



Full Year 2023 Financial & Corporate Update

October 3, 2024



Agenda

- 01** Financial Update – FY 2023 results
- 02** Commercial Update – TWYMEEG[®] (Imeglimin) Sales in Japan
- 03** Agreement with OrbiMed to Monetize a portion of TWYMEEG[®] Royalties
- 04** Amendments to loan agreements with IPF Partners and the PGE banks
- 05** Poxel's Development Strategy
- 06** Conclusion & Q&A

Disclaimer

Some of the statements contained in this presentation constitute forward-looking statements. Statements that are not historical facts are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “continue” or similar terminology. These statements are based on the Company’s current strategy, plans, objectives, assumptions, estimates and projections. Investors should therefore not place undue reliance on those statements. The Company makes no representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Forward-looking statements speak only as of the date that they are made and the Company does not undertake to update any forward-looking statements in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. The Company cautions that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.

Financial Update – FY 2023 results



2023 Revenue*

Mainly reflecting royalty revenue from Sumitomo Pharma

EUR (in thousands)	FY 2022 12 months	FY 2023 12 months
Sumitomo Agreement	673	1,981
Other	1	
Total revenues	674	1,981

- Revenue for 2023 reflects JPY 313 million (EUR 2 million) of **royalty revenue** from Sumitomo Pharma, which represents **8% of TWYMEEG net sales in Japan**

Statement of Comprehensive Income as of Dec. 31, 2023*

EUR (in thousands)	December 31, 2022	December 31, 2023
Revenue	674	1,981
Cost of sales	(672)	(1,980)
Gross margin	2	1
Research and development expenses	(13,940)	(4,381)
Depreciation and amortization of intangible assets	-	(16,572)
Tax credit & subsidies	1,491	558
General and administrative	(9,443)	(8,370)
Operating profit	(21,890)	(28,764)
Financial income/(expenses)	(9,738)	(5,900)
Foreign exchange gains/(losses)	229	(425)
Profit before tax	(31,396)	(35,088)
Income tax	(2)	(2)
Net income	(31,398)	(35,090)

Represents royalties paid to Merck on sales of Imeglimin in Japan (fixed 8%, independent of the level of sales)

Decrease primarily reflects the end, in 2022, of the Phase 2 DESTINY study evaluating PXL065 in NASH

Includes exclusively the impairment of PXL065. This impairment aims to best reflect the current value of PXL065

Includes interests and fees on attached to the Company indebtedness

Statements of Financial Position as of December 31, 2023*

Assets

EUR (in thousands)	December 31, 2022	December 31, 2023
Intangible assets	16,606	10
Property, plant and equipment	1,323	121
Other non-current financial assets	211	172
Deferred tax assets	-	-
Total non-current assets	18,140	303
Trade receivables and related accounts	394	385
Other receivables	3,122	1,794
Current tax receivables	-	-
Cash and cash equivalents	13,058	2,341
Total current assets	16,574	4,823
Total assets	34,714	4,823

The decrease mostly reflects the depreciation of the PXL065 (DeuteRx portfolio acquisition in 2018)

The decrease mostly reflects the depreciation to anticipate the end of the leases and the write-off of fittings and equipment as part of the costs saving plan

Change in cash (-€10.7m) mainly reflects operating cash burn partially offset by the IRIS financing

Statements of Financial Position as of December 31, 2023*

Shareholders' Equity and Liabilities

EUR (in thousands)	December 31, 2022	December 31, 2023
Total shareholders' equity	(18,241)	(49,078)
Employee benefits	252	9
Non-current financial liabilities	25,218	40,588
Provisions	67	17
Non-current liabilities	25,537	40,614
Current financial liabilities	19,042	6,889
Derivative liabilities	1,533	1,287
Provisions	-	83
Trade payables and related accounts	4,406	3,304
Other current liabilities	2,438	1,725
Current liabilities	27,419	13,287
Total liabilities	34,714	4,823

Mostly reflects FY2023 net loss

Reflects debt IPF (€34m), PGE (€5.8m) & IRIS (€6.8m)

