



## PRESS RELEASE

### FILING OF IND APPLICATION FOR GGF2 IN HEART FAILURE BY PAION'S PARTNER ACORDA THERAPEUTICS TRIGGERS FIRST MILESTONE PAYMENTS

- PAION monetises US\$ 1 million from Acorda licence agreement
- First milestone payment of US\$ 500,000 received
- Second milestone payment of US\$ 500,000 triggered by IND acceptance

Aachen (Germany), 21 April 2010 – The biopharmaceutical company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange, Prime Standard: PA8) today announces that the Investigational New Drug (IND) application by its partner Acorda Therapeutics, Inc. for Glial Growth Factor 2 (GGF2) to treat heart failure (CHF) was submitted to the FDA on 19 March 2010. Acorda plans to begin clinical studies with GGF2 in heart failure patients by mid 2010. PAION has received US\$ 500,000 as a first milestone payment triggered by the IND filing and will receive a further payment of US\$ 500,000 triggered by the IND regulatory acceptance.

Acorda recently had completed preclinical studies necessary to support entry into clinical studies and had filed an IND application with the FDA. The rights for GGF2 were licensed to Acorda in 2002 by PAION UK (former CeNeS), when it was a preclinical candidate. Further milestone payments would be due based on events specified in the agreement; thereafter PAION would receive sales revenue dependent royalties.

*"We are proud that in addition to M6G and CNS 7056 PAION is now able to present another valuable project stemming from the CeNeS acquisition", said PAION CEO Dr Wolfgang Söhngen. "We wish our partner Acorda continued success with this project."*

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#### **About Glial Growth Factor (GGF2)**

Glial Growth Factor 2 (GGF2) is known to stimulate the growth and differentiation of a variety of cells including glial cells, the support cells of the nervous system. These glial cells form the myelin sheath that insulates nerve cells and is essential for their survival and proper functioning. In demyelinating diseases such as multiple sclerosis, the myelin sheath is damaged, leading to the degeneration of nerve cells. Preclinical studies performed by PAION's licensee Acorda Therapeutics, Inc. (NASDAQ: ACOR, Hawthorne, N.Y., US), have demonstrated that GGF2 can stimulate the cell growth necessary to protect and regenerate a damaged myelin sheath. GGF2 is the lead neuregulin in Acorda's portfolio. GGF2 has also been shown in preclinical studies to protect cardiomyocytes and promote the repair of tissue damage resulting from heart disease or injury. GGF2 and other neuregulins have shown the ability to restore cardiac function in preclinical models of heart failure caused by myocardial infarction, rapid pacing, viral and chemically induced cardiomyopathies.

**About PAION**

PAION is a biopharmaceutical company headquartered in Aachen, Germany and with a second site in Cambridge, UK. The company is focusing on the clinical development of drug candidates for diseases or interventions for which there is a substantial unmet medical need. PAION has a “Search & Develop” business model, which is based on its core expertise in drug development. Where appropriate, particularly during the late stages of the clinical development, PAION seeks to collaborate with experienced partners.

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