



Press Release

## Poxel to receive sales-based payment and higher level of royalties from Sumitomo Pharma in Q1 2025 for TWYMEEG® Achieving JPY 5 billion Net Sales in Japan

- Poxel eligible for royalties equaling 10% of all TWYMEEG® net sales for 2024<sup>1</sup> and a one-time sales-based payment of JPY 500 million (EUR 3.1 million<sup>2</sup>)
- Allocation of all revenues received to the repayment of the bond issue with OrbiMed, after deduction of Poxel's obligation to Merck Serono
- Allocation of the residual amount of USD 5.0 million (EUR 4.8 million<sup>2</sup>) from the reserve deposit account set up as part of the agreement with OrbiMed towards the partial repayment of debt to IPF Partners
- Beyond Sumitomo Pharma's 2024 fiscal year ending in March 2025, Poxel expects to receive increasing double-digit royalties and additional payments based on contractual sales thresholds

**LYON, France, January 20, 2025** – POXEL SA (Euronext : POXEL - FR0012432516), a clinical stage biopharmaceutical company developing innovative treatments for chronic serious diseases with metabolic pathophysiology, including metabolic dysfunction-associated steatohepatitis (MASH) and rare metabolic disorders, today announced that net sales of TWYMEEG® in Japan reached JPY 5 billion (EUR 30.6 million<sup>2</sup>) in Sumitomo Pharma's fiscal year 2024, making Poxel eligible for positive net royalties on net sales of the product and a sales-based payment of JPY 500 million. TWYMEEG® is Poxel's first-in-class product marketed for the treatment of type 2 diabetes in Japan.

*"We are particularly proud that our product has reached this contractual sales threshold in Japan, paving the way for Poxel to receive positive royalties net of royalties payments to Merck Serono and a sales-based payment from our partner Sumitomo Pharma. Based on the agreement signed between Poxel and OrbiMed in September 2024, these funds will be used to repay the bonds issued to OrbiMed. Given the strong commercial momentum and Sumitomo Pharma's ongoing discussions with the Japanese authorities to revise TWYMEEG®'s package insert for Type-2 Diabetic patients with renal impairment, we are confident of receiving escalating positive net royalties beyond 2024",* stated **Thomas Kuhn, Chief Executive Officer of Poxel**.

Poxel has been informed by its partner Sumitomo Pharma that net sales of TWYMEEG® in Japan exceeded the contractual threshold of JPY 5 billion (EUR 30.6 million<sup>2</sup>) as of December 31, 2024, making Poxel eligible for royalties equaling 10%

<sup>1</sup> Sumitomo Pharma fiscal year 2024 ends March 31, 2025

<sup>2</sup> Converted at the exchange rate on December 31, 2024



of all TWYMEEG<sup>®</sup> net sales achieved in Japan during Sumitomo Pharma's 2024 fiscal year, and a sales-based payment of JPY 500 million (EUR 3.1 million<sup>2</sup>).

In accordance with the royalty monetization agreement signed with OrbiMed in September 2024, all these revenues for fiscal year 2024, after deduction of Poxel's obligation to Merck Serono, i.e. the payment of an 8% fixed royalty based on net sales, will be used to repay the bond issue. In addition, the residual amount of USD 5.0 million (EUR 4.8 million<sup>2</sup>) from the reserve deposit account opened at the time of the agreement with OrbiMed, from which USD 1.25 million was withdrawn quarterly to repay the bonds issued until OrbiMed received sales-based payments and royalties based on TWYMEEG<sup>®</sup> sales in Japan, will be used to repay the debt contracted with IPF Partners.

As a result, Poxel expects that as of March 31, 2025, the level of IPF Partners' debt will be around EUR 9.3 million, including the residual amount of EUR 4.8 million from the reserve deposit account and capitalized interest. The Company's cash runway remains until the end of Q1 2025, following the non-adoption of the financial resolutions at the Company's last Combined General Meeting, held on November 28, 2024.

Beyond 2024, Poxel expects to receive escalating double-digit royalties, as well as additional sales-based payments upon achievement of contractual based sales thresholds.



## About Poxel SA

Poxel is a **clinical stage biopharmaceutical company** developing **innovative treatments for chronic serious diseases with metabolic pathophysiology**, including **metabolic dysfunction-associated steatohepatitis (MASH)** and rare disorders. For the treatment of MASH, **PXL065** (deuterium-stabilized *R*-pioglitazone) met its primary endpoint in a streamlined Phase 2 trial (DESTINY-1). In rare diseases, development of **PXL770**, a first-in-class direct adenosine monophosphate-activated protein kinase (AMPK) activator, is focused on the treatment of adrenoleukodystrophy (ALD) and autosomal dominant polycystic kidney disease (ADPKD). **TWYMEEG®** (Imeglimin), Poxel's first-in-class product that targets mitochondrial dysfunction, is now marketed for the treatment of type 2 diabetes in Japan by Sumitomo Pharma and Poxel expects to receive royalties and sales-based payments. Poxel has a strategic partnership with Sumitomo Pharma for Imeglimin in Japan. Listed on Euronext Paris, Poxel is headquartered in Lyon, France, and has subsidiaries in Boston, MA, and Tokyo, Japan. For more information, please visit: [www.poxelpharma.com](http://www.poxelpharma.com)

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## Glossary

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You will find below a list of words and/or expressions that are used in this press release or in Poxel's communication, with the aim to bring clarification and transparency:

- **Sumitomo Pharma fiscal year** runs April to March. As an example, Fiscal Year 2024 is April 1, 2024, through March 31, 2025.
- **TWYMEEG royalties:** As per the Sumitomo Pharma's agreement, Poxel is entitled to receive royalties from the sales of TWYMEEG (Imeglimin) in Japan
  - Sumitomo Pharma communicates gross sales of TWYMEEG, while TWYMEEG royalties are calculated on net sales.
  - Net sales represent the amount of gross sales to which are deducted potential rebates, allowances, and costs such as prepaid freight, postage, shipping, customs duties and insurance charges.
  - Poxel is entitled to receive escalating royalties of 8-18% on TWYMEEG net sales from Sumitomo Pharma.
- **Positive net royalties:** as part of the Merck Serono licensing agreement, Poxel pays Merck Serono a fixed 8% royalty based on the net sales of TWYMEEG, independent of the level of sales. All royalties that Poxel receives from TWYMEEG net sales above that 8% level are considered as positive net royalties. Net royalties will therefore be positive for Poxel when TWYMEEG net sales exceed JPY 5 billion in a fiscal year and royalties reach 10% and above.