



AD-HOC ANNOUNCEMENT ACCORDING TO §15 WPHG

PAION AG ENTERS INTO AN EQUITY FACILITY AGREEMENT FOR EUR 15 MILLION

- Equity facility for EUR 15 million gives PAION the right to issue new shares out of the existing authorised capital during a 3 year period
- Facility strengthens PAION's financial situation and extends the cash reach

Aachen (Germany), 10 May 2010 – The biopharmaceutical company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange, Prime Standard: PA8) has entered into an equity facility agreement for EUR 15 million with Commerce Court Small Cap Value Fund Ltd. (CCSCVF) managed by Acqua Capital Management Inc., Toronto, Canada. This share facility has a term of 36 months and gives PAION the right to issue new shares out of the existing authorised capital in multiple tranches to CCSCVF against a cash contribution. PAION intends to use this facility in the first instance to strengthen its cash position and extend its cash reach.

CCSCVF has committed to buy these shares at a price calculated based on a daily volume weighted average share price over a five day period (Pricing Period) less a discount of 5%. CCSCVF guarantees a minimum investment amount per tranche within a range from EUR 150,000 to EUR 1,300,000 dependent on the share price (within a range from EUR 1.00 to and exceeding EUR 8.00). Both parties can agree on higher amounts per tranche. Furthermore, PAION has the right to determine for every tranche a floor price below which PAION is not obliged to issue shares. After the end of the Pricing Period, PAION will announce on its website the number of subscribed shares as well as the achieved placement price.

CCSCVF has agreed that during the term of and for a period of 90 days after the termination of the Agreement, neither CCSCVF nor any of its affiliates will, directly or indirectly, sell, or enter into a short position with respect to any of PAION's shares except the shares that it owns or has the right to purchase pursuant to the provisions of a draw down notice.

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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.