



Corporate News

PAION REPORTS FULL CONVERSION OF CONVERTIBLE NOTES

Aachen (Germany), 08 July 2020 – The specialty pharmaceutical company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange Prime Standard: PA8) today announces that the EUR 5 million convertible notes issued to Yorkville Advisors Global, LP (Yorkville) in September 2019 have been converted into a total of 2,363,350 PAION shares. The convertible notes have thus been converted completely and a further use of the financing agreement with Yorkville is not planned.

Abdelghani Omari, CFO of PAION AG, commented: *"We would like to thank Yorkville for their support over the last year. The financing provided us the flexibility we needed during the regulatory processes up to first approvals of remimazolam in Japan and the U.S. With the recent U.S. approval of remimazolam, including a related milestone payment of EUR 15 million, we do not plan to further use this facility."*

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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. In clinical studies, remimazolam demonstrated efficacy and safety in around 2,900 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.

In Japan, licensee Mundipharma received market approval in general anesthesia in January 2020. In the U.S., licensee Cosmo Pharmaceuticals received market approval in procedural sedation in July 2020. 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 results of an EU Phase III trial in general anesthesia are expected in the second half of 2020.

In addition to procedural sedation and general anesthesia, based on positive Phase II study results, ICU sedation is another possible indication for remimazolam.

Remimazolam is partnered in the U.S. (brand name BYFAVO™) with Cosmo Pharmaceuticals, sublicensed to Acacia Pharma, in Japan (brand name Anerem®) with Mundipharma, in China with Yichang Humanwell, in Canada with Pharmascience, in Russia/CIS, Turkey and the MENA region with R-Pharm, and in South Korea and Southeast Asia with Hana Pharm. For all other markets including parts of the EU, remimazolam is available for licensing.

About PAION

PAION AG is a publicly listed specialty pharmaceutical company focused on developing and commercializing 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. Remimazolam is partnered in multiple territories outside of Europe. Remimazolam was approved in the U.S. for procedural sedation in July 2020 and was approved in Japan for general anesthesia in January 2020. In China, licensee Yichang Humanwell filed for market approval 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. Results of a Phase III trial in general anesthesia are expected in the second half of 2020.

PAION's mission is to be a leading specialty pharmaceutical company in the fields of anesthesia and critical care by bringing novel products to market to benefit patients, doctors & other stakeholders in healthcare.

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

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Disclaimer:

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.

