



PRESS RELEASE

PAION GRANTS LICENCE TO REMIMAZOLAM IN CANADA TO PENDOPHARM

- Final license agreement signed

Aachen (Germany), 09 July 2014 – PAION AG, a Specialty Pharma Company (ISIN DE000A0B65S3; Frankfurt Stock Exchange Prime Standard: PA8) and Pendopharm, a division of Pharmascience Inc., headquartered in Montreal, Canada, have signed the final license agreement for Remimazolam. The agreement grants Pendopharm an exclusive licence for the development and commercialization in the territory of Canada.

Under the licence agreement, PAION will be eligible to receive future milestone payments of CAD 5.7 million (approx. EUR 3.8 million) and significant double digit tiered royalties on net sales in Canada starting at 15%.

Through the option agreement announced on 13 June 2014, Pendopharm's European affiliate, Pharmascience International Limited, has already committed to invest up to EUR 4 million in shares not subscribed by PAION's shareholders at the end of the rights offering at a 10% premium to the theoretical ex-rights price of PAION's share price. Because at the end of the rights offering, no new shares were available to permit the investment of the EUR 4 million, PAION now has the right to require Pendopharm or Pharmascience International Limited, within an agreed time period after the rights offering, to invest the EUR 4 million in shares of PAION in a separate private placement at a 10% premium to the then current market price. In certain cases, Pendopharm and Pharmascience International Limited, instead of investing EUR 4 million in a separate private placement, will make a cash payment to PAION in an amount equal to 10% of the investment amount.

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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, the MENA Region, South Korea and Canada, where the compound is

partnered with, Ono Pharmaceutical, Yichang Humanwell, R-Pharm, Hana Pharm and Pendopharm.

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 Pendopharm, a Division of Pharmascience Inc.

Pendopharm is a division of Pharmascience Inc., a Canadian privately-owned company. Established in 1983, Pharmascience Inc. is Canada's 10th largest pharmaceutical company, with a highly-skilled workforce of 1,400 people. Pharmascience commercializes over 400 products, including branded prescription, OTC and BTC products as well as generic products in Canada and with its affiliates and distributors in to over 60 countries worldwide. Strategically committed to growth, Pendopharm is actively engaged in licensing, partnering, developing and marketing late-stage specialty prescription medicines as well as consumer brands.
<http://www.pendopharm.com>

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