfront license fee payment to La Jolla Pharmaceutical
- La Jolla Pharmaceutical entitled to receive up to USD 109,5 million in milestone payments and double-digit tiered royalties

Deal Structure GIAPREZA™

GIAPREZA™ :

- \$ 5 million if annual net sales > €20 million
- \$ 5 million if annual net sales > €50 million
- \$ 15 million if annual net sales > €100 million
- \$ 60 million if annual net sales > €250 million

- Royalties on net sales in Europe ranging from 18% to 24% for GIAPREZA™
 - 18% until end of 2021
 - 20% until end of 2023
 - 24% starting 2024

Deal Structure XERAVA™

XERAVA™ :

- \$ 2 million if annual net sales > €15 million
- \$ 2 million on EMA approval of a second indication of use for XERAVA™
- \$ 5 million if annual net sales are €50 million
- \$ 15 million if annual net sales are €100 million

- Royalties on net sales in Europe in the amount of 15%

GIAPREZA™ approved for Septic Shock in EU & U.S.

- GIAPREZA™ is approved by the European Commission as a vasoconstrictor indicated for the treatment of refractory hypotension in adults with septic or other distributive shock who remain hypotensive despite adequate volume restitution and application of catecholamines and other available vasopressor therapies
- ICU Use
- Currently 3rd line therapy (life saving)
- P&R / HTA looks very supportive of pricing

About XERAVA™

- XERAVA™ (eravacycline) is approved by the European Commission for the treatment of complicated intra-abdominal infections in adults
- Novel broad-spectrum tetracycline
- Potential to become a first line therapy prior to bacterial identification
- Will be competitively priced compared to other novel Antibiotics
- Lower peak sales than GIAPREZA™ but still gives significant upside

EU Launch Planning and Market Access activities

Potential Launch Timetable Europe

Q1 2021	April 2021	May-July 2021	June 2021	July 2021	July - December 2021
Byfavo [®] CHMP opinion	Byfavo [®] MAA from EMA	Byfavo [®] Final Packaging / Labelling	Formulary / MSL Work begins	KAM Training	Formal Launches of Byfavo [®] , GIAPREZA [™] and XERAVA [™]

Key targets and news flow for PAION in 2021



Cash position and financing

- Cash of close to EUR 22m (as of 12 January 2021)
- EIB loan of up to EUR 20 million
 - Available until June 2021
 - EUR 12.5 million is available and will be drawn now
 - EUR 7.5 million expected to be available shortly
- Additional funds are required
 - PAION will require additional funds to commercialize its product portfolio in selected European markets.
 - The total funds required will depend on the structure of the commercial/distribution setup
 - Milestone and royalty payments expected in the next years could partially cover the financing requirement
 - Furthermore PAION is & will take appropriate financing measures to cover any funds required in the next years, whilst seeking to protect the growth in shareholder value



Q&A

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