



PRESS RELEASE

PAION AG GRANTS LICENSE TO YICHANG HUMANWELL FOR M6G IN CHINA

- EUR 1.6 million license fee - first payment of EUR 0.8 million due upon signing of the agreement

Aachen (Germany), 24 September 2014 – PAION AG, a Specialty Pharma Company (ISIN DE000A0B65S3; Frankfurt Stock Exchange Prime Standard: PA8) and Yichang Humanwell Pharmaceutical Co. Ltd, China, today announced that they have entered into a license agreement for M6G which gives Yichang an exclusive licence under PAION's know-how regarding M6G for the development, manufacture and commercialization in the territory of People's Republic of China.

By concluding the license PAION receives payments totalling EUR 1.6 million. EUR 0.8 million is due through today's signing of the license agreement. The remaining payments are due upon reaching certain development milestones in the next 1.5 years.

Yichang intends to develop and commercialize M6G for peri-operative pain for the Chinese Market.

Dr. Wolfgang Söhngen, Chief Executive Officer of PAION AG, stated: „ *With Yichang Humanwell we have found a buyer in China, who has already proven to be a very good partner in connection with Remimazolam. We still see M6G as a substance that can meaningfully expand our anaesthesia portfolio in the future. For now our focus stays on the development of Remimazolam. We are proud that Yichang Humanwell shares our view regarding the potential of M6G and thank our partner for their trust in this new transaction and resulting partnership.*”

###

About PAION

PAION AG is a publicly-listed Specialty Pharma Company headquartered in Aachen, Germany with a second site in Cambridge, UK. The company has a track record in developing and out licensing of hospital-based treatments for which there is substantial unmet medical need. PAION's strategy is to extend its business model from a pure development company to a specialty pharmaceutical company with a focus on anaesthesia products. Remimazolam is intended to be the basis for its future marketing activities.

About YICHANG

Yichang Humanwell Pharmaceutical Co. is part of Wuhan Humanwell healthcare (Group) Co., Ltd an industrial group giving priority to the medical health business, specializes in the development, production, distribution and technical support of pharmaceutical, medical instruments and reproductive healthcare products and technologies. Yichang Humanwell is the largest company to develop and produce narcotic products in China.

About M6G

Morphine-6-glucuronide (M6G) is an active potent metabolite of morphine which may offer therapeutic advantages over morphine, the current gold standard for the treatment of moderate to severe post-operative pain, in having an equivalent analgesic effect, but with a reduced potential to cause side-effects such as nausea and vomiting. Clinical trials have shown that M6G given intravenously can induce analgesia equivalent to morphine in the treatment of moderate to severe post-operative pain. These studies, along with those published in the scientific literature, suggest that M6G also induces less post operative nausea and vomiting compared with morphine, as well as less sedation and respiratory depression. Two Phase III trials have been completed with M6G. M6G has the potential to be a good fit in PAION's anaesthesia portfolio.

Contact

Ralf Penner
Director Investor Relations / Public Relations
PAION AG
Martinstrasse 10-12
52062 Aachen – Germany
Phone: +49 241 4453-152
E-mail: r.penner@paion.com
www.paion.com

Disclaimer:

This release contains certain forward-looking statements concerning the future business of PAION AG. These forward-looking statements contained herein are based on the current expectations, estimates and projections of PAION AG's management as of the date of this release. They are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors. Should actual conditions differ from the Company's assumptions, actual results and actions may differ materially from any future results and developments expressed or implied by such forward-looking statements. Considering the risks, uncertainties and other factors involved, recipients should not rely unreasonably upon these forward-looking statements. PAION AG has no obligation to periodically update any such forward-looking statements to reflect future events or developments.