

Declaration of Conformity with German Corporate Governance Code

(Convenience translation: only the German version is legally binding)

Pursuant to section 161 of the German Stock Corporation Act (AktG), the Management Board and the Supervisory Board of PAION AG have an obligation to annually declare that the company has complied and will comply with the recommendations of the latest version of the "Government Commission German Corporate Governance Code" (the "**Code**") published by the Federal Ministry of Justice in the official section of the Federal Gazette, or which of the recommendations have not been or are not being applied and why.

Pursuant to section 161 of the German Stock Corporation Act, the Management Board and the Supervisory Board of PAION AG declare: Since the last declaration of conformity in December 2019, PAION AG complied with all recommendations of the Code in the version dated 07 February 2017.

On 16 December 2019, the „Government Commission on the German Corporate Governance Code" agreed on a revised version of the Code that was published in the Federal Gazette on 20 March 2020. PAION AG will comply with all recommendations of the revised Code in the future, with the exception of the following non-compliance with the recommendation in C.5 regarding the number of mandates of Supervisory Board members:

– "Supervisory Board Members, who are members of the Management Board of a listed company, shall not have, in aggregate, more than two Supervisory Board mandates in non-group listed companies or comparable functions, and shall not accept the Chairmanship of a Supervisory Board in a non-group listed company"
(Recommendation C.5 of the Code).

Dr. Chris Tanner, member of the Supervisory Board of PAION AG, is a member of the management board of a listed company and has currently more than two further Supervisory Board mandates in non-group listed companies or comparable functions. Dr. Tanner was elected in May 2017 to the Supervisory Board of PAION AG **already** and thus before the revised version of the Code dated 16 December 2019 entered into force.

In the future, the company intends, in principle, to follow this new recommendation of the Code. The company will only deviate from this new recommendation with a respective disclosure and explanation, if it should come to the conclusion, after examination in the individual case, that the additional mandates do not stand in the way of taking over the duties as member of the Supervisory Board of PAION AG, in particular in view of the workload for the Supervisory Board member resulting from the additional mandates.

Aachen, December 2020

The Supervisory Board of PAION AG

For the Supervisory Board: Dr Jörg Spiekerkötter, Chairman of the Supervisory Board

The Management Board of PAION AG

Dr. James Phillips, Chairman of the Management Board

Dr. Jürgen Beck, Member of the Management Board

Abdelghani Omari, Member of the Management Board