



PRESS RELEASE

PAION AG GRANTS LICENSE TO YICHANG HUMANWELL FOR REMIMAZOLAM IN CHINA

- PAION receives EUR 3 million upfront payments

Aachen (Germany), 18 July 2012 – PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange General Standard: PA8) and Yichang Humanwell Pharmaceutical Co. Ltd, China, today announced that they have entered into a license agreement for Remimazolam which gives Yichang an exclusive licence for the development, manufacture and commercialization in the territory of People's Republic of China.

By concluding the license PAION receives upfront payments totalling EUR 3 million. These consist of payment for the option in the amount of EUR 0.3 million (received in April 2012), EUR 1.5 million are due by today's signing of the license agreement and additional EUR 1.2 million is payable upon completion of technology transfer (reproduction of a small scale manufacturing process) but no later than June 2013. In addition, milestone payments and royalties of 10% have been agreed. The amount of future milestone payments will depend on the eventual development strategy for Remimazolam selected by Yichang in China and has a volume of up to EUR 4 million.

Dr. Wolfgang Söhngen, Chief Executive Officer of PAION AG, stated: „ *With Yichang we have found a partner with expertise in anaesthesia both as a manufacturer and marketer of various anaesthetic products in China. During my visit to Yichang, I have convinced myself of the quality and scientific strength of our partner. With a partner, who is successfully selling Remifentanyl in China with more than 1000 sales reps in all provinces we see good chances to participate in the high growth market China with an interesting return. This could be more than achievable with a traditional Biotech/Pharma deal.*”

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About PAION

PAION is headquartered in Aachen, Germany and has a second site in Cambridge, UK. The company is specialised in developing innovative drugs for the hospital-based treatment in indications for which there is a substantial unmet medical need. PAION is extending its “Search & Develop” business model, by transforming into a “Specialty Pharma Company”, with a focus on anaesthesia products.

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 Remimazolam

Remimazolam is an innovative short-acting general anaesthetic/sedative. Sedatives are used, for example, in endoscopic procedures such as colonoscopies. After intravenous administration Remimazolam rapidly induces the desired sedation. Importantly, this sedative effect quickly disappears. This rapid offset of the effect of the substance is due to its metabolism by tissue esterase enzymes that are widely distributed throughout the body. Remimazolam is being developed as a sedative agent for day case procedures (procedural sedation). PAION's partner ONO has recently completed a Phase II trial in the indication "induction and maintenance of anaesthesia". It could also be used as a sedative for patients in the Intensive Care Unit (ICU).

PAION is currently exploring cooperation opportunities for the territories outside of China and Japan, where the compound is partnered with Ono Pharmaceuticals.

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