



PRESS RELEASE

PAION REPORTS POSITIVE PRECLINICAL RESULTS OF ITS SUBSTANCE SOLULIN IN THE INDICATION HAEMOPHILIA

- New approach for the treatment of haemophilia
- PAION initiates the next development steps
- Flovogatran will not be pursued

Aachen (Germany), 06 December 2010 – The biopharmaceutical company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange, Prime Standard: PA8) today announces positive preclinical data with its recombinant human thrombomodulin Solulin in the indication haemophilia.

Haemophilia is an inherited disorder in which blood clotting is disturbed. The lack of the clotting factors VIII or IX leads to prolonged bleeding after injuries or bleeding with the risk of associated complications.

In a series of experiments it was demonstrated, that Solulin is also able to stabilize the haemostatic fibrin clot at significantly reduced factor VIII or factor IX levels. Hence, the potential exists for its use as a supplement to factor VIII or IX. Expected benefits include a reduction in the dose of clotting factors and prolonged effectiveness. The proof of principle was shown in different experimental paradigms. Blood was taken from haemophilia patients and the clotting ability of such blood was examined, using standard methods, with and without Solulin. Low concentrations of Solulin resulted in improved clotting capacity. Encouraging experiments were also carried out with blood from haemophilic dogs. The activity of Solulin was also demonstrated in the presence of inhibitors in dogs (antibodies to factor VIII that block the activity of the coagulation factor).

Before entering clinical development in haemophilia, advanced pre-clinical experiments and a new production batch of Solulin are planned. The available phase I data with Solulin reveal an excellent tolerability in healthy volunteers. For the time being PAION will invest limited resources in Solulin.

Solulin and Flovogatran were originally developed as potential therapies for thrombotic diseases. Through the recent approvals of oral anticoagulants, injectable substances in this class have lost much of their appeal. Therefore, already in 2008, PAION initiated a new evaluation of both products in niche indications.

The positive data on Solulin in an attractive indication have also led to a new priority within the development pipeline of PAION. After weighing the commercial and clinical success probability it was decided not to proceed with the development of Flovogatran, as a promising indication could not be identified. In the current quarter this results in an impairment off the book value of EUR 0.2 million.

"These findings with Solulin are encouraging and experts see the results as a promising basis for further development. We regard haemophilia as an

attractive niche indication and Solulin will address a high unmet medical need with a new therapeutic approach" commented Dr. Wolfgang Söhngen, CEO of PAION. "In addition to Remimazolam, we managed to bring this exciting project, significantly forward. We are happy to conclude an important and successful year for PAION AG with this positive result."

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About haemophilia

According to WHO worldwide currently about 400,000 people are affected by the hereditary disease of haemophilia, including 10,000 in Germany. Therefore, the definition of an "orphan disease" is fulfilled.

Worldwide, the number of treatable patients with haemophilia increases steadily. Currently, haemophilia is treated mainly by the administration of recombinant or plasma derived factor VIII and factor IX products to normalize the increased tendency to bleed. Solulin has the potential to improve the existing treatment options for patients suffering from haemostatic coagulation.

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Particularly and frequently affected are the joints of children. Other complications can be life threatening. Besides the lack of the relevant clotting factor, the premature dissolution of haemostatic fibrin clots contributes to the clinical pathophysiology. Today the treatment essentially consists of substituting the missing clotting factor.

About Solulin

Solulin is an improved variant of the human protein thrombomodulin, an important natural regulator of the clotting system. One of the functions of thrombomodulin is to stabilize the initial fibrin clot to stop bleeding. Other than native thrombomodulin which is anchored in the wall of blood vessels, Solulin can enter the blood stream to reach its potential site of action.

Solulin already has been successfully tested in a Phase I study. The specific coagulation tests confirmed the good safety profile of the substance.

About PAION

PAION is a biopharmaceutical company headquartered in Aachen, Germany and has a second site in Cambridge, UK. The company is specialized in developing and commercializing innovative drugs for the hospital-based treatment in indications for which there is a substantial unmet medical need. PAION has a "Search & Develop" business model, which is based on its core expertise in drug development. Where appropriate, particularly during the late stages of the clinical development, PAION seeks to collaborate with experienced partners.

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