

# Pacira to Acquire MyoScience

March 5, 2019



**PACIRA**  
PHARMACEUTICALS, INC.

# Forward-looking statements

Any statements in this presentation about the company's future expectations, plans, outlook, projections and prospects, and other statements containing the words "believes," "anticipates," "plans," "estimates," "expects," "intends," "may," "could" and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including risks relating to: the failure to complete the transaction or realize anticipated benefits and synergies from the transaction; the ability to successfully integrate iovera<sup>®</sup> and MyoScience into the company's existing business; the commercial success of iovera<sup>®</sup>, the success of the company's sales and manufacturing efforts in support of the commercialization of EXPAREL; the rate and degree of market acceptance of EXPAREL; the size and growth of the potential markets for EXPAREL and the company's ability to serve those markets; the company's plans to expand the use of EXPAREL to additional indications and opportunities, and the timing and success of any related clinical trials; and other factors discussed in the "Risk Factors" of the company's most recent Annual Report on Form 10-K and in other filings that the company periodically makes with the SEC. In addition, the forward-looking statements included in this press release represent the company's views as of the date of this presentation. Important factors could cause actual results to differ materially from those indicated or implied by forward-looking statements, and as such the company anticipates that subsequent events and developments will cause its views to change. However, while the company may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the company's views as of any date subsequent to the date of this presentation.

# Building a global leader in innovative non-opioid pain management and regenerative health solutions

## Mission

Provide an opioid alternative to as many patients as possible

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## Vision

Become a global leader in delivering innovative non-opioid pain management and regenerative health solutions

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## Core Values

Patient-centered, determined, passionate,  
innovative thinkers, trust builders, team driven

## Three Global Growth Pillars

1

**Maximizing EXPAREL:** The only opioid-free, long-acting local and regional analgesic approved for infiltration, field blocks and brachial plexus nerve blocks

2

**Leveraging DepoFoam:** Established safe and effective multivesicular liposomal drug delivery technology platform for acute and chronic pain applications

3

**Pursuing innovation:** Acquisition targets ranging from devices, therapeutics, cell therapeutics, and regenerative medicine

myoscience iovera®

# MyoScience snapshot



## Business Description

Private company headquartered in Fremont, CA

iovera°, novel, FDA-approved non-opioid treatment that alleviates pain through cryoanalgesia

Strong IP portfolio with exclusivity to early 2030s

Proven efficacy with negligible side effects; more than 20,000 patients treated to date, more than 50% for knee pain

Regulatory: US 510K approval | EU and Canada marketing submissions expected in 2019

Early commercial traction demonstrated in orthopaedic pain management

# Transaction rationale



1

## Highly complementary to EXPAREL

Offering HCPs an effective, non-opioid multimodal regimen for managing pain

3

## Proven technology with an attractive market opportunity

Robust clinical data supporting improved patient outcomes in TKA

2

## Ability to leverage existing and expand sales channels

Strong overlap with EXPAREL while enhancing commercial footprint

4

## Unique non-opioid solution with high barrier to entry

Immediate and long-term non-opioid pain solution; ~99 issued and ~11 pending patents



# The iovera<sup>o</sup> technology, a revolutionary cryotherapy platform

Simple percutaneous treatment, using proven cold therapy, designed to relieve pain



- Immediate, safe, effective
- Non-opioid, non-systemic
- Long-lasting nerve block
- Established billing code
- 510(k) clearance for pain, osteoarthritis (knee)
- Family of *Smart Tips* allow access to peripheral nerves



## The iovera value proposition to stakeholders



Patients

- Immediate and long-term pain relief solution
- Reduced opioid consumption
- Accelerated recovery
- No long-term health effects



Healthcare providers

- Non-opioid pain solution
- Optimizes staff utilization
- Easy to incorporate into practice workflow
- Adds revenue to practice