Statements of Cash Flow as of Dec. 31, 2023*

EUR (in thousands)	December 31, 2022	December 31, 2023
Cash flows from operating activities before change in WC	(18,477)	(12,692)
(-) Changes in working capital requirement	(3,335)	(1,286)
Cash flows from operating activities	(21,813)	(13,978)
Acquisitions of intangible assets	23	-
Other acquisitions	-23	41
Cash flows from investing activities	0	41
Share capital increase	-	-
Other financing operations	2,585	3,230
Cash flows from financing activities	2,585	3,230
Increase (decrease) in cash and cash equivalents	(19,229)	(10,717)

Reflects operating loss net of non-cash accounting adjustments

Reflects IRIS financing (€6.3m) partially offset by interests related to the IPF debt

As of December 31, 2023, total cash and cash equivalents were EUR 2.3m (USD 2.6m)

Cash runway extended until the end of 2025 with the Royalty Monetization transaction with OrbiMed

Commercial Update

TWYMEEG® (Imeglimin) Sales in Japan



TWYMEEG® (Imeglimin): Strong Growth Trajectory

Partnered in Japan, with Diabetes Market Leader, Sumitomo Pharma



Collaboration Summary



Royalties

Escalating royalties on net sales


to receive
8-18%

8% paid to Merck⁴

Sales-based payments

JPY 5bn-10bn

Commercial Strategy Update

1. Current promotion focused on combination therapy: add-on to DPPIV inhibitors, the market leader class in JP,
2. Combination with other oral antidiabetics incl. SGLT2 inhibitors,
3. Leverage results obtained in August 2024 from TWINKLE clinical study (**TWYMEEG®** in diabetic patients with renal impairment: A post-marketing long-term study):
 - Confirmed TWYMEEG®'s safety and tolerability profile
 - Sumitomo Pharma to conduct discussions with the regulatory authorities in Japan during its FY 2024¹, on revising TWYMEEG® package insert for patients with renal impairment with eGFR² less than 45 ml/min/1.73m²

• TWYMEEG Revenue Trends

- Based on Sumitomo JPY 11.3 bn forecast for FY2024¹, Poxel expects TWYMEEG® net sales in Japan to reach at least JPY 5bn (EUR 30.6M)³ and could also reach JPY 10bn (EUR 61.2M)³, entitling Poxel to receive for FY2024¹ respectively
 - **either 10% or 12% royalties** on net sales and,
 - **JPY 500M + potential JPY 1bn** sales-based payment (EUR 3.1M + 6.1M)³
- **Ongoing increase of supply capacity to support TWYMEEG® growth**
- **Patent estate extends to 2036 (incl. potential 5-year patent term extension)**

Agreement with OrbiMed to Monetize a portion of TWYMEEG® Royalties



Summary of the Royalty Monetization with OrbiMed and Debt Restructuring with IPF Partners and PGE banks

Royalty Monetization with OrbiMed

- One time cash payment of **USD 50 million** (bonds issuance) from OrbiMed
- In return, **OrbiMed to obtain the royalties** received by Poxel¹ from sales of TWYMEEG® by Sumitomo Pharma in Japan for a total of **USD 100 million**
- Poxel to regain rights to royalty payments once OrbiMed receives an aggregate payment of USD 100 million

Use of proceeds

- **Reduce Poxel's debt** towards IPF Partners and the PGE banks
- Support Poxel's **strategic plan in rare diseases**, while pursuing partnership discussions for its products

