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PRESS RELEASE

PAION AG RAISES EUR 5.2 MILLION IN PRIVATE PLACEMENT

- Financière Arbevel invests EUR 5.2 million

Aachen (Germany), 21 June 2018 – The Specialty Pharma Company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange Prime Standard: PA8) announces that it will issue 2.6 million new shares in a private placement excluding shareholder subscription rights. All shares are placed with Financière Arbevel, a French institutional investor, at a price of EUR 2.00 per share.

PAION will use the proceeds of the transaction to prepare the necessary work for the submission of the EU market approval dossier for remimazolam.

The capital increase consists of approximately 4% of PAION's current registered share capital. Following registration of the capital increase, the registered share capital will amount to EUR 63,720,046.00.

The new shares will be admitted to trading on the regulated market of the Frankfurt Stock Exchange.

The transaction is being managed by Baader Bank AG.

PAION's CEO Dr. Wolfgang Soehngen commented: *"We are very pleased with the successful placement and that Financière Arbevel, a highly respected European investor, is now a PAION shareholder. In addition to the planned EU Phase III trial, we can now start parts of the regulatory work required for filing in the EU, including integration of the relevant parts of the U.S. and Japanese dossiers as well as validation of the production and the pediatric plan"*.

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About PAION

PAION AG is a publicly listed specialty pharmaceutical company developing and aiming to commercialize innovative drugs to be used in 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. Outside the U.S., PAION has so far focused on the development of remimazolam in the indication general anesthesia. A full clinical development program for general anesthesia was completed in Japan. In the EU, PAION is

currently planning to continue the clinical development program by starting a Phase III trial in the second half of 2018. Development of remimazolam in the indication intensive care unit (ICU) sedation is also part of the longer-term life-cycle plan for remimazolam.

PAION is headquartered in Aachen (Germany) with an additional site in Cambridge (United Kingdom).

PAION's vision is to become an acknowledged "PAIONeer" in sedation and anesthesia.

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