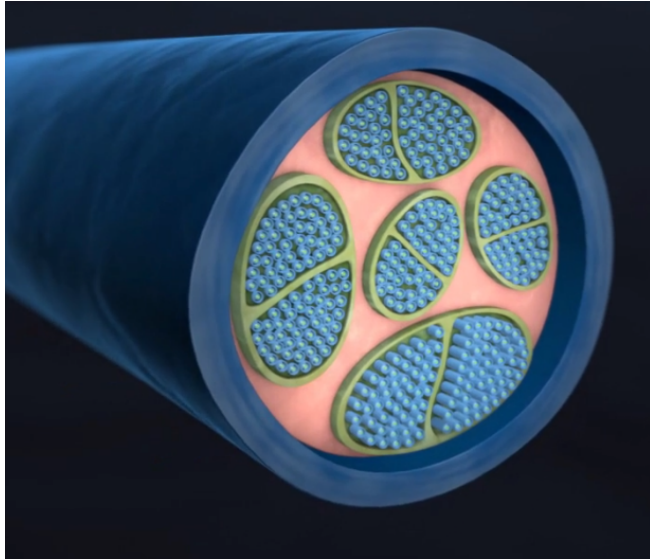
Payers

- Reduced length of stay
- Improved outcomes
- Increased patient satisfaction

# Building a differentiated portfolio focused on opioid-sparing solutions for patients journey along the neural pain pathway

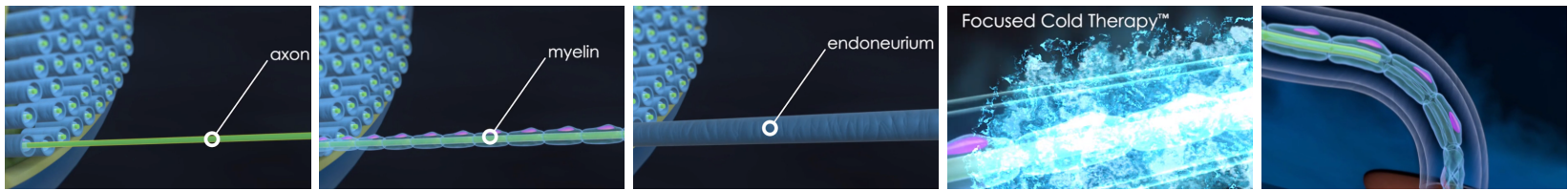


# Focused Cold Therapy®: Targeted and temporary nerve degeneration



## Cryoanalgesia with the iovera® system *Axonotmesis:*

- Loss of continuity of the axon and its myelin covering
- Preserves the connective structure of the nerve (endoneurium, epineurium and perineurium)
- Wallerian degeneration occurs
- Axonal regeneration occurs at a rate of 1 to 2 mm per day
- Sensory signaling restored





# Proven treatment results with iovera<sup>o</sup>

## Treatment Results for Chronic Pain



### Decreased Knee Pain

>**75%** patients who received iovera<sup>o</sup> treatment continued to experience pain relief at **150** days <sup>1</sup>



### Less Stiffness

>**50%** patients treated with iovera<sup>o</sup> system experienced less stiffness **12** weeks after treatment <sup>1</sup>



### Improved Physical Function

Majority of patients in iovera<sup>o</sup> treatment group had improved physical function at **150** days <sup>1</sup>

## Treatment Results for Acute (Surgical) Pain



### Fewer Opioid Prescriptions

Patients who received iovera<sup>o</sup> treatment requested **45%** fewer opioid prescriptions at **12** weeks after knee replacement surgery <sup>1</sup>



### Reduction in Knee Pain

**12** weeks after surgery, the majority of patients who received iovera<sup>o</sup> treatment experienced less pain <sup>1</sup>



### Faster Recovery

Post-surgical recovery was much faster in patients who received iovera<sup>o</sup> treatment before knee replacement surgery <sup>1</sup>

<sup>1</sup>Radnovich, R. et al. "Cryoneurolysis to treat the pain and symptoms of knee osteoarthritis: a multicenter, randomized, double-blind, sham-controlled trial." Osteoarthritis and Cartilage (2017) p1-10.

<sup>2</sup>Dasa, V. et al. "Percutaneous freezing of sensory nerves prior to total knee arthroplasty." The Knee (2016) p523-528.

# Acquiring MyoScience

Pacira is acquiring MyoScience, a leader in the development of next-generation cryotherapy devices

Upfront payment of \$120 million at closing; MyoScience eligible to receive additional regulatory and commercial milestone contingent payments of up to \$100 million through 2023

Fund cash portion utilizing existing cash on balance sheet

Expected to close in April 2019, subject to customary closing conditions

Significantly leverages our existing commercial footprint and expertise

Topline accretive in 2H19 with expected bottom line accretion beginning in 2H20

# Unique growth strategy coming to life



Acquiring MyoScience moves Pacira closer to building a global opioid free pain management and regenerative medicine company



Deal closely aligns with Pacira M&A strategy to pursue innovations in pain management and regenerative health solutions for surgeons and anesthesiologists