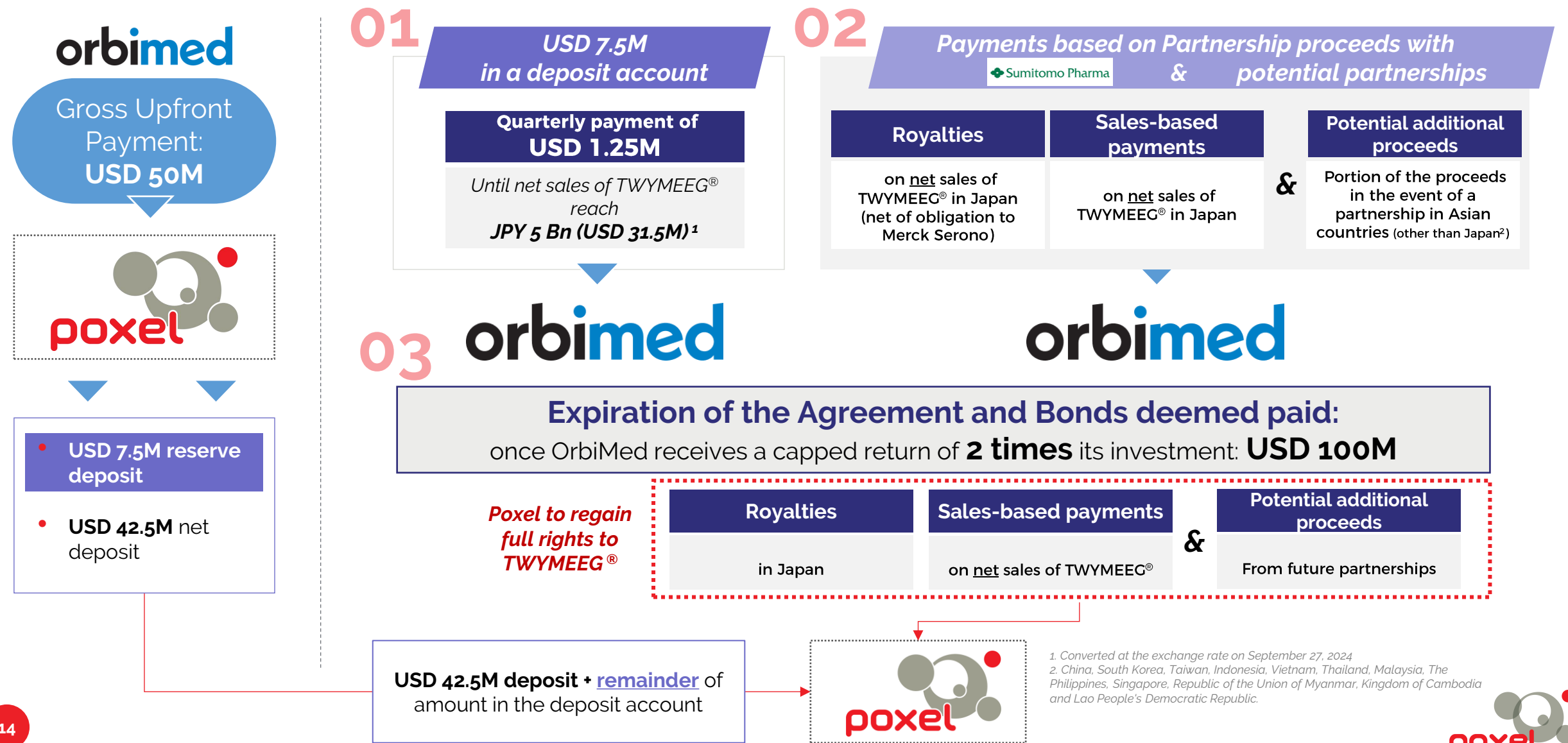
IPF and PGE debt restructuring

- **Poxel's debt towards IPF Partners reduced** by EUR 23.7M and **towards PGE Loan reduced** by EUR 2.8M
- Remaining debt obligation to IPF Partners and PGE loan amount to EUR 12.3M and EUR 3M respectively

Transfer of Poxel assets to trusts as security for OrbiMed and IPF Partners

- **Three security trusts established** into which several assets are transferred
 - ✓ Trust 1 : transfer of assets related to **Imeglimin in Japan**
 - ✓ Trust 2: transfer of assets related to **Imeglimin in the rest of the world**
 - ✓ Trust 3: transfer of **other IP rights** (including PXL770 and PXL065 assets)

Main terms of the Royalty monetization agreement with OrbiMed based on TWYMEEG® sales



Amendments to loan agreements

- *Bond loan agreement contracted with IPF Partners*
- *PGE loan agreement with banks*



Amendment to loan agreements (1/2)

01 Bond loan contracted with IPF Partners

Economics

- Proceeds from USD 50M: EUR 23.7M paid
- Poxel still owes:
 - **Remaining debt: EUR 12.3M** on Tranche C
 - No cash interest, 27% PIK interest, reduced to 25% in case of Imeglimin partnership
 - Exit fees: EUR 4.1M

Additional Tranche D to guarantee Company's long-term viability

Repayment Terms

Main Terms

Deposit	Royalties
100% of the residual amount from the USD 7.5M deposit as part of the transaction with OrbiMed	75% of TWYMEEG® royalties in Japan , following the OrbiMed funds receipt of its full return

