PRESS RELEASE

PAION GRANTS REMIMAZOLAM LICENSE FOR SOUTHEAST ASIA TO HANA PHARM

- Hana Pharm to extend remimazolam license territory by adding Southeast Asia
- EUR 1.5 million upfront payment
- Up to EUR 4.2 million in future milestone payments
- Low double-digit royalties

Aachen (Germany), 08 January 2020 – The Specialty Pharma Company PAION AG (FSE: PA8) and Hana Pharm, South Korea, today announce that they have extended their license agreement for remimazolam to include Southeast Asia (Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam), and Hana Pharm will manage the development and marketing approval process. Hana Pharm entered into an exclusive remimazolam license agreement for South Korea in 2013.

PAION will receive an upfront payment in the amount of EUR 1.5 million, potential regulatory and commercial milestone payments of up to EUR 4.2 million and low double-digit royalties on net sales in the Territory.

Dr. Jim Phillips, Chief Executive Officer of PAION AG, stated: *„We trust the vast experience of our Hana Pharm colleagues to manage these regions to our mutual benefit. We appreciate the great confidence of Hana Pharm in remimazolam and that we will now be involved in this exciting growth region."*

Dr. Younha Lee, CEO of Hana Pharm, stated: "*We have gained deep knowledge and expertise around remimazolam throughout the last 6 years of clinical and regulatory development in Korea having implemented corporate legacy, "Better Medicine, Better life". This extended agreement of today reaffirms our strong and enduring partnership with PAION and also, our commitment to bring this innovative drug to the patients with high unmet medical need, as early as possible*."

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About remimazolam

Remimazolam is an ultra-short-acting intravenous benzodiazepine sedative/anesthetic. 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 2,500 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 submitted a New Drug Application (NDA) 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 South Korea, licensee Hana Pharm filed for market approval in general anesthesia in December 2019. In Europe, PAION submitted a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) in procedural sedation in November 2019 and a Phase III trial in general anesthesia is ongoing.

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 and Southeast Asia (Hana Pharm). For all other markets outside the EU, remimazolam is available for licensing.

About Hana Pharm

Hana Pharm, founded in 1978 is a publicly listed (KOSPI, 293480), science-led and fully integrated pharmaceutical company with proven track record for R&D and in-licensing of innovative new drug candidates for commercialization in South Korea.

With the sales revenue of $132 million in 2018 and 22% of the operating profit, at a CAGR of 14% from 2014 to 2018, Hana Pharm can be seen as a rapidly growing and one of the most profitable pharmaceutical companies with a deep-rooted heritage in Analgesia and Anesthesia.

611 people are employed in Hana Pharm as of December 2019, and this specialty company is continuously strengthening its product portfolio in the major therapeutic areas such as Pain, Anesthesia, Cardiovascular, Gastrointestinal, Respiratory, CNS and Opthalmology etc.

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. PAION has completed clinical development for use in procedural sedation in the U.S. and its licensee Cosmo Pharmaceuticals submitted a New Drug Application in April 2019, for which a PDUFA decision date of 05 April 2020 has been set. 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 and in South Korea, licensee Hana Pharm filed for market approval for remimazolam in general anesthesia in December 2019.

In Europe, PAION is seeking approval of remimazolam for general anesthesia and for procedural sedation. PAION submitted a Marketing Authorization Application (MAA) for procedural sedation in November 2019. A Phase III trial in general anesthesia is ongoing.

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

PAION's mission is to be a leading specialty pharmaceutical company in the fields of anesthesia & critical care by bringing novel products to market to benefit patients, doctors & stakeholders in healthcare. PAION is headquartered in Aachen (Germany) with an additional site in Cambridge (United Kingdom).

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