



PRESS RELEASE

PAION AG GRANTS LICENSE TO R-PHARM FOR REMIMAZOLAM

- PAION will receive EUR 1 million upfront payment
- EUR 3.0 million regulatory and commercial milestone payments
- Exclusive license grant to R-Pharm in Russia and CIS
- Low double digit royalties
- Limited clinical bridging work in Russia needed
- Expected launch of Remimazolam in Russia 2016

Aachen (Germany), 30. October 2013 – PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange General Standard: PA8) and R-Pharm, Russia, today announced that they have entered into a license agreement for Remimazolam which gives R-Pharm an exclusive licence for the development, manufacture and commercialization in the territory of Russia and CIS.

PAION will receive an upfront payment in the amount of EUR 1 million, potential milestone payments of up to EUR 3 million and low double digit royalties on net sales in the Territory.

R-Pharm will manage the development and marketing approval process in the Territory. R-Pharm intends to market Remimazolam in all indications with the lead indication anaesthesia and plans to start a bridging study in anaesthesia as soon as possible with an expected launch of Remimazolam in 2016.

Dr. Wolfgang Söhnngen, Chief Executive Officer of PAION AG, stated: *„With R-Pharm we have found a partner with a strong track record in the hospital market. We are convinced that a strong national partner with state of the art production facilities brings us the best return for Remimazolam in Russia.“*

“The partnership between our companies is a good example of bringing innovative methods of treatment to Russian and CIS patients. We believe that Remimazolam has the potential to become an effective and safe solution for anaesthesia needs“, said Vasily G. Ignatiev, CEO of R-Pharm.

About Remimazolam

Remimazolam is an innovative short-acting general anaesthetic/sedative. Due to its short duration of action and good controllability, it has a preferable efficacy and safety profile relative to other currently marketed anaesthesia compounds. The rapid offset of Remimazolam's effect is due to its metabolism by tissue esterase enzymes that are widely distributed throughout the body.

Remimazolam has potential in three indications:

- Procedural sedation
- General anaesthesia
- ICU sedation

Remimazolam is available for licensing outside Japan, China, Russia (CIS) and South Korea, where the compound is partnered with Ono Pharmaceutical, Yichang Humanwell, R-Pharm and Hana Pharm.

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About PAION

PAION AG is a publicly-listed biotech company headquartered in Aachen, Germany with a second site in Cambridge, UK. The company has a track record in developing hospital-based treatments for which there is substantial unmet medical need. PAION AG is transforming its business model from a pure development company to a specialty pharmaceutical company with a focus on anaesthesia products to take advantage of the unique profile of its main compound, Remimazolam.

About R-Pharm

R-Pharm is a Russian private pharmaceutical company with focus on hospital/specialty care, founded in 2001. Turnover in 2012 was over 1.8 bn USD. R-Pharm has over 2800 employees and covers the entire territory of Russia and CIS. The company is involved in research and development, manufacturing, marketing, sales and distribution of innovative pharmaceutical and biotech products.

<http://r-pharm.com/en/>

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