Additional sources

Cash flow	Facility
75% of cash flows received by the Company, in the event of a partnership for the development and commercialization of Imeglimin in RoW	50% of any drawdowns under the structured finance facility with IRIS

Drawdown of an additional Tranche D of the IPF bond loan with warrants for a maximum amount: **EUR 6.2M**, available only if the Company's cash position would fall below EUR 1M

Full rights regained once all IPF bonds and associated exit fees fully repaid

Amendment to loan agreements (2/2)

02 PGE loan agreement with the banks

Economics

- Proceeds from USD 50M:
EUR 2.8M paid
- Poxel still owe:
 - **Remaining debt: EUR 3M**

Amendment of the repayment schedule

Remaining balance due with:

- Quarterly repayment schedule
- Linear maturities (end 2026)

Interest rate

Similar interest rate as current situation

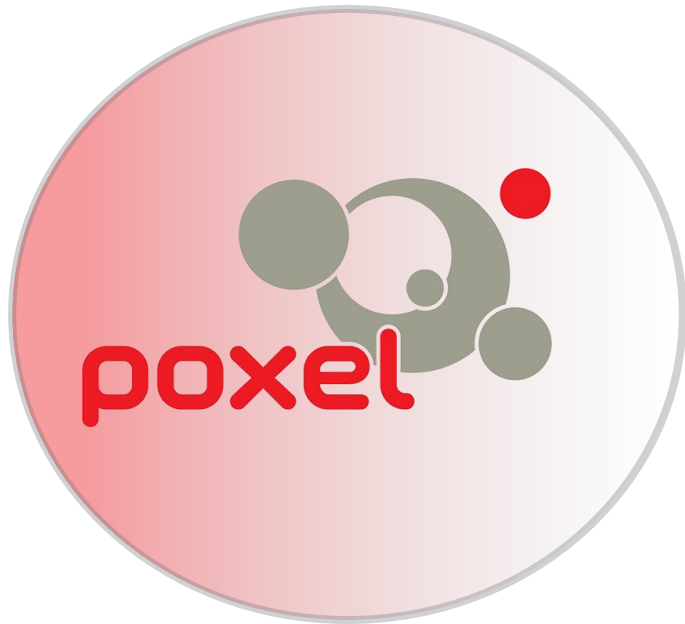
Poxel's Development Strategy

- *Strategy in rare diseases*
- *Ongoing partnership discussions on Imeglimin*



Poxel's Development Strategy

Proven capabilities to **lead drug development & build strong partnerships** to enable future growth



Continued focus on **rare diseases with PXL770 and PXL065**; finalize ongoing discussions (partners, investors etc.) to **execute on development plans**

Return of Imeglimin rights for countries covered by the agreement with Sumitomo Pharma **other than Japan¹**

Ongoing partnering discussions for Imeglimin in various regions including China (world's second largest T2D market) to **develop and market** Imeglimin

Focus on Rare Metabolic Diseases with PXL770 and PXL065

	Indication	MOA	Preclinical	PH 1	PH 2	PH 3	Approved/ Marketed	Recent & Upcoming Milestones
PXL770								
PXL770	ADPKD ¹	AMPK ³ Activator						- Orphan Drug Designations (2022) - Clinical PoC trial under preparation, pending additional financing
PXL770	ALD ²	AMPK Activator						- Fast Track & Orphan Drug Designations (2022) - Clinical PoC trial, pending additional financing
PXL065								
D-TZD (PXL065)	ALD ²	Non-Genomic TZD ⁴						- Fast Track & Orphan Drug Designations (2022) - Optional Phase 2, pending additional financing
D-TZD (PXL065)	Other Rare Disease(s)	Non-Genomic TZD						Ongoing pre-clinical study

- Poxel remains committed to its vision of developing therapies for treating serious chronic and rare diseases with underlying metabolic pathophysiology
- Following completion of the royalty monetization, Poxel continues the discussion with potential partners, while in parallel developing the clinical and regulatory strategy for both PXL770 and PXL065 across rare disease indications
- PXL770 to be developed in ADPKD and ALD, while PXL065 to be developed in ALD and other rare diseases to be disclosed later

1. Autosomal dominant polycystic kidney disease.
2. Adrenoleukodystrophy.

3. AMP-kinase.
4. Deuterium-modified thiazolidinedione.

For Imeglimin, Sumitomo Pharma has returned rights to all territories ex-Japan under the agreement (1/2)

