



PRESS RELEASE

PAION GRANTS LICENCE FOR “MENA REGION” TO R-PHARM

- R-Pharm to extend license territory by adding “MENA Region” (**M**iddle **E**ast and **N**orth **A**frica)
- EUR 1.5 million upfront payment
- EUR 5.5 million in future milestone payments
- Low double digit royalties
- As in Turkey TR-Pharm will manage the development and marketing approval process

Aachen (Germany), 17 June 2014 – PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange Prime Standard: PA8), a Specialty Pharma Company, and R-Pharm, Russia, today announced that they have extended their license agreements for Remimazolam to include the “MENA Region” (**M**iddle **E**ast and **N**orth **A**frica). TR-Pharm, based in Istanbul, an affiliate of Moscow based Remimazolam licensee R-Pharm, will manage the development and marketing approval process in the “MENA Region”. R-Pharm entered into an exclusive licence agreement for Russia (CIS) on October 30, 2013 and has extended its license agreement for Remimazolam on 26 November 2013 to include Turkey.

PAION will receive an upfront payment in the amount of EUR 1.5 million, potential regulatory and commercial milestone payments of up to EUR 5.5 million and low double digit royalties on net sales in the Territory.

TR-Pharm intends to market Remimazolam in all indications with the lead indication anaesthesia and expects an earliest launch of Remimazolam in 2016.

Dr. Wolfgang Söhngen, Chief Executive Officer of PAION AG, stated: „ This is a logical step in our “String of Pearls Strategy” reflecting the increased value of Remimazolam due to recent developments. We trust the vast experience of our TR-colleagues to manage these regions to our mutual benefit. *We appreciate the great confidence of (T)R-Pharm in Remimazolam and that we will now be involved in this exciting growth region.*”

“R-Pharm is delighted and honored to further expand its license territory for Remimazolam to Middle East and North Africa. This move is a clear sign of growing mutual trust established between Paion and R-Pharm during Remimazolam cooperation. We believe that this deal will further strengthen international presence for R-Pharm - with the help of our colleagues at TR-Pharm”, said Vasily G. Ignatiev, CEO of R-Pharm.

“TR-Pharm is a licensee of all R-Pharm products. The company aims to manufacture and commercialize all new and innovative medicines for Turkey and MENA Countries with recognizable acumen in pharma business. In addition the company enters mutually beneficial business development partnerships with start-up, local and multinational pharmaceutical companies

aiming to achieve reliable targets with ownership, quality and to common expectations", said Tuygan Goker, President of TR-Pharm.

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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), Turkey and the "MENA Region", Canada as well as South Korea, where the compound is partnered with Ono Pharmaceutical, Yichang Humanwell, R-Pharm, Pendopharm and Hana Pharm.

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 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, TR-Pharm

R-Pharm is a Russian private pharmaceutical company with focus on hospital/specialty care, founded in 2001. Turnover in 2013 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.

TR-Pharm is R-Pharm's affiliated company headquartered in Istanbul, Turkey aiming to launch innovative products, in Turkey and MENA, with a vision of constructing a biotech production facility in line with the incentive plan announced by the Turkish Government.

<http://www.trpharm.com>

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