Synergistic differentiated technology with clear reimbursement pathways to scale and diversify Pacira base business



Transaction highlights Pacira commitment to accelerating growth and driving shareholder value



Thank you  
Q&A

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# Important safety information for EXPAREL

- EXPAREL (bupivacaine liposome injectable suspension) is indicated for single-dose infiltration in adults to produce postsurgical local analgesia and as an interscalene brachial plexus nerve block to produce postsurgical regional analgesia. Safety and efficacy have not been established in other nerve blocks.
- EXPAREL is contraindicated in obstetrical paracervical block anesthesia.
- Adverse reactions reported with an incidence greater than or equal to 10% following EXPAREL administration via infiltration were nausea, constipation, and vomiting; adverse reactions reported with an incidence greater than or equal to 10% following EXPAREL administration via interscalene brachial plexus nerve block were nausea, pyrexia, and constipation.
- If EXPAREL and other non-bupivacaine local anesthetics, including lidocaine, are administered at the same site, there may be an immediate release of bupivacaine from EXPAREL. Therefore, EXPAREL may be administered to the same site 20 minutes after injecting lidocaine.
- EXPAREL is not recommended to be used in the following patient population: patients <18 years old and/or pregnant patients.
- Because amide-type local anesthetics, such as bupivacaine, are metabolized by the liver, EXPAREL should be used cautiously in patients with hepatic disease.

## Warnings and Precautions Specific to EXPAREL

- Avoid additional use of local anesthetics within 96 hours following administration of EXPAREL.
- EXPAREL is not recommended for the following types or routes of administration: epidural, intrathecal, regional nerve blocks **other than interscalene brachial plexus nerve block**, or intravascular or intra-articular use.
- The potential sensory and/or motor loss with EXPAREL is temporary and varies in degree and duration depending on the site of injection and dosage administered and may last for up to 5 days, as seen in clinical trials.

## Warnings and Precautions for Bupivacaine-Containing Products

- Central Nervous System (CNS) Reactions: There have been reports of adverse neurologic reactions with the use of local anesthetics. These include persistent anesthesia and paresthesia. CNS reactions are characterized by excitation and/or depression.
- Cardiovascular System Reactions: Toxic blood concentrations depress cardiac conductivity and excitability which may lead to dysrhythmias, sometimes leading to death.
- Allergic Reactions: Allergic-type reactions (eg, anaphylaxis and angioedema) are rare and may occur as a result of hypersensitivity to the local anesthetic or to other formulation ingredients.
- Chondrolysis: There have been reports of chondrolysis (mostly in the shoulder joint) following intra-articular infusion of local anesthetics, which is an unapproved use.
- Cases of methemoglobinemia have been reported with local anesthetic use.



# Important safety information for iovera°

## About iovera°

- The iovera° system is used to destroy tissue during surgical procedures by applying freezing cold. It can also be used to produce lesions in peripheral nervous tissue by the application of cold to the selected site for the blocking of pain. It is also indicated for the relief of pain and symptoms associated with osteoarthritis of the knee for up to 90 days. The iovera° system is not indicated for treatment of central nervous system tissue. The iovera° system's "1×90" Smart Tip configuration (indicating one needle which is 90 mm long) can also facilitate target nerve location by conducting electrical nerve stimulation from a separate nerve stimulator. The iovera° system is not indicated for treatment of central nervous system tissue.

## Important Safety Information

- The iovera° system is contraindicated for use in patients with the following: Cryoglobulinemia; Paroxysmal cold hemoglobinuria; cold urticaria; Raynaud's disease; open and/or infected wounds at or near the treatment line. Potential complications: As with any surgical treatment that uses needle-based therapy, there is potential for temporary site-specific reactions, including but not limited to: bruising (ecchymosis); swelling (edema); inflammation and/or redness (erythema); pain and/or tenderness; altered sensation (localized dysesthesia). Typically, these reactions resolve with no physician intervention. Patients may help the healing process by applying ice packs to the affected sites, and by taking over-the counter analgesics.
- The iovera° system is used to destroy tissue during surgical procedures by applying freezing cold.
- It can also be used to produce lesions in peripheral nervous tissue by the application of cold to the selected site for the blocking of pain.
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- The iovera° system's "1×90" Smart Tip configuration (indicating one needle which is 90 mm long) can also facilitate target nerve location by conducting electrical nerve stimulation from a separate nerve stimulator.
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