Poxel to continue regional partnering discussions

Return of Imeglimin Rights under Sumitomo License Agreement

- Ongoing focus by Sumitomo to commercialize and market TWYMEEG® in Japan
- As part of the return of rights, ability for Poxel to leverage clinical and non-clinical data generated by Sumitomo for developing Imeglimin in other territories
- Positive topline results from Phase 4 clinical study in Japanese type 2 diabetic patients with renal impairment for TWYMEEG®
- Sumitomo to conduct discussions with regulatory authorities in Japan, on revising the package insert in fiscal 2024 for patients with moderate, severe and end stage renal impairment (eGFR less than 45 mL/min/1.73m²)

For Imeglimin, Sumitomo Pharma has returned rights to all territories ex-Japan under the agreement (2/2)

Poxel to continue regional partnering discussions

Continued ongoing partnering discussions to drive Imeglimin development ex-Japan

- Ongoing advanced partnering discussions in various regions of the world ex-Japan to develop and commercialize Imeglimin
- Focus on regions
 - ✓ where ability to bridge Japanese PMDA approval to reduce development and regulatory timelines available
 - ✓ with large T2D patient population, including in China, India and MENA

Sizeable pool of diabetic patient with Chronic Kidney Disease (CKD)

- China
 - Prevalence of CKD: 27% of diabetic patients (32 Mn diabetic patients in China have CKD)¹
 - Leading cause of end-stage renal failure (CKD stage 5) is diabetes.
- South Korea
 - Prevalence of CKD: 12,5% of diabetic patients (0,6 Mn diabetic)²
 - Approximately 40% of the ESRD patients in South Korea were initially diagnosed and treated with diabetes

Conclusion

Strategy & Outlook



Strategic & Outlook

PARTNERSHIPS

- Continue **successful partnership with Sumitomo in Japan**
- Continue **regional partnering discussions, incl. in China**, the world's second-largest type 2 diabetes market
 - ongoing advanced partnering discussions

RARE DISEASES

- **Focus on rare diseases opportunity** for PXL770 & PXL065
- Finalize discussions with several potential partners for each of Poxel's products, before **executing development plans for PXL770 and PXL065 in rare diseases**

FINANCIAL VISIBILITY

- **Cash runway extension until end of 2025, following the transaction with OrbiMed**

Q&A

Participants can submit questions in the chat



Key Financial & Shareholder Information

Market data



Ticker: POXEL

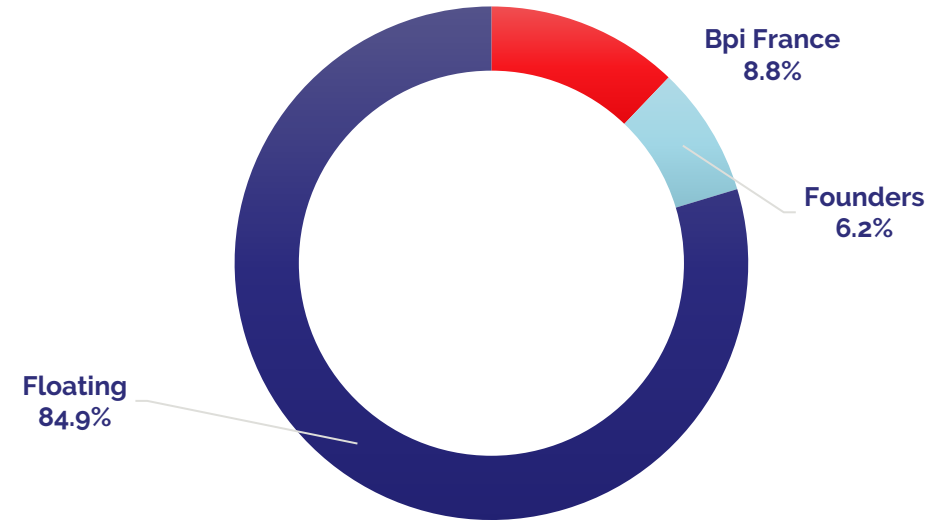
ISIN: FR0012432516

Number of shares: 48,673,343¹

Key financials

- As of 08/31/24, estimated cash & cash equivalents: **EUR 2.9 million**

Shareholder ownership¹



Analyst coverage

Degroof Petercam David Seynnaeve

Contact

investors@poxelpharma.com

