



**AD-HOC ANNOUNCEMENT
INSIDE INFORMATION ACCORDING TO ARTICLE 17 MAR**

**PAION AND THE EUROPEAN INVESTMENT BANK SIGN FINANCING
AGREEMENT FOR EUR 20 MILLION**

Aachen (Germany), 28 June 2019 – The Specialty Pharma Company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange, Prime Standard: PA8) and the European Investment Bank (EIB) today signed a financing agreement for a loan of up to EUR 20 million. The unsecured loan was made possible by the European Fund for Strategic Investments (EFSI). It will be available over the next two years and can be drawn down in a total of three tranches based on certain conditions as e.g. the achievement of operational milestones. PAION plans to make use of the first tranche of up to EUR 5 million within six months after signing. Each tranche has a term of five years and will be repaid beginning in the fourth year after drawdown. The interest rate corresponds to the market conditions for risky debt financing of innovative companies (venture debt); it consists of a cash interest component, a deferred interest component due at maturity and a performance-related component.

PAION will primarily use the funds for the EU Phase III program including filing for market approval of remimazolam in general anesthesia, filing for market approval in procedural sedation and the further development program with remimazolam in Europe.

MC Services AG served as financial advisor to PAION for the transaction.

End of inside information

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Dr. Wolfgang Söhngen, CEO of PAION AG, commented: *“With three remimazolam submissions currently in the approval process, we have reached very important milestones with our employees, cooperation partners and licensees. Therefore, it is a great vote of confidence from the EIB and the European Fund for Strategic Investments to include us in the Juncker plan to fund innovative R&D companies and promising product candidates. It enables us to perform remimazolam’s European development program not only in general anesthesia but also in procedural sedation. We very much look forward to bringing remimazolam to doctors and patients as quickly as possible.”*

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About the European Investment Bank

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

Investment Plan for Europe

The Investment Plan for Europe, known as the Juncker Plan, is one of the European Commission's top priorities. It focuses on boosting investment to generate jobs and growth by making smarter use of new and existing financial resources, removing obstacles to investment, and providing visibility and technical assistance to investment projects.

The European Fund for Strategic Investments (EFSI) is the main pillar of the Juncker Plan and provides first loss guarantees, enabling the EIB to invest in more projects that often come with greater risks. EFSI has already yielded tangible results. The projects and agreements approved for financing under EFSI are expected to mobilize almost EUR 410 bn in investments, and support 952,000 SMEs in the 28 Member States. More information on the results of the Investment Plan for Europe is available [here](#).

About remimazolam

Remimazolam is an ultra-short-acting intravenous benzodiazepine sedative/anesthetic that has shown positive results in clinical Phase III trials. In the human body, remimazolam is rapidly metabolized to an inactive metabolite by tissue esterases and is not metabolized by cytochrome-dependent hepatic pathways. Like other benzodiazepines, remimazolam can be reversed with flumazenil to rapidly terminate sedation or anesthesia if necessary. During clinical studies, remimazolam demonstrated efficacy and safety with around 2,400 volunteers and patients. Data so far indicate that remimazolam has a rapid onset and offset of action combined with a favorable cardio-respiratory safety profile.

PAION has completed clinical development of remimazolam for procedural sedation in the U.S. The U.S. licensee, Cosmo Pharmaceuticals, submitted a new drug application in procedural sedation in the U.S. in April 2019 and is responsible for any further development activities in the U.S. In Japan, licensee Mundipharma filed for market approval in general anesthesia in December 2018. In China, licensee Yichang Humanwell filed for market approval in procedural sedation in November 2018. In Europe, PAION initiated a Phase III study in general anesthesia in July 2018.

In addition to procedural sedation and general anesthesia, based on positive Phase II study results, ICU sedation beyond 24 hours is another possible attractive indication for further development in the EU by PAION as well as by its licensees in other territories.

Remimazolam is partnered in the U.S. (Cosmo Pharmaceuticals), Japan (Mundipharma), China (Yichang Humanwell), Canada (Pharmascience), Russia/CIS, Turkey and the MENA region (R-Pharm) as well as South Korea (Hana Pharm). For all other markets outside the EU, remimazolam is available for licensing.

About PAION

PAION AG is a publicly listed specialty pharmaceutical company developing and aiming to commercialize innovative drugs for out-patient and hospital-based sedation, anesthesia and critical care services. PAION's lead compound is remimazolam, an intravenous, ultra-short-acting and controllable benzodiazepine sedative/anesthetic drug candidate for which PAION has completed the clinical development for use in procedural sedation in the U.S. and its local licensee Cosmo Pharmaceuticals submitted a New Drug

Application in April 2019. In Japan, licensee Mundipharma filed for market approval for remimazolam in general anesthesia in December 2018. In China, licensee Yichang Humanwell filed for market approval for remimazolam in procedural sedation in November 2018.

In Europe, PAION is currently focused on the development of remimazolam for general anesthesia, but is also evaluating the possibility of submitting a Marketing Authorization Application in procedural sedation based on the U.S. development program.

Development of remimazolam for intensive care unit (ICU) sedation is part of the longer-term life-cycle plan for remimazolam.

PAION's vision is to become an acknowledged "PAIONeer" in sedation and anesthesia. PAION is headquartered in Aachen (Germany) with an additional site in Cambridge (United Kingdom).

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This release contains certain forward-looking statements concerning the future business of PAION AG. These forward-looking statements contained herein are based on the current expectations, estimates and projections of PAION AG's management as of the date of this release. They are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors. Should actual conditions differ from the Company's assumptions, actual results and actions may differ materially from any future results and developments expressed or implied by such forward-looking statements. Considering the risks, uncertainties and other factors involved, recipients should not rely unreasonably upon these forward-looking statements. PAION AG has no obligation to periodically update any such forward-looking statements to reflect future events or developments.